
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii livestock
2 industries consistently identify the cost of import feed as the
3 most expensive input for their operations. Hawaii's need to
4 subsidize import feed due to the lack of a local feed mill begs
5 the question of whether Hawaii can sustain the livestock
6 industry at such a scale. Even after years of local workshops
7 and research, the local feed situation has not improved. The
8 department of agriculture has identified potential feed
9 ingredients that exist in Hawaii and has initiated a feed
10 development process to identify, assess, and validate available
11 local feed ingredients.

12 SECTION 2. Chapter 155D, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§155D- Grants; qualified feed developer. (a)
16 Applications for grants submitted by qualified feed developers
17 shall be submitted on a form furnished by the department and



1 shall be filed with accompanying documentation of feed
2 development costs; provided that:

3 (1) The applicant shall comply with applicable federal and
4 state laws prohibiting discrimination against any
5 person on the basis of race, color, national origin,
6 religion, creed, sex, age, sexual orientation, or
7 disability;

8 (2) The applicant shall have applied for or received any
9 applicable licenses or permits;

10 (3) The applicant shall indemnify and hold harmless the
11 State and its officers, agents, and employees from all
12 claims arising out of or resulting from the feed sold;
13 and

14 (4) The grant shall not exceed a total of \$200,000 per
15 qualified feed developer per year.

16 (b) The department shall:

17 (1) Define "feed development costs" for the purposes of
18 this section; and

19 (2) Determine whether the definition of "feed development
20 costs" shall include the cost of transporting feed
21 equipment to the State.



1 (c) Documentation of animal feed development costs, as
2 requested by the department, shall be filed for feed developed
3 within the immediately preceding fiscal quarter of filing and
4 shall be effective for feed development costs incurred after
5 June 30, 2015.

6 (d) The applicant shall submit a quarterly financial
7 statement of farm revenues and expenses along with other
8 supporting documents as deemed necessary by the department and
9 filed with the documentation of the feed development costs. An
10 annual financial statement shall be filed with the department
11 within ninety days following the close of the business' fiscal
12 year after June 28, 2015, for final reconciliation of any
13 reimbursement paid during the previous three quarters within the
14 fiscal year. The financial statements shall be certified as
15 accurate by the applicant and the preparer of the financial
16 statement on forms prepared by the department.

17 (e) Funds shall be disbursed upon approval by the
18 department to the qualified feed developer for up to fifty per
19 cent of the feed development costs incurred.

20 (f) In no case shall costs be reimbursed to a qualified
21 feed developer when, after evaluation and verification by the



1 department, the department determines that the amount of
2 reimbursement will result in an annual profit of more than ten
3 per cent.

4 (g) The department shall quarterly aggregate the total
5 grant claims pursuant to this section and divide and disburse
6 the available grant funds on a pro rata basis."

7 SECTION 3. Section 155D-1, Hawaii Revised Statutes, is
8 amended by adding a new definition to be appropriately inserted
9 and to read as follows:

10 "Qualified feed developer" means any person that, at the
11 time of application for and disbursement of funds under this
12 chapter, is in the business of cultivating feed crops."

13 SECTION 4. Section 155D-2, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) Applications for grants by qualified producers shall
16 be submitted on a form furnished by the department and shall be
17 filed with accompanying documentation of animal feed costs;
18 provided that:

19 (1) The applicant shall comply with applicable federal and
20 state laws prohibiting discrimination against any
21 person on the basis of race, color, national origin,



- 1 religion, creed, sex, age, sexual orientation, or
- 2 disability;
- 3 (2) The applicant shall have applied for or received all
- 4 applicable licenses or permits;
- 5 (3) The applicant shall indemnify and hold harmless the
- 6 State and its officers, agents, and employees from all
- 7 claims arising out of or resulting from the feed
- 8 purchased;
- 9 (4) The subsidy shall not be allowed within a fiscal
- 10 quarter if the flock or herd size or, in the case of
- 11 fish or crustaceans, sale weight, falls five per cent
- 12 or more below the required minimum of:
 - 13 (A) Thirty birds;
 - 14 (B) Ten cows;
 - 15 (C) Ten sows in any two months of the applicable
 - 16 fiscal quarter;
 - 17 (D) Twenty finished beef cattle annually;
 - 18 (E) Twenty-five lactating milking goats;
 - 19 (F) Thirty sheep, lambs, or goats raised for meat
 - 20 annually; or



1 (G) Sales of five hundred pounds of fish or
2 crustaceans in the applicable fiscal quarter;
3 [and]

4 (5) The grant shall not exceed a total of \$200,000 per
5 qualified feed producer per year; and

6 [~~5~~] (6) The department may request an applicant to
7 provide necessary information for the purposes of
8 verifying flock or herd size or sale weight, as
9 applicable, and feed purchases."

10 SECTION 5. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2015-2016 and
13 the same sum or so much thereof as may be necessary for fiscal
14 year 2016-2017 for the livestock revitalization program of the
15 department of agriculture that shall be allocated as follows:

16 (1) \$ to reimburse qualified producers of milk,
17 pork, eggs, poultry, beef, sheep, lamb, goats, and
18 seafood, for the cost of feed for beef cattle, dairy
19 cows or milking goats, goats raised for meat, sheep,
20 hogs, fish, crustaceans, and poultry; and



1 (2) \$ to reimburse qualified feed developers for
2 the costs of development of feed for sale.

3 The sums appropriated shall be expended by the department
4 of agriculture for the purposes of this Act.

5 SECTION 6. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2015-2016 and
8 the same sum or so much thereof as may be necessary for fiscal
9 year 2016-2017 for the department of agriculture to identify,
10 assess, and validate locally sourced feed ingredients.

11 The sums appropriated shall be expended by the department
12 of agriculture for the purposes of this Act.

13 SECTION 7. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 8. This Act shall take effect on July 1, 2050.



S.B. NO. 382
S.D. 2

Report Title:

Qualified Feed Developer Grants; Livestock Revitalization
Program; Appropriation

Description:

Establishes within the livestock revitalization program a grant
program for qualified feed developers. Appropriates funds.
Effective 7/1/2050. (SD2)

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not legislation or evidence of legislative intent.*

