

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

February 26, 2015
1:30 P.M.
CONFERENCE ROOM 308

HOUSE BILL NO. 508 HD 1
RELATING TO AGRICULTURE

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 508, HD 1. The bill proposes to establish a grant program for qualified feed developers within the Livestock Revitalization Program. The department supports this bill provided it does not adversely impact the priorities in the Administration's budget.

The department has initiated a feed development process to identify, assess, and validate available local feed ingredients. The goal of the department is to reduce the cost of production for our local livestock and aquaculture industries through lowering the cost of feed. A portion of the appropriation will allow the department to continue with the feed development identification, assessment and validation process.

For consistency purposes, we are requesting the following technical amendments:

1. Page 2, lines 17 to 18, the term "feed development costs" be replaced with "cost of goods sold".
2. Page 3, lines 16 and 21, the term "feed development costs" be replaced with "cost of goods sold".



Thank you for the opportunity to testify on this measure.



February 23, 2015

Representative Sylvia J. Luke, Chair
Representative Scott Y. Nishimoto, Vice-Chair
House Committee on Finance

Testimony in Support of HB 508, HD1, Relating to Agriculture (Establishes Within the Livestock Revitalization Program of the Department of Agriculture, a Program to Provide Grants to Qualified Feed Developers.)

Thursday, February 26, 2015, 1:30 p.m., in Conference Room 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide testimony **in support of HB 508, HD1**, and to offer comments.

HB 508, HD1. As an advocate for the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands in Hawaii, LURF supports this measure which seeks to help revitalize the State's livestock industries by establishing within the Department of Agriculture's Livestock Revitalization Program, a program to provide grants to qualified feed developers.

LURF's Position. LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider such measures critical to the conduct of their operations and to help sustain their businesses. These land owners and agricultural stakeholders believe HB 508, HD1 and the ensuing establishment of such a grant program will greatly assist with feed costs which have been a contributing factor to the decline of the State's livestock industry.

As this Committee may already be aware, Hawaii's livestock industry faces numerous challenges, one if not the greatest being the unsustainable availability and cost of feed for livestock production. Most local dairies and egg and poultry

farms have already gone out of business or are currently threatened with closure due to rising production (mainly feed) costs. This measure will assist in continuing to make locally produced milk, eggs, beef, pork, poultry and other products available to Hawaii residents, and will help revitalize the State's declining livestock industry.

Decreased or limited livestock production increases the State's reliance on the importation of food and threatens the State's food security. As potential issues relating to public health, and food safety and security continue to be a significant concern, LURF and its members appreciate this measure being taken to assist agricultural stakeholders.

For the reasons stated above, LURF is **in support of HB 508, HD1**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony in support of this measure.

finance8-Melanie

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2015 8:48 PM
To: FINTestimony
Cc: warrenmcfb@gmail.com
Subject: *Submitted testimony for HB508 on Feb 26, 2015 13:30PM*

HB508

Submitted on: 2/24/2015

Testimony for FIN on Feb 26, 2015 13:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Maui County Farm Bureau	Support	No

Comments:

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Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony in Support of HB508, Relating to Agriculture

Establishes within the Livestock Revitalization Program a grant program for qualified feed developers. Appropriates funds for the Feed Developer Grant Program, reimbursements to qualified producers for feed cost, and a survey of local feed ingredient sources.

Aloha Chair and committee members,

I am Kirby Kester, President of the Hawaii Crop Improvement Association (HCIA). HCIA is a Hawaii-based non-profit organization that promotes ag biotech to help farmers and communities succeed.

HCIA Supports HB508

High feed costs are extremely inhibitive to Hawaii's livestock, poultry, pork, and aquaculture industries. Our industry strongly supports local feed production efforts and has vested numerous studies on it. There are some successful models functioning today, however, it is just a small fraction of the demand. The solutions to producing local feed are not easy and this bill is a good step in the right direction in providing viable, local, feed sources.

Thank You for the opportunity to submit testimony in support of this measure.

HCIA 2014-2016 Board of Directors

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February 26, 2015

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 508 HD 1
RELATING TO AGRICULTURE

Room 308
1:30 PM

Aloha Chair Luke, Vice Chair Nishimoto and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFB is in strong support of HB 508 HD 1, which provides funds to allow qualified beef cattle, dairy, hog, poultry, goat, sheep, fish, and crustacean farms to apply for funds for their farms' feed expenses. It also establishes a program to provide grants for livestock feed developers.

Hawaii's livestock industry faces numerous challenges. One of their biggest challenges is the rising cost of feed for livestock production. These costs have been a contributing factor to the decline of the state's livestock industry.

In 2007, there were 5 dairies and 6 egg farms in Hawaii. Since then, 3 of those dairies and 4 off those egg farms have gone out of business. The remaining egg farms and another dairy are currently threatened with closure, due to rising production costs, primarily the cost of feed.

HB 508 HD 1 will help keep fresh, locally produced milk, eggs, beef, pork, poultry, sheep, lamb, fish and crustaceans available to the residents of Hawaii and will help to revitalize our dwindling livestock industry. A decrease or absence of livestock production increases the State's reliance on the importation of food and threatens the State's food security.

Thank you for the opportunity to comment on this measure.



Email: communications@uluponoinitiative.com

HOUSE COMMITTEE ON FINANCE
Thursday, February 26, 2015 — 1:30 p.m. — Room 308

Ulupono Initiative Strongly Supports HB 508 HD 1, Relating to Agriculture

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Kyle Datta and I am general partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono strongly supports HB 508 HD 1, which provides grants to qualified feed developers via the Department of Agriculture's Livestock Revitalization Program. Feed costs for livestock production in Hawai'i can comprise 70 percent of production cost, and our concern is that we need to keep our livestock producers in business. We anticipate through grass-fed initiatives and feed research, that the agricultural sector will be able to affordably produce its own feed within a few years. We cannot afford to lose our people – our ranchers, aquaculture and poultry farmers. While the industry works to create more homegrown feed, the subsidy is needed to help sustain the industry.

Furthermore, after conducting an analysis on the provisions for this bill, we believe it will help feed development research by Hawai'i Pacific University, the University of Hawai'i and other universities, as well as for businesses that raise animals that are currently under development.

We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner

Investing in a Sustainable Hawai'i

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2015 11:04 AM
To: FINTestimony
Cc: gottlieb@hawaii.rr.com
Subject: *Submitted testimony for HB508 on Feb 26, 2015 13:30PM*

HB508

Submitted on: 2/24/2015

Testimony for FIN on Feb 26, 2015 13:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Hawaii Cattlemen's Council	Support	No

Comments:

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finance8-Melanie

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To: FINTestimony
Cc: swhalen@harc-hspa.com
Subject: *Submitted testimony for HB508 on Feb 26, 2015 13:30PM*

HB508

Submitted on: 2/24/2015

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Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie A Whalen	Individual	Support	No

Comments:

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finance8-Melanie

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2015 11:51 PM
To: FINTestimony
Cc: amybrinker@mac.com
Subject: *Submitted testimony for HB508 on Feb 26, 2015 13:30PM*

HB508

Submitted on: 2/24/2015

Testimony for FIN on Feb 26, 2015 13:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

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Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Mark Phillipson, Corporate Affairs Lead for Syngenta Hawaii.

Syngenta Hawaii strongly supports HB 508, which provides grants to qualified feed developers via the Department of Agriculture's Livestock Revitalization Program.

Feed costs for livestock production in Hawai'i represent a tremendous barrier to sustaining livestock production and dairy farming in our state and can make up as much as 70 percent of production cost, Syngenta Hawaii would like to see a sustainable livestock and dairy business in our state. Syngenta and other companies are working hard to develop crops that are more affordable to dairy farmers and ranchers and produce greater yield for the investment. We believe developments in this area will enable these sectors of the agriculture industry to affordably produce their own feed within a few years.

In the meantime, we need to support farmers and ranchers, as they work to produce a sufficient amount of homegrown feed. And until that time, which is fast approaching, the subsidy is needed to help keep the industry moving forward.

This bill will also support the work being done at our institutions of higher learning in the area of feed development. For those who truly want locally produced food, and we do, this bill is a big step in the right direction.

Thank you for the opportunity to testify in support of this bill.