

**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 AGRICULTURE**

**FEBRUARY 15, 2017**  
**8:40 A.M.**  
**CONFERENCE ROOM 312**

**HOUSE BILL NO. 483**  
**RELATING TO AGRICULTURE**

Chairperson Creagan and Members of the Committee:

Thank for the opportunity to testify on House Bill 483, which proposes to appropriate funds for feed developers and reimbursements to qualified producers for feed costs. The department supports this bill.

The department is currently accepting applications from feed developers for the cost of development of feed for sale to qualified producers and from qualified producers of milk, pork, eggs, poultry, beef, sheep, lamb, goats, and seafood for feed costs incurred for fiscal year 2016-2017.

To make it consistent with subsection 155D-2 (b), pertaining to the feed reimbursement for a qualified producer, the department is respectfully requesting that subsection 155D-2.5 (b) be amended to remove the effective date referencing the July 1, 2017 date for feed development costs incurred.

Thank you for the opportunity to testify on this measure.



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 6:23 PM  
**To:** AGRtestimony  
**Cc:** cathyg@animalrightshawaii.org  
**Subject:** Submitted testimony for HB483 on Feb 15, 2017 08:40AM

**HB483**

Submitted on: 2/13/2017

Testimony for AGR on Feb 15, 2017 08:40AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cathy Goeggel	Animal Rights Hawai'i	Oppose	No

Comments: Until and unless feral/community/outside cats are removed in the wording of the bill as invasive, we oppose!

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 9:01 AM  
**To:** AGRtestimony  
**Cc:** alan@prloffice.com  
**Subject:** \*Submitted testimony for HB483 on Feb 15, 2017 08:40AM\*

**HB483**

Submitted on: 2/13/2017

Testimony for AGR on Feb 15, 2017 08:40AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan Gottlieb	Ponoholo Ranch Limited	Support	No

Comments:

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February 15, 2017

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 453**  
RELATING TO AGRICULTURE

Room 312  
8:40 AM

Aloha Chair Creagan, Vice Chair DeCoite, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

**HFB supports HB 453**, which requires DOA to provide grants to farmers to assist them in paying for the costs of compliance with the FDA Food Safety Modernization Act and state food safety laws.

HFB appreciates the support by the legislature in our past efforts to help Hawaii's farmers achieve compliance with the FDA Food Safety and Modernization Act. As the actual rule has been rolled out by FDA the immensity of the task is becoming evident.

Foodborne illnesses can be serious and we should seek ways to reduce the risk. This bill will provide that assistance to our farmers for the costs they will incur to become food safety compliant.

The many criteria associated with FSMA to be compliant should not be an impediment for safe food. Hawaii cannot afford to further lose farmers as we strive to increase local food production. We want to incentivize our farmers' ability to continue their operations and provide Hawaii with abundant safe food.

Hawaii Farm Bureau respectfully requests your **strong support of HB 453** which will assist farmers with expenses to become compliant with the Food Safety Modernization Act.

Thank you for the opportunity to testify on this measure.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 6:30 PM  
**To:** AGRtestimony  
**Cc:** warrenmcfb@gmail.com  
**Subject:** \*Submitted testimony for HB483 on Feb 15, 2017 08:40AM\*

**HB483**

Submitted on: 2/13/2017

Testimony for AGR on Feb 15, 2017 08:40AM in Conference Room 312

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

Comments:

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Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON AGRICULTURE  
Wednesday, February 15, 2017 — 8:40 a.m. — Room 312

**Ulupono Initiative Strongly Supports HB 483 with Amendments, Relating to Agriculture**

Dear Chair Creagan, Vice Chair DeCoite, and Members of the Committee:

My name is Kyle Datta and I am General Partner of 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 produced food; increase affordable, clean, renewable energy; and reduce waste. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono strongly supports HB 483**, which provides grants to qualified feed developers via the Department of Agriculture's Livestock Revitalization Program, because it aligns with our goal of creating more locally produced food.

Feed is the single largest cost of any animal agriculture operation and currently all feed in Hawai'i is imported from mainland feed manufacturers such as Cargill, Land O'Lakes feed, Nutreco, and Ewos. 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.

This chart shows an estimated range of costs for feed:

Feed Type	Ingredient Cost per Ton	Need Protein Supplement Add?	Shipping Cost to Hawai'i per Ton	Total Cost per Ton
Shrimp	\$2,500	No	+\$200	\$2,700
Tilapia	\$1,700	No	+\$200	\$1,900
Pig (Babies)	\$800	No	+\$200	\$1,000
Pig (Mature)	\$500	No	+\$200	\$700
Cargill Protein	\$720	No	+\$200	\$920
Soybean Meal	\$400	Yes	+\$200	\$600 + Protein Supplement

*Investing in a Sustainable Hawai'i*

Alfalfa	\$250	Yes	+\$200	\$450 + Protein Supplement
Corn	\$200	Yes	+\$200	\$400 + Protein Supplement

High feed costs have directly caused the demise of the local chicken broiler industry, and now threaten the established chicken egg layer, pork, dairy, and beef cattle sectors, as well as the growing aquaculture industry in Hawai‘i. Rising ingredient prices and demand for scarce supplies have led to the evaluation and development of alternative ingredients worldwide, especially in aquaculture, where fishmeal and fish oil are in increasingly short supply.

Currently, there are no companies producing feeds at a commercial scale in Hawai‘i. Commercial-scale trials are necessary to test the economic feasibility of locally produced feeds. If locally produced feeds can be economically viable for both producers and consumers of the feeds, it is hoped that a full commercial-scale feed industry (20,000 to 100,000 ton per year) can be re-established in Hawai‘i. We also know that there is already significant agricultural waste in the existing system. The larger scale by-products include fishery waste, vegetable/fruit waste, mill run, and glycerin. Collectively, these could already be the basis for current animals feeds once research and a mill is operational. Such an effort would have to coincide with the revitalization of livestock producers (i.e., poultry, beef, hogs, dairy and seafood), as well as the expansion of feed ingredient suppliers (i.e., biofuels, corn, cover crops, and processing waste).

Investing in the development of a local feed source removes a major bottleneck for the livestock industry in Hawai‘i. If it is possible to produce a 100% local feed, the cost of feed to livestock producers could decrease by 12% for aquatic feeds and as much as 29% for terrestrial feeds. Additional gains could be made if locally sourced ingredients were also available at a discount to conventional mainland ingredients.

We believe through grass-fed initiatives and feed research, that the agricultural sector will be able to affordably produce its own feed. We cannot afford to lose local food producers like ranchers, aquaculture farmers, and poultry farmers. While the industry works to create more homegrown feed, the subsidy is needed to help sustain the industry. The long-term effect for developing a homegrown feed industry would greatly assist our local farmers and ranchers to improve profitability by reducing one of their main expenses.

However, the language as written makes it unclear whether these funds could be used for “feed research.” We propose on page 2, line 5, the words “and/or research”, after the word “development.” We also propose on page 2, line 18, the words “and/or to reimburse qualified feed research for the costs of developing local feed sources”, after the word “producers.” Since there are no local feed mill operations in Hawai‘i at the present time, we feel that funds appropriated under this bill should be allowed for identifying, assessing, and validating local feed ingredients while also continuing to subsidize feed costs for our local



farmers and ranchers.

As Hawai'i's local food issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production.

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

Respectfully,

Kyle Datta  
General Partner



**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 14, 2017 4:16 PM  
**To:** AGRtestimony  
**Cc:** wfanonsen@gmail.com  
**Subject:** \*Submitted testimony for HB483 on Feb 15, 2017 08:40AM\*

**HB483**

Submitted on: 2/14/2017  
Testimony for AGR on Feb 15, 2017 08:40AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
George Pritchard	Clean Energy Solutions	Support	No

Comments:

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February 15, 2017

**COMMITTEE ON AGRICULTURE**

Rep. Richard P. Creagan, Chair; Rep. Lynn DeCoite, Vice Chair; and Committee Members  
Public Hearing, February 15, 2017 at 8:40 a.m. – 11:55 a.m., Conference Room 312

**TESTIMONY of WILLIAM F. ANONSEN  
MANAGING PARTNER/PRINCIPAL of THE MARITIME GROUP, LLC  
IN SUPPORT of H.B. 483 (AGRICULTURE – FEED DEVELOPMENT PROGRAM)**

My name is William Anonsen and I am the Managing Partner/Principal of THE MARITIME GROUP, LLC. We are in strong support of HB 483 which would provide appropriate funds to the Department of Agriculture for the feed developer grant program and reimbursements to qualified producers for feed costs.

Hawaii's cattle industry continue to suffer from many constraints; to include the high cost of imported feed, limited suitable grazing lands, expensive shipping costs, coupled in recent years with multiyear droughts which has contributed to the shrinking of herds by 30% state wide. For many years, the vast majority of calves born in Hawaii have been shipped to feedlots on the mainland, where they are matured, and then slaughtered, with the processed beef being shipped back to Hawaii.

Hawaii ranches give birth to about 40,000 calves each year, with only 4,000 cows slaughtered in Hawaii. We import over 90% of our beef and 80% of our milk consumption, which significantly contributes to our State's significant reliance on out-of-state food sourcing, contributing to increased cost to our ranchers and farmers and puts at risk food shortages in the event of a natural disaster, service disruption and other external factors that are beyond the State's control.

We are pleased to see the proactive collaboration of Hawaii's cattle industry who are aggressively seeking to increase the number of cattle herds in Hawaii. The industry is to be commended for its cooperative efforts to adapt to changing market conditions and to find cost effective and operational efficiencies that will permit the industry to grow to meet the local beef market with local raised and slaughtered herds that contribute to Hawaii's sustainability.

We commend this committee and the legislature for introducing this bill in an effort to work to find solutions that will most appropriately and timely, further address this local sustainability and economic issue in Hawaii.

**Mahalo for the opportunity to comment in support of this measure.**

*Sincerely,*

*William F. Anonsen*

*William F. Anonsen*

*Managing Partner/Principal*

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 14, 2017 6:27 PM  
**To:** AGRtestimony  
**Cc:** director@bettercropshawaii.com  
**Subject:** \*Submitted testimony for HB483 on Feb 15, 2017 08:40AM\*



**HB483**

Submitted on: 2/14/2017

Testimony for AGR on Feb 15, 2017 08:40AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
BENNETTE MISALUCHA	Hawaii Crop Improvement Association	Support	No

**Comments:**

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