

SB 1205

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 SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

FEBRUARY 13, 2017
1:15 P.M.
CONFERENCE ROOM 224

SENATE BILL NO. 1205
RELATING TO AGRICULTURE

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1205. This bill establishes a reimbursement transportation cost payment program (RTCP) in the Department of Agriculture for qualified “geographically disadvantaged” farmers and rancher with a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity. This program is not available to farmers and ranchers who ship their products to Oahu, and available to farmers and ranchers on all islands who export their eligible commodities out of the State. There is an appropriation in FY 2017-18 and the same sum or greater in FY 2018-19 to issue reimbursements. There are no provisions for hiring of personnel or development of program rules. The Department of Agriculture supports the intent but is very concerned about establishing a new program without personnel resources with the requisite program development and management expertise.

The RTCP program proposed in this bill partly duplicates the federal RTCP that is currently administered by the USDA Farm Service Agency (FSA) under a provision in the 2014 Farm Bill. Hawaii FSA personnel anticipate that the Program will not be extended into the 2019 Farm Bill. For 2015, there were 410 individual farmer applications for RTCP reimbursement in the State of Hawaii that were issued a net of



Page 2

\$886,000 in partial reimbursement of transportation costs payments. The administration of this program is shared by FSA offices located in each county. FSA program managers are experiencing problems with questionable claims for reimbursement resulting from overly broad eligibility provisions.

Thank you for the opportunity to comment on this measure.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair
Senator Gil Riviere, Vice Chair

DATE: Monday, February 13, 2017
TIME: 1:15 p.m.
PLACE: Conference Room 224

SB 1205 – RELATING TO AGRICULTURE.

Establishes a reimbursement transportation cost payment program within the DOA for geographically disadvantaged farmers and ranchers to reimburse eligible producers with a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity. Appropriates funds to the DOA for the program.

Chair Gabbard, Vice Chair Riviere, and Members of the Committee:

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the four county level Cattlemen's Associations. Our 150+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **supports with amendments** SB 1205 as this bill would provide the ability to defray the high costs of shipping agricultural goods interisland.

The ability to transport cattle and beef has been a mainstay of our industry, and as our industry expands, this needs becomes even more critical. With very thin margins, our industry relies heavily in managing the input costs associated with production of cattle and transporting both cattle from pasture to plant and high-quality beef to consumers on the neighbor islands.

This effort would provide producers with much needed relief in transportation. The ability to develop a program like this would provide our industry and other ag industries a way to help provide more stability to their operations.

We do ask that Livestock in this bill be changed to reflect the following:

(7) Livestock, including **but not limited to:** elk, reindeer, bison, horses, and deer.

We ask the committee to pass this legislation and we appreciate the opportunity to testify on this important matter.



From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 7:26 PM
To: AEN Testimony
Cc: cmanfredi@kaufarmandranch.com
Subject: *Submitted testimony for SB1205 on Feb 13, 2017 13:15PM*

SB1205

Submitted on: 2/9/2017

Testimony for AEN on Feb 13, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Manfredi	Hawaii Coffee Association	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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OUR MISSION

HCIA is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices and build a healthy economy.

TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

In Support of SB 1205

Relating to Agriculture

Establishes a state reimbursement transportation cost payment program for farmers and ranchers

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

February 13, 2017, 1:15 p.m.

Conference Room 224

Chair Gabbard and members of the committee:

The Hawaii Crop Improvement Association (HCIA) is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.

HCIA **supports SB1205**, which establishes a state transportation reimbursement grant matching program for farmers and ranchers.

Fuel costs are a constant variable that affects transportation expenses of Hawaii's farmers and ranchers. Island ranchers are especially impacted by transportation costs as they rely on both trucking and ocean transport to ship their cattle between islands, as well as for exporting out of state.

This program will match the federal transportation reimbursement program, providing farmers further incentive to offset their transportation costs. With this assistance, local farmers and ranchers will be able to compete and remain viable in the global marketplace.

We encourage the committee to pass SB1205. Thank you for your consideration of our comments.

Respectfully submitted,

Bennette Misalucha
Executive Director

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 11:17 AM
To: AEN Testimony
Cc: alan@prloffice.com
Subject: Submitted testimony for SB1205 on Feb 13, 2017 13:15PM

SB1205

Submitted on: 2/7/2017

Testimony for AEN on Feb 13, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Ponoholo Ranch Limited	Support	No

Comments: SUPPORT WITH PROPOSED AMMENDMENTS: Livestock in this bill is defined as: (7) Livestock, including elk, reindeer, bison, horses, and deer. We would like this definition to include: Cattle, goats, Sheep, or to change the line above to say: (7) Livestock, including but not limited to: elk, reindeer, bison, horses, and deer.

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**LARRY JEFTS FARMS, LLC
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SB 1205, Relating to Agriculture
Senate AEN Committee
Monday, February 13, 2017
1:15 pm
Conference Room 224

Testimony by: Larry Jeffs
Position: Support

Chair Gabbard, and Members of the Senate AEN Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director for the West Oahu Soil and Water Conservation District (SWCD).

SB 1205 recognizes the challenges that Neighbor Island agricultural producers face in getting products to market on Oahu and provides a proposed solution for goods to Oahu as well as for inputs to the Neighbor Island.

Thank you for the opportunity to present testimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 5:16 PM
To: AEN Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB1205 on Feb 13, 2017 13:15PM*

SB1205

Submitted on: 1/30/2017

Testimony for AEN on Feb 13, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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e-mail info@hfbf.org; www.hfbf.org

February 13, 2017

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 1205
RELATING TO AGRICULTURE

Room 224
1:15 PM

Aloha Chair Gabbard, Vice Chair Riviere, 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 SB 1205, which establishes a reimbursement transportation cost payment program within the DOA for geographically disadvantaged farmers and ranchers to reimburse eligible producers with a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity.

Interisland transportation has been a major issue with neighbor island farmers. The majority of agricultural lands are in the neighbor islands yet the population center is on Oahu. Neighbor island farmers are disadvantaged when competing with fellow farmers on Oahu due to additional transportation costs of bringing in supplies and sending product out. Each increase in interisland shipping rates means increased costs to these farmers and ranchers, costs that usually cannot be passed on to the vendor. This bill seeks to level the playing field by providing assistance to these farmers and ranchers.

Hawaii's livestock industry faces numerous challenges. These challenges have been a contributing factor to the decline of the state's livestock industry. Sustainability, self-sufficiency and growing agriculture are popular concepts seen in many of the measures before the legislature this year. This Legislative Session, there have been many bills introduced that support of Hawaii's agricultural Industry.

Our ranchers are struggling with the high cost of their operations. This measure also provides a reimbursement for transportation costs to assist Hawaii's livestock and aquaculture industries that export.

We believe that this program will help to reduce the operating costs for our neighbor island farmers and ranchers and eventually help reduce the cost of purchasing local agriculture products for local consumers.

Thank you for the opportunity to testify on this measure.