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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.



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Senator Mike Gabbard
Chair, Senate Committee on Agriculture & Environment
Hawaii State Capitol, Room 201
Honolulu, HI 96813

Senator Gabbard:

We are writing in strong support of SB1205, Relating to Agriculture.

SB1205 provides farmers and ranchers a partial reimbursement of transportation costs associated with shipping agricultural products interisland.

Hawaii ranchers manage close to one million acres of grasslands across the state, much of which is considered marginal cropland (i.e. cannot be cultivated for other crops). Livestock are an effective tool to maintain open spaces and stem the growth and spread of invasive species. As a result, livestock operations can be found in every corner of the island chain.

In November of last year, Kunoa closed on the purchase of the state's largest meat packing plant in Kapolei, which is a state-owned leasehold, and we are in the process of performing significant upgrades. In addition to processing our own livestock from our ranch on Kauai, we provide processing services to other livestock producers and meat companies, allowing them to deliver more local products to local markets.

Shipping cattle to Oahu from the neighbor islands can be expensive; in fact, transportation costs can reach 20% of the value of an animal upon delivery at our facility. A reimbursement program like SB1205 would facilitate more interisland shipment and more local food production.

We appreciate your support for Hawaii agriculture.

Robert J. Farias, Jr. & Jack Beuttell
Kunoa Cattle Company