

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

DEPT. COMM. NO. 139
MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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November 28, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-first State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-first State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report on Compost Reimbursement Program as required by Act 89, Session Laws of Hawaii 2018. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <https://hdoa.hawaii.gov/meetings-reports/legislative-reports/>.

Sincerely,

A handwritten signature in cursive script that reads "Phyllis Shimabukuro-Geiser".

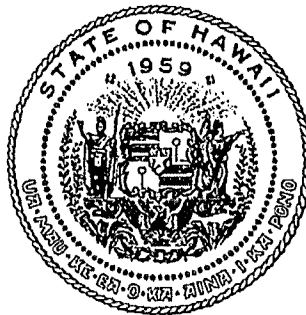
Phyllis Shimabukuro-Geiser
Chairperson, Hawaii Board of Agriculture

Enclosures



**REPORT TO THE THIRTY-FIRST LEGISLATURE
2021 REGULAR SESSION
STATE OF HAWAII**

**REPORT ON THE COMPOST REIMBURSEMENT PROGRAM
IN RESPONSE TO ACT 89, SESSION LAWS OF HAWAII 2018**



Prepared by:

**THE STATE OF HAWAII
DEPARTMENT OF AGRICULTURE**

AUGUST 2021

Background

Act 89 Session Laws of Hawaii 2018 appropriates moneys to the Department of Agriculture to establish and implement a compost reimbursement pilot program to assist farmers and ranchers in the State with affordable compost material.

The Department is tasked with establishing and implementing a three-year compost reimbursement pilot program to provide cost reimbursement to farming operations to assist in meeting the costs of acquiring compost purchased from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State. There is appropriated the sum of \$1,000,000 to implement the program. Any unencumbered funds as of June 30, 2020 shall lapse.

Context of Compost as an Agriculture Best Practice

Composting is a key component of sustainable regenerative agriculture practices and its practice has a positive impact on soil health and biodiversity. The Institute for Sustainable Development at the California State University at Chico defines regenerative agriculture as:

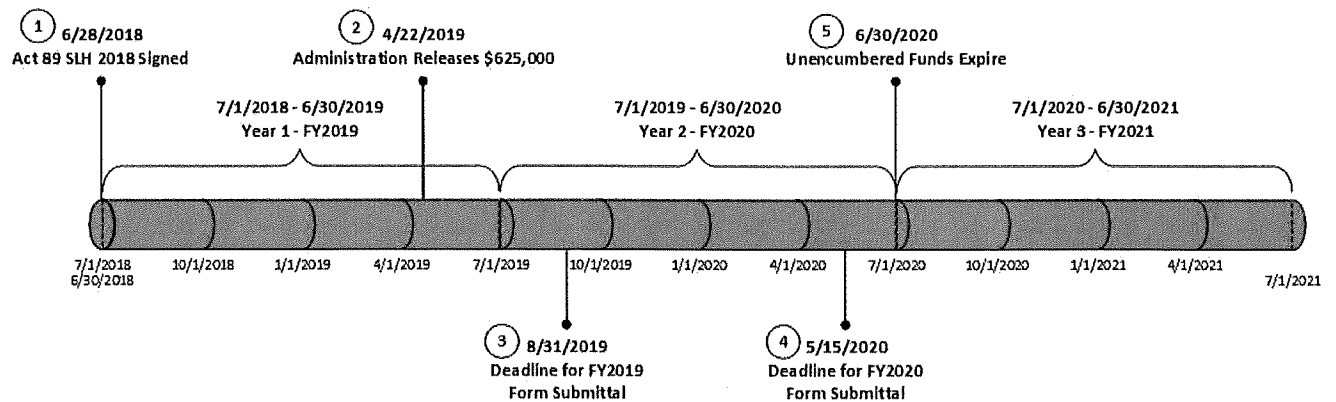
Regenerative agriculture is a holistic land management practice that leverages the power of photosynthesis in plants to close the carbon cycle, and build soil health, crop resilience and nutrient density. Regenerative agriculture improves soil health, primarily through the practices that increase soil organic matter. This not only aids in increasing soil biota diversity and health but increases biodiversity both above and below the soil surface, while increasing both water holding capacity and sequestering carbon at greater depths, thus drawing down climate-damaging levels of atmospheric CO₂ and improving soil structure to reverse civilization-threatening human-caused soil loss.

There are several foundational regenerative agriculture practices and composting fits into the category focusing on soil fertility. From the same CSU Chico report:

*Soil fertility is increased in regenerative systems biologically through application of cover crops, crop rotations, **compost**, and animal manures, which restore the plant/soil microbiome to promote liberation, transfer, and cycling of essential soil nutrients.*

Compost Reimbursement Pilot Program

The timeline below reflects the five significant milestones in the Compost Reimbursement Program.



1. Act 89 (HB1577 HD1 SD2 CD1) signed by the Governor which appropriated \$1M for the program.
2. The Governor approved the release of \$650,000 in General Funds.
3. Deadline for Year 1 reimbursement requests which were compiled, verified for accuracy, and processed for payment. \$153,248.39 was disbursed to 22 companies.
4. Deadline for Year 2 reimbursement requests. HDOA was unable to reimburse for the entire FY2020 due to the program funds expiring on 6/30/20 and processing time was required. \$237,386.86 was disbursed to 52 companies.
5. Unencumbered funds expired - \$259,364.75 was returned to the General Fund.

The reimbursement breakdown by island is detailed below:

Island	FY2019	FY2020	Total
Big Island	\$5,000.00	\$22,438.71	\$27,438.71
Kauai	\$700.00	\$6,500.79	\$7,200.79
Lanai		\$2,392.94	\$2,392.94
Maui	\$16,574.19	\$16,792.78	\$33,366.97
Molokai		\$918.33	\$918.33
Oahu	\$130,974.20	\$188,343.31	\$319,317.51
Total	\$153,248.39	\$237,386.86	\$390,635.25

Conclusions

The Compost Reimbursement Program was very popular with the local farmers. The amount and number of companies who received funds increased over the two years and it is highly probable that this trend would have continued in the third year if the funds were available.