

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

MONDAY, FEBRUARY 3, 2025
1:02 PM
CONFERENCE ROOM 224

SENATE BILL NO. 504
RELATING TO AGRICULTURE

Chair Gabbard, Vice Chair Richards and Members of the Committee

Thank you for the opportunity to testify on Senate Bill 504. This bill seeks to establish a local agriculture transportation cost reimbursement program within the Department of Agriculture (Department).

The Department fully supports this measure, which aims to ensure that local agricultural producers, including those in livestock and fresh produce of essential commodities, receive adequate financial assistance. This support is intended to help offset the high costs of transporting goods to market and acquiring necessary supplies.

Furthermore, the Department appreciates the Legislature's support in this bill to establish and fund one full-time equivalent position dedicated to administering the proposed reimbursement program.

Thank you for the opportunity to testify on this measure.



RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



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COUNTY OF MAUI
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TO: Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards III, Vice Chair
Committee on Agriculture and Environment

FROM: Richard T. Bissen, Jr., Mayor
Rogerene Arce, Director of Agriculture

DATE: February 1, 2025

SUBJECT: **SUPPORT OF SB504, RELATING TO AGRICULTURE**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. This act establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies, under certain conditions and establishes a position to administer the Program.

We **SUPPORT** this measure for the following reasons:

1. This bill is a step towards assisting our farmers and ranchers businesses financially and economically, during a time that we need to significantly increase our overall food production across Hawai'i to be more sustainable and resilient. A transportation reimbursement program can aid in addressing the undue burdens our food producers face.
2. Our multi-island county will benefit from this bill greatly. Commercially and economically, Maui, Molokai, and Lānaʻi will be better positioned for financial viability. Creating more opportunities for jobs and work force development. This bill also aims to address the financial challenges of importing/exporting agricultural goods between our County.
3. Molokai and Lānaʻi will have increased access and opportunities to larger markets and there will be more opportunities for exporting their agricultural produce and goods because of this specific investment in the transportation reimbursement program. This

bill will lead to a more sustainable and self-sufficient local agriculture industry. It also assists in diversifying our economy by investing in agriculture, which research shows has the potential to be a multi-billion dollar industry in Hawai'i.

Mahalo for your consideration.



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Aloha Chair Gabbard, Vice Chair Richards, and Members of the Senate Agriculture and Environment Committee,

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports and seeks to amend SB504.**

One of the greatest challenges our farmers and ranchers face is the high cost of transportation, particularly for those operating on the neighbor islands. Farmers across the state struggle with the cost of moving products to market, obtaining necessary supplies, and accessing agricultural services. The reimbursement program proposed in SB504 would provide much-needed financial relief to ensure that local producers remain viable, competitive, and capable of expanding operations.

However, we propose several amendments to strengthen the bill's impact and ensure equitable access to small-scale farmers, cooperative efforts, and inter-island shipping.

Recommended Amendments

Expand Eligibility to Small-Scale and Beginning Farmers, Cooperatives and Food Hubs

Currently, the bill is unclear on whether beginning farmers can access reimbursement support. HFU recommends including smallholder and beginning farmers who are actively producing food but may not yet meet gross receipt thresholds. Additionally, many farms depend on cooperatives and food hubs to reduce costs and improve market access. Including these entities will maximize program impact.

Proposed Amendment (Section 2, Subsection b):

(b) (1) Be an owner of livestock, a producer of agricultural commodities in the State, a cooperative or food hub, a beginning or small-scale farmer demonstrating commercial intent but earning below the gross receipts threshold established in subsection (3).

Establish Reimbursement Caps Per Operation

The bill currently lacks a clear reimbursement cap per operation, which could lead to a small number of large operations consuming most of the available funding. HFU supports establishing a cap per producer and entity or as a percentage of eligible costs to ensure equitable distribution of funds. As cooperative and food hubs may transport in volumes greater than most individual producers establishing benefit distributions are recommended.

Proposed Amendment (Section 2, Subsection c):

(c) The total amount of reimbursement payments disbursed pursuant to this section shall not exceed \$_____ in any

year. (1) No single producer may receive more than \$25,000 or 50% of their eligible transportation costs per fiscal year, whichever is lower.

(2) No single food hub or cooperative aggregator may receive more than \$50,000 or 50% of their eligible transportation costs per fiscal year, whichever is lower.

This amendment ensures fair access to funding and prevents large-scale operations from dominating the program, which can frustrate the growth of small and mid-size operations.

Require Annual Reporting and Program Evaluation

To assess the effectiveness of the program, HFU recommends requiring an annual report to the Legislature detailing program participation, impact, and recommendations for improvement.

Proposed Amendment (New Subsection d):

(d) The department of agriculture shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session. The report shall include:

- (1) The total number of producers reimbursed,
- (2) The total amount of funds disbursed,
- (3) Recommendations for improvements or modifications to the program.

Mahalo for the opportunity to testify.

Hunter Heavilin

Advocacy Director

Hawai'i Farmers Union



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February 3, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 504
RELATING TO AGRICULTURE

Conference Room 224 & Videoconference
1:02 PM

Aloha Chair Gabbard, Vice-Chair Richards, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 504, which establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture (DOA) to reimburse eligible ranchers and farmers for a portion of their transportation costs for livestock, livestock products, agricultural commodities, and certain supplies. This bill also establishes a position to administer the program and makes appropriations to ensure its successful implementation.

Hawai'i's position as the world's most isolated location, as well as its being a series of islands, presents a major challenge to the state's agriculture industry. Transportation options for agriculture are limited to air and sea if one wishes to move commodities off an island. This limits our farmers and rancher's ability to be competitive in the world market. Hawai'i must find ways to overcome these barriers. Transportation costs are high for both the import and export of agricultural products; inter-island shipping schedules are limited, as is cargo lift capacity out of Hawai'i.

Interisland transportation costs are increased even more for our neighbor island farmers and ranchers. The majority of agricultural lands are in the neighbor islands, yet the population center is on O'ahu. Neighbor island farmers and ranchers are disadvantaged when competing with fellow farmers and ranchers on O'ahu due to additional transportation costs of bringing in supplies and sending products out. Each increase in interisland shipping rates means increased costs to these farmers and ranchers, which usually cannot be passed on.

A Hawai'i transportation cost reimbursement program would help offset these financial challenges, making it easier for farmers and ranchers to move products to consumers, processors, and institutions efficiently. A similar model, the USDA Reimbursement Transportation Cost Payment Program (RTCP), has provided relief for geographically disadvantaged farmers and ranchers in Hawai'i, demonstrating the effectiveness of such initiatives in reducing operational costs and increasing market access. Establishing a state-level reimbursement program would further enhance support for local producers and strengthen Hawai'i's food system.

Additionally, we support establishing a dedicated position within the DOA to administer the program, ensuring that reimbursements are processed efficiently, criteria are clearly defined, and outreach is conducted to maximize participation.

Thank you for the opportunity to testify on this matter.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE AND ENVIRONMENT
Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair

SB504
RELATING TO AGRICULTURE

Monday, February 3, 2025, 1:02 PM
Conference Room 224 & Videoconference

Chair Gabbard, Vice Chair Richards, and Members of the Committee, The Hawaii Cattlemen's Council **supports SB504** which establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies, under certain conditions.

As an island state, shipping agricultural goods is necessary for many parts of the supply chain. The rising cost of transportation can be prohibitive for both new and established agricultural operations. While the Reimbursement Transportation Cost Payment Program is a welcome federal program, we have found that the producer cap is too low, so this supplemental state program is a welcome solution.

Over the past couple of years, we have asked our DC Delegates to raise the cap, and it was raised a small amount recently to \$11,200. While we were grateful for that increase, it is still not nearly enough to cover the 25% the program aims to cover.

Young Brothers just recently proposed to increase interisland shipping rates substantially. This Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture could help to alleviate the burden of the steep proposed increase.

We appreciate the opportunity to testify on this measure. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our 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 over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





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TO: Committee on Agriculture and Environment
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 3, 2025
TIME: 1:02pm

RE: SB504 Relating to Agriculture
Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Increasing local food production and access is a critical priority for our state. However, Hawaii's unique geography poses significant challenges for local food producers, particularly the high costs of interisland transportation. These costs often hinder the ability of local farmers and producers to bring their goods to market efficiently and competitively.

SB504 aims to address this issue by establishing an Local Agriculture Transportation Cost Reimbursement Program. This measure would provide much-needed financial relief to local food producers, making their goods more competitive with imported products. By reducing interisland shipping costs, this bill would:

1. **Support Local Farmers and Producers** – Alleviating transportation costs will improve farm viability and encourage increased agricultural production.
2. **Expand Market Access** – Local food producers will have greater opportunities to distribute their goods across islands, reaching more consumers and manufacturers.
3. **Promote Sustainability** – By incentivizing local food production and consumption, this bill supports the State's Aloha+ Challenge goals and bolsters Hawaii's food security.

HFIA believes this reimbursement program is a meaningful step toward building a stronger, more resilient food system in Hawaii. We respectfully urge the Committee to pass SB504.

Mahalo for the opportunity to testify, and for your continued commitment to supporting Hawaii's food producers and consumers.

SB-504

Submitted on: 2/3/2025 7:24:20 AM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan Gottlieb	Testifying for Ponoholo Ranch Limited	Support	Written Testimony Only

Comments:

Please support SB 504

SB-504

Submitted on: 2/3/2025 8:47:27 AM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Sara Moore	Testifying for KEALIA RANCH	Support	Written Testimony Only

Comments:

PLEASE SUPPORT THIS MEASURE. TRANSPORTATION COSTS FOR AGRICULTURAL PRODUCERS HAS INCREASED DRAMATICALLY AND PUTS A SERIOUS BURDEN ON REMAINING SUSTAINABLE.

**Testimony to the Senate Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair**

**Monday, February 3, at 1:02PM
Conference Room 325 & Videoconference**

RE: SB504 Relating to Agriculture

Aloha e Chair Gabbard, Vice Chair Richards, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 504 (SB504), which establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies, under certain conditions.

SB504 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for 21st Century Agriculture. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

This bill establishes the Local Agriculture Transportation Cost Reimbursement Program to help farmers, ranchers, and food producers offset high transportation costs. Through reimbursements and grants, it enhances competitiveness, sustainability, and rural economic growth. By reducing transportation barriers, the bill supports a more self-sufficient local food system. The Chamber strongly supports this measure as vital to the long-term success of Hawaii's agriculture industry.

The bill originally has language for "certain local agricultural producers, particularly those that manage livestock and produce essential commodities, receive support to offset the high costs of transporting goods to market" **to be amended to include "floriculture and nursery production to include Hawaii's flower farmers.** Please reflect this amendment throughout the measure.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 504. Thank you for the opportunity to testify.

SB-504

Submitted on: 2/1/2025 11:25:46 AM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Cathy Goeggel	Testifying for Animal Rights Hawai'i	Oppose	Written Testimony Only

Comments:

We oppose this SB504!

SB-504

Submitted on: 2/1/2025 7:01:51 PM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support SB 504 RELATING TO AGRICULTURE.

Mahalo,

Theresa Thompson

SB-504

Submitted on: 2/2/2025 12:11:59 PM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
McKenzie Wildey	Individual	Support	Written Testimony Only

Comments:

I support this measure, as I know first hand how prohibitive shipping costs can be for ag producers. Even producers try to pass these costs on to their customers, the increase in price can make their product unattractive to buyers and then limits the market for our local products. Ag products already have such a slim profit margin - we should be doing everything in our power to increase that margin for our farmers and ranchers, instead of pinching it even further.

Mahalo.

SB-504

Submitted on: 2/2/2025 4:21:21 PM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Randy Cabral	Individual	Support	Written Testimony Only

Comments:

Strong support

SB-504

Submitted on: 2/3/2025 6:36:28 AM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Woody Child	Individual	Support	Written Testimony Only

Comments:

I strongly support SB504.

SB-504

Submitted on: 2/3/2025 8:31:33 AM

Testimony for AEN on 2/3/2025 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Angelica Melone	Individual	Support	Written Testimony Only

Comments:

Chair Gabbard, Vice Chair Richards, and Members of the Committee,

I am writing to express my strong support for SB504, which would establish a Local Agriculture Transportation Cost Reimbursement Program to help reimburse farmers and ranchers for a portion of their transportation costs.

As someone who deeply supports Hawaii’s agricultural community, I understand how vital it is to address rising transportation costs. While the federal Reimbursement Transportation Cost Payment Program provides some relief, the reimbursement cap remains too low to be truly effective. With recent proposals to increase shipping rates, a supplemental state program like SB504 is crucial for alleviating these financial pressures.

I appreciate your consideration of this important measure and encourage your support for it.

Mahalo nui,

Angelica Melone