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# A BILL FOR AN ACT

RELATING TO LIVESTOCK FEED.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The cost of feed for livestock production in  
2 Hawaii can constitute up to seventy per cent of total production  
3 costs, which is in contrast to costs for mainland producers  
4 where feed amounts to nearly fifty per cent of total production  
5 costs. In Hawaii, in 2007, there were five dairies and six egg  
6 farms of significant size, with combined gross annual revenues  
7 of \$26,400,000. Currently, there are only two dairies and four  
8 egg farms of significant size, with combined gross annual  
9 revenues of \$16,250,000. Since 2007, two dairies and four egg  
10 farms have gone out of business primarily due to the rising cost  
11 of feed for livestock animals and the resulting increases in  
12 production costs. Since October 2010, the cost of poultry feed  
13 alone has increased approximately \$60 per ton and is expected to  
14 rise even further.

15           Currently, one dairy and the four remaining egg farms are  
16 threatened by closure. Such closures would heighten the State's  
17 dependence on imported foods and threaten the State's food  
18 security and ability to achieve adequate levels of agricultural



1 self-sufficiency. Self-sufficiency is critical to Hawaii's food  
2 security and ability to respond effectively in the event of  
3 natural disasters or disruptions in transportation.

4 The closure of local dairies and poultry farms also means  
5 that children and adults throughout the State will no longer  
6 have the option of selecting fresh, locally produced milk and  
7 eggs. Consumers have often expressed interest in obtaining  
8 locally produced milk, but unfortunately, the dairies do not  
9 produce enough milk to meet public demand. The public has  
10 expressed a similar interest in island-fresh beef, pork,  
11 chicken, and eggs.

12 Locally produced fresh beef, milk, pork, chicken, and eggs  
13 provide essential nutrition to consumers. However, these kinds  
14 of food are perishable, and imported products create a greater  
15 risk for food spoilage and resultant food-borne illnesses  
16 because of the increase in time needed to transport these  
17 products from offshore farms to Hawaii consumers.

18 Without these local agricultural businesses, all beef,  
19 milk, pork, chicken, and eggs would have to be imported into the  
20 State, requiring up to ten days of shipping before being sold to  
21 consumers. An increased shipping time reduces the expected  
22 shelf life of fresh milk and eggs.



1           The purpose of this Act is to create a livestock feed  
2 feasibility pilot project to assess the viability of growing and  
3 processing livestock feed within the State, and implement a  
4 livestock feed program on department of agriculture land.

5           SECTION 2. The department of agriculture shall implement a  
6 livestock feed feasibility pilot project. The project will  
7 research the viability of and to the extent possible develop a  
8 livestock feed program to be conducted on department of  
9 agriculture land, as determined by the chair of the board of  
10 agriculture.

11           SECTION 3. (a) After the livestock feed feasibility pilot  
12 project begins operations, the department of agriculture shall  
13 assess the implementation of the pilot project pursuant to  
14 section 2 of this Act and submit a report to the legislature no  
15 later than December 31, 2014.

16           (b) The assessment by the department of agriculture shall  
17 consider the following information regarding livestock feed  
18 growth and processing outcomes:

19           (1) The inputs and infrastructure required for the  
20 processing of livestock feed;

21           (2) Types of plants for livestock feed use;



- 1           (3) Start-up and year to year operational costs of a
- 2           livestock feed facility;
- 3           (4) Projected revenue stream of a livestock feed facility;
- 4           (5) Parcels of land to be used for the livestock feed
- 5           program; and
- 6           (6) Prospective markets for processed feed.

7           (c) The department of agriculture shall determine whether  
8 to continue, expand, or end the livestock feed feasibility pilot  
9 project based on the results of the department's assessment.

10           SECTION 4. There is appropriated out of the agricultural  
11 development and food security special fund the sum of \$1,500,000  
12 or so much thereof as may be necessary for fiscal year 2012-2013  
13 for the livestock feed feasibility pilot project.

14           The sum appropriated shall be expended by the department of  
15 agriculture for the purposes of this Act.

16           SECTION 5. This Act shall take effect on July 1, 2012.

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**Report Title:**

Livestock Feed Production; Pilot Program

**Description:**

Creates a livestock feed feasibility pilot project to investigate the viability of a livestock feed program on department of agriculture land. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

