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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 increase 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 the dairies do not produce enough  
9 milk to meet public demand. The public has expressed a similar  
10 interest in island-fresh beef, pork, chicken, and eggs.

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

17       Without these local agricultural businesses, all beef,  
18 milk, pork, chicken, and eggs would have to be imported into the  
19 State, requiring up to ten days of shipping before being sold to  
20 consumers. An increased shipping time reduces the expected  
21 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 and, to the  
3 extent feasible, begin growing and processing livestock feed  
4 within the State on lands held by the department of agriculture.

5           SECTION 2. The department of agriculture shall implement a  
6 livestock feed feasibility pilot project. The project shall:

- 7           (1) Explore the viability of growing and processing  
8           livestock feed within the State; and
- 9           (2) To the extent feasible, grow and process livestock  
10           feed on land held by the department of agriculture, as  
11           determined by the chairperson of the board of  
12           agriculture.

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

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

- 21           (1) The inputs and infrastructure required for the  
22           processing of livestock feed;



- 1 (2) Types of plants required for livestock feed use;
- 2 (3) Start-up and yearly operational costs of a livestock
- 3 feed facility;
- 4 (4) Projected revenue stream of a livestock feed facility;
- 5 (5) Parcels of land to be used for growing and processing
- 6 livestock feed; and
- 7 (6) Prospective markets for processed feed.
- 8 (c) The department of agriculture shall determine whether
- 9 to continue, expand, or end the livestock feed feasibility pilot
- 10 project based on the results of the department's assessment.

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

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

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



**Report Title:**

Livestock Feed Production; Pilot Program

**Description:**

Creates a livestock feed feasibility pilot project to investigate the viability of growing and processing livestock feed on land held by the department of agriculture. Appropriation. (SD2)

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