

Agriculture Under Secretary Thomas Dorr and Deputy Under Secretary Merlyn Carlson:

Thank you for this opportunity to participate and provide input into the next Farm Bill. My name is Phyllis Shimabukuro-Geiser. I am a third generation poultry farmer and currently President of our family business, Mikilua Poultry Farm Inc. <sup>on the island of Oahu.</sup> I would like to express my concerns over the threat of Avian Influenza to our nation and specifically to my farm and the Hawaii Egg Industry.

I believe my following concerns are relevant to the primary topics:

(1) How should farm policy address any unintended consequences and ensure that such consequences do not discourage new farmers and the next generation of farmer from entering production agriculture?

Please continue with federal financial support for animal health and disease prevention programs. Please include a line-item funding for disease control and related surveillance programs for poultry. Please support National Poultry Improvement Program (NPIP) research and indemnity for high and low pathogen Avian Influenza.

Would the USDA consider exploring flock insurance for the chick <sup>and pullet</sup> replacement <sup>inadequately</sup> for producers of non-contiguous states and territories that have ~~no~~ access to commercial hatcheries within its state, in the event of disease outbreaks or natural disasters?

(2) How should farm policy be designed to effectively and fairly distribute assistance to producers?

In the case of Livestock Indemnity Programs, please be aware that Hawaii egg producers have the highest costs of production in our nation because our non-contiguous State is surrounded by ocean. Our chicks, feed, packing materials and farm equipment are transported by air or ocean freight. We pay \$110 more per ton of feed than the west coast US due to ocean freight. Our chicks cost 29% more than the west coast US due to air freight because

we have no hatchery for pullet replacement. If Hawaii poultry producers apply for indemnity, we ask that the assistance be calculated on our costs of production and not average costs for the mainland US industry.

(3) How can Federal rural and farm programs provide effective assistance in rural areas?

Hawaii's rural areas are in remote island locations with limited or poor infrastructure. Ground transportation is commonly one way in and out of the community along the coastline. Any assistance with transportation of agricultural goods within our State (between islands), inter-State and foreign ports would sustain agricultural, rural employment. Please assist us with exemptions from the Jones Act for feed and fertilizer, especially during natural disasters and labor disputes. Interruption of American flagship service creates a food security threat to our State, *and sustainability of rural areas.*

Thank you for coming to Hawaii for a 2007 Farm Bill Listening Session.

*Phyllis Kinnaluluwa - Keiser*