



Market Analysis and News Branch

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Protecting Agricultural Operations During a Federal Government Shutdown, 2025

A federal government shutdown can disrupt services and funding streams that many agricultural operations depend on (e.g., USDA programs, extension services, inspections, subsidy or assistance programs, research support). Here are some strategies Hawai'i farmers and ranchers can adopt to maintain stability as follows:

1. Inventory and Audit Dependencies on Federal Programs

- List all USDA or federal services your operation depends upon (e.g., loan/credit assistance, tax related documents, conservation programs, pest or disease inspection, lab testing, crop insurance, marketing programs, disaster relief).
- Identify which of those are “mission critical” and assess alternative pathways (state, private, or self-funded) should federal services be unavailable.

2. Diversify Funding Sources

- Reduce overreliance on federal grants or subsidies.
- Develop revenue streams that are less dependent on external support (e.g., direct sales, value-added products, local contracts).
- Explore State of Hawai'i programs, private foundations or associations, local or county assistance, or cooperative funding.

3. Strengthen Local Networks and Mutual Support Agreements

- Collaborate with cooperative groups or agricultural alliances to share resources during cutbacks (e.g., shared equipment, bulk purchasing, shared labor).
- Establish agreements to assist each other with critical tasks (e.g., pest scouting, security surveillance) if federal inspectors or extension agents are unavailable.

4. Leverage Private Sector or Third-party Services

- If federal services are paused (e.g., disease diagnosis, soil labs), arrange in advance with private labs or university services.
- Contracts for drone or sensor support from private technology firms rather than relying solely on federal extension programs.
- For compliance or inspection tasks, explore accredited private or state-level entities that may continue operations.

5. Use Technology to Maintain Autonomy

- In alignment with the recently released *Farm Technology in Demand on Hawai'i Farms* report, many of the technologies surveyed (e.g., drones, sensors, GPS tracking devices) are privately deployable. Farms that already have digital infrastructure may better sustain operations even if federal support is limited.
- Use remote monitoring and automated systems to reduce reliance on external personnel or services.

6. Document and Preserve Records Proactively

- Ensure that all financial, operational, compliance, and sensor/inventory records are digitized and backed up.
- For periodic reporting to federal agencies (when they resume), maintain readiness so that paperwork can be filed quickly.
- Keep communication logs with agencies, contractors, and partners.

7. Advocate and Engage Locally

- Coordinate with state and county agricultural agencies to understand what support might still be available during a federal shutdown.
- Engage local elected leaders, extension offices, commodity groups, and agricultural associations to advocate for contingency measures or local bridging funds.
- Stay informed of federal developments and be ready to reengage when services resume.

8. Scenario-based Planning and Contingency Protocols

- Develop “if-then” crisis plans (e.g., “if USDA inspectors are unavailable, then use private lab X for my crop disease testing”).
- Maintain emergency reserves (cash, supplies, spare parts) to ride out disruptions in funding or service continuity.
- Run periodic drills or tabletop simulations to test readiness for service interruptions.

9. Communicate with Lenders, Insurers, and Stakeholders

- Inform your financial partners and insurance providers about your risk mitigation plans in the event of shutdowns.
- Clarify expectations about possible delays in government reimbursements or support.
- Maintain open lines of communication with buyers or partners, so they understand potential delays or disruptions.

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