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## **A Comparison of Agricultural Input Prices: Hawai'i vs. Its Major Export Competitors**

<http://www.ctahr.hawaii.edu/oc/freepubs/pdf/EI-20.pdf>

Paper addresses how the costs of 7 input categories in Hawaii compares to its competitors in both the U.S. Mainland market and in the Japan market.

The 7 input categories examined were:

- Labor;
- Energy (diesel fuel and electricity);
- Fertilizers;
- Land;
- Agricultural Machinery and Water Prices;
- Transportation; and
- Financing.



# Top Competitors for Hawai'i's Agricultural Exports – U.S. Mainland and Japan

## U.S. Mainland

## Japan

### *North America*

Mexico

Canada

### *Central and South America*

Belize

Brazil

Colombia

Costa Rica

Dominican Republic

Ecuador

Guatemala

### *Africa*

Kenya

Malawi

South Africa

### *Europe*

Italy

Netherlands

### *Asia*

Philippines

Taiwan

Thailand

### *South America*

Brazil

Colombia

### *Asia*

Indonesia

Malaysia

Philippines

Singapore

Thailand

China

South Korea

### *Oceania*

Australia

### *Europe*

France

Switzerland

United Kingdom



# Summary Input Price Comparison

	<i>Hawai'i vs. All Countries</i>	<i>Hawai'i vs. Competitors in U.S. Market</i>	<i>Hawai'i vs. Competitors in Japan Market</i>
<b>Input</b>	<b>Price/Rank</b>		
<b>Labor</b>	<b>4th out of 54 countries</b>	1st out of 9 countries	3rd out of 9 countries
Top-10 Range	(\$798.59–\$3,317.06)	(\$82.22–\$2,062.50)	(\$50.61–\$3,317.06)
<b>Energy – Diesel Fuel</b>	<b>117th out of 176 countries</b>	N.A.	N.A.
Top-10 Range	(\$4.31–\$5.87/gallon)		
<b>Energy – Electricity</b>	<b>5th out of 52 countries</b>	3rd out of 13 countries	1st out of 12 countries
Top 10 Range	(\$0.11–\$0.21/kW hour)	(\$0.06 - \$0.21/kW hour)	(\$0.06–\$0.16/kW hour)
<b>Fertilizer – Urea</b>	<b>37th out of 88 countries</b>	5th out of 10 countries	4th out of 15 countries
Top 10 Range	(\$1,071–\$18,812/metric ton)	(\$278–\$667/metric ton)	(\$393–\$691/metric ton)
Fertilizer – Superphosphate	23rd out of 46 countries	N.A.	N.A.
Top-10 Range	(\$832–\$22,345/metric ton)		
Fertilizer – Potash	34th out of 52 countries	N.A.	5th out of 10 countries
Top-10 Range	(\$561–\$13,888/metric ton)	(\$229–\$407/metric ton)	
<b>Land</b>	<b>2nd out of 13 tiers</b>	1st out of 7 tiers	1st out of 9 tiers
Range in Specified Tiers	(<\$100–>\$30,000/ha)	(<\$200–>\$20,000/ha)	(<\$200–>\$20,000/ha)
Land – Cereal Yield	10th out of 178 countries	2nd out of 18 countries	4th out of 13 countries
Top-10 Range	(6,161–8,420 kg/ha)	(2,853–7,821 kg/ha)	(3,086–7,037 kg/ha)
<b>Maritime Transportation</b>	N.A.	<b>2nd out of 5 countries</b>	<b>1st out of 5 countries</b>
Range of 5 Samples of Origin	(\$3,498–\$4,871/container)		(\$400–\$2,111/container)
<b>Financing</b>	<b>148th out of 170 countries</b>	15th out of 18 countries	9th out of 14 countries
Top-10 Range for Prime Lending Rate	(33.2%–192.75%)	(14.56%–60.3%)	(6.63%–60.3%)



# Summary Findings

- Among the **seven** input costs considered, Hawai'i farmers face higher costs of labor, electricity, fertilizer, land, and transportation relative to their U.S. mainland and Japanese market competitors.
- It is apparent that Hawai'i farmers face a disadvantage relative to their competitors in most of the factors used in agricultural production.
- Nevertheless, Hawai'i farmers face **lower costs** for **loan financing** and **diesel fuel**. These can help mitigate the higher costs of other production inputs, provided that access to financing and diesel fuel remains affordable in the future.