

Honolulu, Hawaii

May 1, 2007

RE: H.B. No. 1221
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1221, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to provide financial assistance to Hawaii's livestock industry by establishing the Livestock Revitalization Program (Program).

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "qualified producer" by clarifying that it applies to a person that, at the time of application for and disbursement of funds under the Program, is in the business of producing:



- (A) Pork from a herd located in Hawaii of no less than 50 sows; and
 - (B) Beef that is grown, slaughtered, processed, and marketed in Hawaii, with producers finishing at least 100 head of beef cattle annually;
- (2) Deleting the provisions allowing a qualified producer to receive reimbursement for up to 50 percent of each farm's feed expenses and requiring the Department of Agriculture (DOA) to establish a formula to calculate reimbursement amounts;
 - (3) Specifying that the subsidy shall not be allowed if the flock or herd size falls five percent or more below the required minimums;
 - (4) Establishing a maximum grant of \$250,000 per qualified producer per year;
 - (5) Requiring applicants to submit certified quarterly and annual financial statements;
 - (6) Establishing that funds shall be disbursed upon approval by DOA for up to:
 - (A) Sixty percent of the feed costs incurred for the production of poultry products;
 - (B) Forty percent of the feed costs incurred for milk production;
 - (C) Fifty percent of the feed costs incurred for pigs raised in Hawaii and slaughtered for local consumption; and
 - (D) Fifty percent of the feed costs for beef cattle raised in Hawaii and slaughtered in Hawaii for local consumption;
 - (7) Specifying that feed costs shall not include cost of transportation to Hawaii;



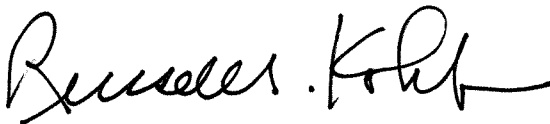
- (8) Prohibiting reimbursements to qualified producers if the reimbursement will result in an annual profit of more than:
 - (A) Twelve percent for milk producers;
 - (B) Eight percent for poultry producers;
 - (C) Eight percent for pork producers; and
 - (D) Eight percent for beef producers;
- (9) Inserting an appropriation amount of \$3,000,000 for fiscal year 2007-2008 and the same amount for fiscal year 2008-2009 for the Program;
- (10) Specifying a lapse date of December 31, 2010, for unencumbered balances of the appropriation; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1221, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1221, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

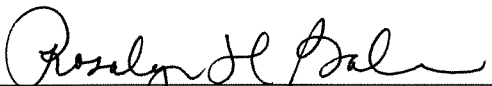
ON THE PART OF THE HOUSE



RUSSELL S. KOKUBUN, Chair



CLIFT TSUJI, Co-Chair



ROSALYN H. BAKER, Co-Chair



TOM BROWER, Co-Chair



Hawaii State Legislature

CCR 139

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: HB 1221, HD 2, SD 2	Date/Time: 04/27/07 8:55 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KOKUBUN, Russell S., Chr.	✓				TSUJI, Clift, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				BROWER, Tom, Co-Chr.	✓			
TOKUDA, Jill N.	✓				MEYER, Colleen Rose	✓			
SLOM, Sam				✓					
TOTAL	3			1	TOTAL	3			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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