

STAND. COM. REP. NO. 607

Honolulu, Hawaii
Feb 16, 2007

RE: H.B. No. 1114
H.D. 1

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

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1114 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to enhance the Agribusiness Development Corporation's (ADC's) ability to assist agricultural businesses, streamline its priorities, and provide more flexibility in its operations by, among other things:

- (1) Repealing certain powers and requirements, including:
 - (A) The requirement to develop the Hawaii Agribusiness Plan;
 - (B) Requirements to use funds from the Hawaii Agricultural Development Revolving Fund for designated purposes, including purchase of qualified securities issued by enterprises for seed capital; and
 - (C) The power to conduct research and marketing analysis, and to develop marketing strategies;

to refocus ADC's efforts on its core mission of assisting in the transition of the state's agricultural



industry from plantation farming to diversified agriculture;

- (2) Repealing the requirement that all agricultural projects, development plans, and project facility programs developed by ADC be approved by the Board of Agriculture;
- (3) Making the use of ADC funds exempt from the Procurement Code; and
- (4) Exempting ADC from more provisions governing administrative supervision of boards and commissions, with certain exceptions.

Two members of the Board of ADC, Hawaii Farm Bureau Federation, Maui County Farm Bureau, East Kauai Water Users' Cooperative, and Kauai County Farm Bureau supported this bill. ADC and the Hawaii Agriculture Research Center supported the intent of this measure.

Your Committee notes that concerns were raised during the public hearing regarding the need for more personnel resources as ADC separates itself from the administrative oversight of the Department of Agriculture.

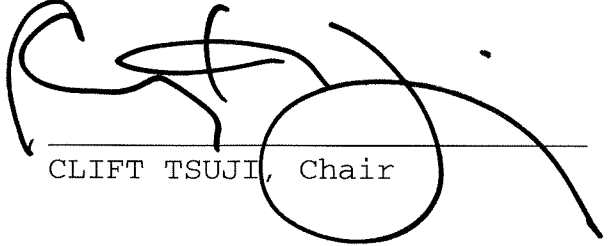
Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation of an unspecified amount to fund 2 FTE positions, an engineer and a special assistant, for the ADC;
- (2) Clarifying that the Governor's report is due to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1114, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



CLIFT TSUJI, Chair



