

STAND. COM. REP. NO.

2239

Honolulu, Hawaii

FEB 13 2008

RE: S.B. No. 2956
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Agriculture and Hawaiian Affairs, to which was referred S.B. No. 2956 entitled:

"A BILL FOR AN ACT RELATING TO MILK,"

begs leave to report as follows:

The purpose of this measure is to help ensure the availability of fresh milk for fluid consumption in Hawaii.

Specifically, this measure requires that all Hawaii-produced milk be utilized in fluid form for human consumption and that milk sheds in the State be compensated for their milk at the Class I rate.

Testimony in support of this measure was submitted by the Department of Agriculture; Hawaii Agriculture Research Center; HPC Foods, Ltd.; Boteilho Hawaii Enterprises; and one individual. Testimony in opposition to this measure was submitted by Animal Rights Hawai'i and Animal Advocate, Inc. Meadow Gold Dairies submitted comments on the measure as drafted.

Your Committee finds that it is necessary to take immediate action to address the price paid for milk produced in Hawaii as a means to support the future sustainability of Hawaii's last two remaining dairies and to encourage the introduction of new dairies. The price paid for milk in Hawaii is based upon a classification system. This proposed measure would provide that all Hawaii-produced milk, up to the established production quotas,



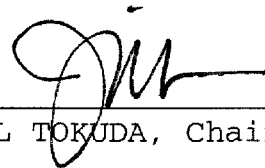
is to be classified as Class I milk unless there is an excess pool, or where plant shrinkage and route returns are proven.

Your Committee has amended this measure by:

- (1) Adding provisions requiring the Department of Agriculture to engage with stakeholders to establish a strategic plan with recommendations for short and long term initiatives consistent with the purpose of this measure to support, sustain, and grow Hawaii's dairy industry;
- (2) Requiring the Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources to report back to the Legislature regarding the strategic plan by no later than twenty days prior to the 2009 Regular Session;
- (3) Including an appropriation of an unspecified sum to cover the costs of developing the strategic plan; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2956, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Hawaiian Affairs,



JILL TOKUDA, Chair



