

Honolulu, Hawaii
March 19, 2010

RE: S.B. No. 2527
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2527, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this bill is to amend the definition of "agricultural commodity" to include milk, eggs, poultry, and llamas and other livestock of the bovine, equine, swine, sheep, or goat species and the carcasses of meat of those species.

Hawaii Farm Bureau Federation; Young Brothers, Limited; Hawaii Cattlemen's Council, Inc.; and Associate Producers Corporation testified in support of this bill. The Department of Agriculture (DOA) supported this measure with amendments. Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:


- (1) Amending the definition of "agricultural commodity" to include milk or meat which has been produced in the state and live animals included in section 142-49, excluding the carcasses of horses or llamas;
- (2) Adding the entire contents of H.B. No. 2290, H.D. 1., which does the following:



- (A) Establishes the Agricultural Inspection and Certification Special Fund (Fund) to be used under DOA for inspection, certification, weighing, or grading of agricultural commodities;
 - (B) Requires all fees, charges, and penaltys collected by DOA for these activities to be deposited in the Fund;
 - (C) Allows DOA to enter into agreements with government and private agencies to hire inspectors to inspect and certify fruits, vegetables, nuts, honey, and coffee;
 - (D) Repeals the Certification Services Revolving Fund (Revolving Fund) and transfers its moneys and unpaid obligations of the on June 30, 2010, to the Fund;
 - (E) Requires DOA to adopt fees sufficient to pay the cost of agricultural inspection and certification; and
 - (F) Appropriates funds from the Fund for DOA's agricultural inspection and certification program.
- (3) Changing the effective date to July 1, 2020, to encourage further discussion.

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 S.B. No. 2527, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 2, 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



