

STAND. COM. REP. NO.

274

Honolulu, Hawaii

Feb 15, 2011

RE: H.B. No. 1276
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1276 entitled:

"A BILL FOR AN ACT RELATING TO LIVESTOCK,"

begs leave to report as follows:

The purpose of this bill is to provide a grant to the Hawaii Livestock Cooperative (Cooperative) to enable the Cooperative to make investments in modern equipment, expand and improve its stock of animals, develop new markets and products, and take other actions necessary to stabilize its operations. This bill also requires the Cooperative to submit a detailed business plan to the Legislature prior to the Regular Session of 2012.

The Hawaii Cattlemen's Council, Inc., and a concerned individual supported this bill. The Department of Agriculture (DOA) supported the intent of this measure. Animal Rights Hawaii, Leilani Farm Sanctuary and several concerned individuals opposed this bill.

Your Committee notes that it has received information from DOA regarding the Cooperative's current situation. In summary:

- (1) The Cooperative leases 6.685 acres of state land in Campbell Industrial Park. The property was leased from the State with two existing structures.

HB1276 HD1 HSCR AGR HMS 2011-1923



The first structure is a 22,656 square foot enclosed warehouse and the second structure is a 19,200 square foot open air warehouse;

- (2) The State owns the land and the two existing structures;
- (3) The Cooperative owns the slaughterhouse inside the warehouse along with the equipment. It also owns the lagoon to process the wastewater;
- (4) The Cooperative constructed the slaughterhouse inside the existing 22,656 square foot enclosed warehouse. The slaughtering facility has exterior walls of hollow tile (CMU) that were built within the existing warehouse structure. The facility has two separate kill floors, one for hogs and another for cattle, and contains additional rooms;
- (5) The 19,200 square foot open air warehouse contains pens used to hold the animals prior to slaughter. The Cooperative has also constructed waste ponds that biologically process the waste water using a system known as the "Living Machine"; and
- (6) The Cooperative has given consent for the Agricultural Loan Division of DOA to release its financial information to the Legislature. The balance sheet, income statement, and a schedule of accounts payable are available for review but should be treated as confidential information. The balance of the State's loans is \$594,914.22 as of July 31, 2011.

Your Committee intends to continue to address the problems facing the Cooperative and discussed in the public hearing as this bill moves forward in the legislative process.

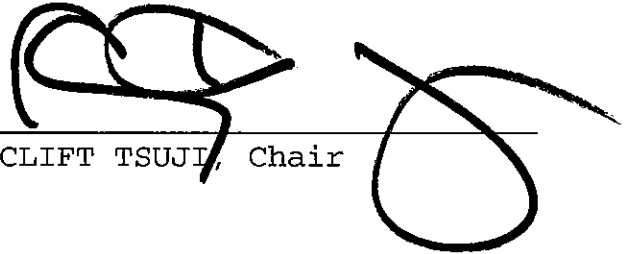
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) 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. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, and be referred to the Committee on Finance.

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

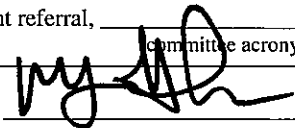


CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 1276	Committee Referral: AGR, FIN	Date: 2/4/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. CHOY, Isaac W.	✓			
6. EVANS, Cindy	✓			
7. McKELVEY, Angus L.K.	✓			
8. NISHIMOTO, Scott Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. MARUMOTO, Barbara C.				✓
11. RIVIERE, Gil	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				