

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 757

S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 757, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to help ensure the viability of the State's livestock industry.

Specifically, the measure:

- (1) Appropriates funds to continue the livestock revitalization program;
- (2) Adjusts the amount of the subsidy received under the program to the lesser of \$200,000 per year or fifteen per cent of food costs incurred per year for production of poultry products, milk, or pigs and beef cattle raised and slaughtered in Hawaii for local consumption;
- (3) Expands the livestock subsidy to include feed costs incurred by qualified producers of goat milk with a herd of not less than twenty-five lactating milking goats per fiscal quarter;
- (4) Expands the livestock subsidy to include feed costs incurred by qualified producers of sheep or lamb that are grown, slaughtered, processed, and marketed in the State with annual sales of not fewer than thirty sheep



or lambs; provided that the herd shall not fall below thirty sheep per fiscal quarter;

- (5) Expands the livestock subsidy to include feed costs incurred by qualified producers of fish or crustaceans, farmed by aquacultural practices, with current annual sales of not less than two thousand pounds; provided that sales shall not fall below five hundred pounds per fiscal quarter;
- (6) Prohibits reimbursement of feed costs to qualified producers when the amount of reimbursement will result in an annual profit of more than eight per cent for sheep, lamb meat, or seafood producers; and
- (7) Requires funds for the program to be expended from the agricultural development and food security special fund.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the rising cost of feed for livestock production has been a contributing factor in the decline of the State's livestock industry. Your Committee also finds that increased feed costs are threatening the closure of the State's remaining livestock producers. Increasing livestock production is necessary to meet the State's goals of food security and self-sufficiency.

Your Committee has amended this measure by:

- (1) Changing the cap amount of the subsidy to an unspecified amount or unspecified percentage of food costs;
- (2) Changing the amount of annual profit for sheep, lamb meat, and seafood producers that triggers the prohibition on reimbursement for food costs to an unspecified percentage;
- (3) Changing the reference from "seafood" producers to "fish or crustacean" producers for consistency;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (5) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 757, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

David Y. Ige

DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 757, SD1	Committee Referral: AGL, WAM	Date: 2-21-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
KAHELE, Gilbert	/			
KEITH-AGARAN, Gilbert S.C.	/			
KOUCHI, Ronald D.	/			
RUDERMAN, Russell E.	/			
THIELEN, Laura H.	/			
TOKUDA, Jill N.	/			
SLOM, Sam		/		
TOTAL	11	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes