

STAND. COM. REP. NO.

3069

Honolulu, Hawaii

MAR 21 2014

RE: H.B. No. 2179

H.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Agriculture, to which was referred H.B. No. 2179, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LOWER HAMAKUA DITCH,"

begs leave to report as follows:

The purpose and intent of this measure is to limit the toll that the Board of Agriculture may charge for water from the Lower Hamakua Ditch.

Your Committee received testimony in support of this measure from Ulupono Initiative; Hawaii Cattlemen's Council, Inc.; and Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the area served by the Lower Hamakua Ditch is prime land for ranching. The Hamakua water rate is set at a statewide level, however, and the high cost of water is deterring farmers from expanding their operations in this area despite the abundance of unused water in the region. This is exceptionally harmful to ranchers who would like to grass feed their livestock, rather than feed their livestock imported feeds, which have high transportation and fuel costs. By lowering the water rate in this area, farmers and ranchers will be incentivized to switch to grass feed to improve their bottom line and increase the State's agricultural sustainability. In addition, the State is expected to realize increased revenues from the water system because it will be selling water that is currently unused.



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. 2179, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



CLARENCE K. NISHIHARA, Chair



