

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 487
H.D. 2
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 H.B. No. 487, H.D. 2, 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 provide economic and other support to the State's agriculture industry:

Specifically, the measure:

- (1) Expands the livestock revitalization program by, among other things:
 - (A) Providing subsidies for feed used in the production of goat's milk, sheep, lamb, fish, and crustaceans;
 - (B) Reducing the minimum flock or herd size necessary for a producer to qualify for the livestock subsidy;
 - (C) Providing grants to qualified feed developers; and
 - (D) Appropriating funds to the livestock revitalization program; and
- (2) Facilitates leases between the Department of Agriculture and the Agribusiness Development Corporation by:



- (A) Authorizing the Department of Agriculture to directly negotiate and enter into leases with the Agribusiness Development Corporation; and
- (B) Exempting the Agribusiness Development Corporation from non-agricultural park lands lease qualifications.

Your Committee received written comments in support of this measure from 4 Ag Hawaii; Hawaii Cattlemen's Council, Inc.; Wong's Meat Market, Ltd.; Hawaii Farm Bureau Federation; Ponoholo Ranch, Ltd.; Mikilua Poultry Farm, Inc.; Hawaii Aquaculture and Aquaponics Association; and four private individuals.

Your Committee received written comments in opposition to this measure from Puna Pono Alliance and ten private individuals.

Your Committee finds that, in recent years, numerous dairies and egg farms in the State have closed down, due primarily to the rising cost of feed for livestock production. Your Committee believes that providing a subsidy for feed development and costs will revitalize Hawaii's livestock industries and help the State meet its food security goals.

Your Committee also finds that the Agribusiness Development Corporation was established to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. Your Committee believes that facilitating leases between the Department of Agriculture and the Agribusiness Development Corporation will assist in developing the long-term productive use of public lands for agricultural purposes.

Your Committee has amended this measure by:

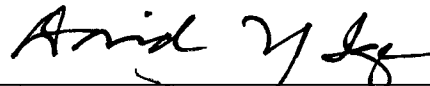
- (1) Amending the definition of "qualified producer" to include goat meat producers;
- (2) Amending the minimum flock or herd size requirements to qualify for the subsidy to include an unspecified number of sheep, lambs, or goats raised for meat;
- (3) Specifying that producers who qualify for the subsidy shall be reimbursed for up to:



- (A) Fifty per cent of the feed costs for sheep, lambs, or goats raised in Hawaii and slaughtered in Hawaii for local consumption; or
 - (B) Fifty per cent of the feed costs for fish or crustaceans raised in Hawaii and processed in Hawaii for local consumption;
- (4) Specifying that costs shall not be reimbursed to a qualified producer if the reimbursement will result in an annual profit of more than:
- (A) Eight per cent for sheep, lamb, or goat meat producers; or
 - (B) Eight per cent for fish or crustacean producers; 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 H.B. No. 487, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 487, H.D. 2, S.D. 2.

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



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.:* HB 487, HD2, SD1	Committee Referral: AGL, WAM	Date: 3-27-13		
<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	9	2	1✓	1✓
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes