

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2293
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2293, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to provide financial support to local livestock producers to achieve food self-sufficiency that is critical to Hawaii's food security by appropriating funds:

- (1) To reimburse the cost of feed for qualified producers of milk, pork, eggs, poultry, beef, lamb, goats, and seafood; and
- (2) For the administrative costs of the Livestock Revitalization Program of the Department of Agriculture.

The Department of Agriculture; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; and Ulupono Initiative supported this bill. A concerned individual opposed this measure.

Your Committee finds that the cost of feed for local livestock production can constitute up to 70 percent of the total production cost, versus approximately 50 percent for comparable livestock production on the continental United States. Your Committee further finds that the production of local animal feed, and the resulting reduction in imported feed, is essential to

SB2293 HD1 HSCR AGR HMS 2014-2737



Hawaii's food self-sufficiency and security. Accordingly, your Committee has amended this measure by, among other things:

- (1) Deleting its purpose section;
- (2) Deleting the appropriation for the administrative cost of the Livestock Revitalization Program;
- (3) Establishing a grant program to reimburse specified amounts of cost incurred by qualified feed developers in cultivating feed crops to be sold to qualified producers of milk, poultry, pork, beef, fish or crustaceans, sheep, lambs, or goats;
- (4) Establishing documentation of animal feed development costs and financial statement filing requirements;
- (5) Appropriating funds for the grant program for qualified feed developers;
- (6) Requiring the Department of Agriculture, in distributing the fiscal year 2014-2015 appropriation, to give a preference to qualified producers who produce milk, pork, eggs, poultry, beef, sheep, lamb, goats, and seafood on a parcel that is two or less acres in area to develop and nurture small qualified producers;
- (7) Changing the effective date to July 1, 2014; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Should the Committee on Finance deliberate on this measure, your Committee respectfully request that it consider appropriating \$1,500,000 in general funds for the Livestock Revitalization Program to be allocated as follows:

- (1) \$500,000 to reimburse qualified producers of milk, pork, eggs, poultry, beef, sheep, lamb, goats, and seafood, for the cost of feed; provided that to encourage and nurture small qualified producers in the State, the Department of Agriculture shall give a preference to qualified producers on a parcel that is two or less acres in area; and



- (2) \$1,000,000 to the qualified feed developer grant program.

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. 2293, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2293, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

Jessica Wooley

JESSICA WOOLEY, Chair



