

Honolulu, Hawaii

FEB 11 2013

RE: S.B. No. 757
S.D. 1

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

Madam:

Your Committee on Agriculture, to which was referred S.B. No. 757 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate funds to continue the livestock revitalization program;
- (2) Adjust the amount of subsidy received under the program to the lesser of \$200,000 per year or fifteen percent 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; and
- (3) Require funds for the program to be expended from the agricultural development and food security special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; and Kauai Cattlemen's Association. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that local farmers and livestock producers are struggling with growing feed costs due in large part to drought conditions in the State and on the Mainland. Your



Committee further finds that increased feed costs are threatening the closure of the few livestock producers left in Hawaii and that sustaining livestock production is vital to the State's food security and self-sufficiency.

Your Committee concluded that a subsidy should be granted to similarly situated producers of protein products and has amended this measure by:

- (1) Extending the livestock subsidy to include feed costs incurred by qualified producers of goat milk with a herd not less than twenty-five lactating milking goats per fiscal quarter;
- (2) Extending 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;
- (3) Extending 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;
- (4) Prohibiting reimbursement of feed costs to qualified producers when the amount of reimbursement will result in an annual profit of more than eight percent for sheep, lamb meat, or seafood producers; and
- (5) Making technical, nonsubstantive amendments for the purposes of 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 S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, 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
CLARENCE K. NISHIHARA, Chair



