

Honolulu, Hawaii

February 17, 2016

RE: H.B. No. 1999
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1999 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to address the high cost of feed and the lack of local feed mills in Hawaii by:

- (1) Establishing and funding a grant program for qualified feed developers to cover a percentage of their feed development costs up to a specified cap;
- (2) Appropriating funds to reimburse qualified producers of certain products for their cost of feed;
- (3) Appropriating funds to reimburse qualified feed developers for the costs of development of feed for sale to qualified producers; and
- (4) Appropriating funds for the Department of Agriculture to conduct a survey to identify, assess, and validate locally sourced feed ingredients that are available to qualified feed developers.

The Department of Agriculture, American Feed Industry Association, Land Use Research Foundation of Hawaii, Ulupono Initiative, Hawaii Cattlemen's Council, Hawaii Farm Bureau, and a concerned individual supported this measure.

HB1999 HD1 HSCR AGR HMS 2016-1891



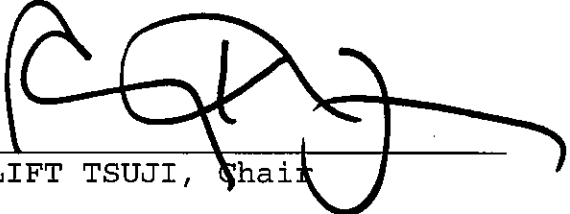
Your Committee has amended this measure by:

- (1) Clarifying that the required documentation pertains to feeds costs, rather than feed development costs;
- (2) Clarifying that documentation shall be filed for feed purchased within the immediately preceding year of the filing and shall be effective for fees costs incurred after July 1, 2016;
- (3) Requiring annual financial statements to be filed within 90 days following the close of the business' fiscal year after June 30, 2016, for final reconciliation;
- (4) Changing its effective date to January 20, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that at this juncture in the legislative process, the amounts of the appropriations for the reimbursements to qualified producers and qualified feed developers and the survey to identify locally sourced feed ingredients are unspecified and further discussion is necessary to determine recommended amounts.

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. 1999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1999, H.D. 1, and be referred to your Committee on Finance.

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



CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSC 307-14

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 1999	Committee Referral: AGR, FIN	Date: 2/11/16		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. ONISHI, Richard H.K. (VC)	/			
3. BROWER, Tom	/			
4. CACHOLA, Romy M.	/			
5. CHOY, Isaac W.	/			
6. DeCOITE, Lynn	/			
7. ITO, Ken	/			
8. KAWAKAMI, Derek S.K.	/			
9. KONG, Sam Satoru	/			
10. OHNO, Takashi	/			
11. TOKIOKA, James Kunane	/			
12. WOODSON, Justin H.				/
13. MATSUMOTO, Lauren Kealohilani	/			
14. WARD, Gene	/			
TOTAL (14)	13			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				