

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 612
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 612, 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 assist the State's livestock and aquaculture industries by reducing the cost of feed.

More specifically, the measure:

- (1) Makes a housekeeping amendment to harmonize a qualified feed developer grant program requirement with a qualified producer grant program requirement;
- (2) Appropriates funds to reimburse qualified producers of certain products for their feed costs; and
- (3) Appropriates funds to reimburse qualified feed developers for their feed development costs.

Your Committee received written comments in support of this measure from the Department of Agriculture, Ulupono Initiative, Hawaii Farm Bureau, Hawaii Cattlemen's Council, Meadow Gold Dairies, Hawaii Farmers and Ranchers United, and thirty-eight individuals.



Written comments in opposition were received from one individual.

Your Committee finds that feed costs are identified as the single most expensive component of animal agriculture operations. Hawaii's lack of local feed mills means that the livestock and aquaculture industries must use imported animal feed. Continued reliance on imported feed is untenable, due to ever-changing market forces and rising shipping costs. In contrast, the State has the potential to develop and produce feedstock locally, and feed development projects are underway. The Hawaii Department of Agriculture has initiated a feed development process to identify, assess, and validate available local feed ingredients. Your Committee finds that the feed subsidy provided by this measure to qualified producers of certain products and qualified feed developers will support the Department's efforts and promote the long-term viability of the State's livestock and aquaculture industries.

Your Committee has amended this measure by:

- (1) Extending the appropriation to include both fiscal year 2017-2018 and fiscal year 2018-2019;
- (2) Changing the appropriation amounts to unspecified amounts; and
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure.

Your Committee notes that the measure previously contained a general fund appropriation of \$2,000,000 in fiscal year 2017-2018 for the Department of Agriculture's livestock revitalization program. Of this amount, \$1,000,000 was to be allocated to reimburse qualified producers of milk, pork, eggs, poultry, beef, sheep, lamb, goats, and seafood for their feed costs; the remaining \$1,000,000 was to be allocated to reimburse qualified feed developers for their feed development costs.

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 S.B.



No. 612, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 612, S.D. 2.

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

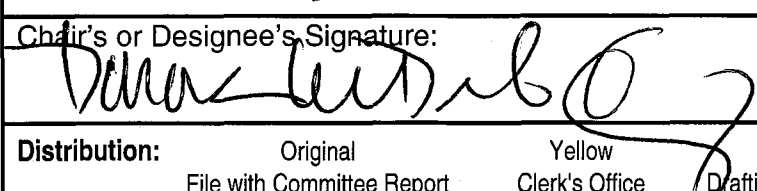


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 612, SD1	Committee Referral: AEN, WAM	Date: 3/1/17		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	11			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes