

STAND. COM. REP. NO. 1270-22

Honolulu, Hawaii
, 2022

MAR 23

RE: S.B. No. 2992
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2992, 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 establish the Hawaii Agricultural Investment Program within the Department of Agriculture to provide fifty percent matching grants for certain activities that increase local agricultural production or processing capacity.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council, Ulupono Initiative, Hawai'i Farm Bureau, Hawaii Food Industry Association, Food+ Policy Internship 2022, Kauai Women's Caucus, and seven individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Budget and Finance, and Department of the Attorney General.

Your Committee finds that revitalization of the local agriculture industry is essential to a sound local economy and the future of agriculture in the State. According to the Department of Agriculture, in a recent commercial agriculture survey of local farming operators conducted by the USDA-NASS, fifty-eight percent



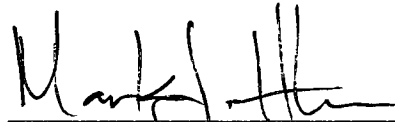
of participating farms cited the high cost of production as the leading barrier to their commercial expansion, and all farms surveyed indicated that a \$100,000 grant would improve their total gross sales after one year. Your Committee also finds that most small farmers and ranchers lack the capacity and resources to initiate, participate in, and benefit from ancillary support activities in the areas of production, processing, storage, distribution, product research, and product marketing. This measure will provide funding and support for such assistance to support these farmers and ranchers in attaining desirable levels of efficiency, competitiveness, and expansion capacity, to help increase the production of locally grown food.

Your Committee has amended this measure by:

- (1) Broadening the scope of the Hawaii Agricultural Investment Program to include matching grants for the conversion of farm owner or operator and business owner or operator operations to cage free operations;
- (2) Lowering the grant matching requirement for the Hawaii Agricultural Investment Program, with the State providing seventy-five percent and federal, private, and other sources providing twenty-five percent; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2992, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2992, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

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



MARK J. HASHEM, Chair



