STAND. COM. REP. NO. 422

Honolulu, Hawaii

MAR 0 2 2007

RE: S.B. No. 1307

S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1307, 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 support the longevity of a diversified agricultural industry in Hawaii by creating a dairy and egg farm revitalization and food security program.

Specifically, this measure:

- (1)Creates a livestock revitalization program to administer and disburse funds to qualified dairy, poultry, pork, and egg producers for up to fifty per cent of their feed costs; and
- Appropriates moneys in each year of the fiscal biennium, for the Department of Agriculture to disburse funds to qualified producers of milk, pork, and poultry products for the costs of feed, and for the administrative costs of the revitalization program.

Comments in support of this measure were submitted by the Board of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii, four members of the livestock or dairy industry, and one individual. Comments in opposition to this measure were submitted by one individual. Hawaii Farm Bureau offered comments.

SB1307 SD2 SSCR LRB 07-3080.doc Hawaii's livestock industry faces numerous challenges. According to the Department of Agriculture, in 2006, locally produced eggs represented approximately thirty-three per cent of the total eggs sold in the State. Furthermore, approximately thirty to thirty-five per cent of the milk consumed in the State was locally produced. However, within this past year, two egg farms and one dairy farm have closed, and currently, a dairy farm and an egg farm are threatened with closure.

Your Committee finds that one of the challenges livestock farms face is the rising cost of feed for livestock. The decrease in operational local dairy, poultry, pork, and egg farms increases the State's reliance on the importation of food and threatens the State's food security. Thus, creating a livestock revitalization and food security program will financially assist dairy, poultry, and hog farmers with covering the cost of their feed requirements, enable them to remain in business, and continue to provide fresh milk, poultry products, and pork for local consumption.

Your Committee has amended this measure by:

- (1) Changing the minimum percentage below which a flock or herd will no longer qualify for the subsidy to an unspecified amount;
- (2) Changing the appropriation in section 3 to an unspecified amount to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

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. 1307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1307, S.D. 2.

STAND. COM. REP. NO. 922

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

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* Committee Referral: Date:				
SB 1307 SDI W	AH, WAM		<u> 1-23.8</u>	27
The committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)				
TSUTSUI, Shan S. (VC)				
CHUN OAKLAND, Suzanne				
ENGLISH, J. Kalani				
FUKUNAGA, Carol	***************************************			
HOOSER, Gary L.				
KIM, Donna Mercado				
MENOR, Ron				
TOKUDA, Jill N.				
HEMMINGS, Fred				
WHALEN, Paul				
TOTAL			\Box	
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				