

Honolulu, Hawaii

February 14, 2014

RE: H.B. No. 1534
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committees on Agriculture and Economic Development & Business, to which was referred H.B. No. 1534 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE INNOVATION,"

beg leave to report as follows:

The purpose of this measure is to nurture agricultural innovation to develop a more significant food-focused agricultural industry by establishing the Agriculture Innovation Grant Program (Program) to fund start-up agricultural businesses developing innovations for:

- (1) Feed production;
- (2) Food waste recycling;
- (3) On-farm energy efficiency; and
- (4) Soil health and conservation.

The Hawaii Cattlemen's Council, Ulupono Initiative, Maui Cattle Company, Kuahiwi Ranch, Energy Excelerator, Hawaii Farmers Union United, Kona Chapter-Hawaii Farmers Union United, Big Island Dairy LLC, and a number of concerned individuals supported this bill. The High Technology Development Corporation and Hawaii Farm Bureau Federation supported the intent of this measure. The Department of Budget and Finance commented on this bill.



Your Committees have amended this measure by:

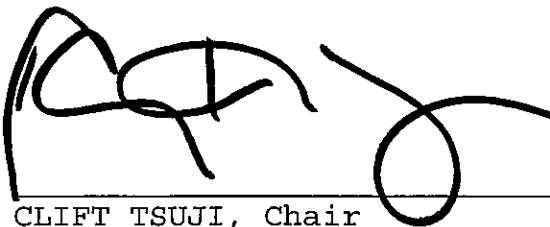
- (1) Adding start-up businesses that develop innovations relating to food production, food processing, and marketing of food products as agricultural businesses that qualify as applicants under the Program; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees find that the new Program may benefit from administrative and implementation input from the Agribusiness Incubation Program within the University of Hawaii College of Tropical Agriculture and Human Resources and encourages such collaboration. Further, your Committees encourage a review and analysis of the funding mechanism of the Agriculture Innovation Grant Fund, with the goal of making the Fund self-sufficient.

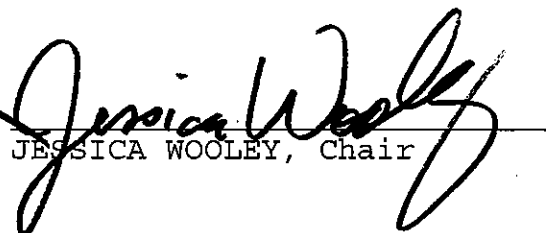
Further, should the Committee on Finance deliberate on this measure, your Committees respectfully request that it appropriate \$4,000,000 for the Program.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1534, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1534, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Economic Development &
Business,



CLIFT TSUJI, Chair



JESSICA WOOLEY, Chair



HSCR 498-14

Bill/Resolution No.: HB 1534	Committee Referral: AGR/EDB, FIN	Date: 2/3/2014		
<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. WOOLEY, Jessica (C)	/			
2. ONISHI, Richard H.K. (VC)	/			
3. AWANA, Karen	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.				/
6. CHOY, Isaac W.	/			
7. OHNO, Takashi	/			
8. TOKIOKA, James Kunane	/			
9. TSUJI, Clift	/			
10. MATSUMOTO, Lauren Kealohilani	/			
11. WARD, Gene	/			
TOTAL (11)	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. WARD, Gene (VC)	/			
3. AWANA, Karen	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.				/
6. ITO, Ken				/
7. CHOY, Isaac W.	/			
8. OHNO, Takashi	/			
9. ONISHI, Richard H.K.	/			
10. TOKIOKA, James Kunane	/			
11. WOOLEY, Jessica	/			
TOTAL (11)	9			2
The recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
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