

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 508  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 508, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish and fund a qualified feed developer grant program;
- (2) Appropriate unspecified sums for the livestock revitalization program, which includes reimbursements to qualified producers of certain products for their cost of feed and the qualified feed developer grant program;
- (3) Require and appropriate unspecified sums to the Department of Agriculture to conduct a survey to identify, assess, and validate locally sourced feed ingredients;
- (4) Authorize industrial hemp to be grown for purposes of research conducted under an agricultural pilot program or other agricultural or academic research by an institution of higher education or by others acting under specific agreement with and under the authority of the Hawaii Department of Agriculture; and



- (5) Appropriate unspecified sums to the Department of Agriculture for the establishment of one full-time equivalent position in the Department of Agriculture for the industrial hemp program under an agricultural pilot program or other agricultural or academic research.

Your Committees received testimony in support of this measure from the Hawaii Advocates For Consumer Rights; Hawaii Farm Bureau; Hawaii Farmers Union United; Beyond Organic Consulting, Inc.; Land Use Research Foundation of Hawaii; Oceanic Institute of Hawaii Pacific University; Pacific Biodiesel Technologies; Ulupono Initiative; and fifty-seven individuals. Your Committees received testimony in opposition to this measure from the League of Women Voters of Hawaii. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that the Hawaii livestock industry consistently identifies the cost of feed as the most expensive component in operational costs. The Department of Agriculture is committed to reducing the cost of production for the State's livestock and aquaculture industries by reducing the cost of feed. Hawaii has the potential ingredients for the development and production of local feedstock, and the Department of Agriculture has initiated a feed development process to identify, assess, and validate available local feed ingredients. Your Committees further find that support for feed mills is the number one priority of this measure, followed by support of industrial hemp cultivation, and lastly support of feed developers and then feed producers.

Additionally, your Committees find that industrial hemp may be a beneficial ingredient in livestock feed. Hemp has a superior profile of omega-3 and omega-6 fatty acids that makes for healthier and better tasting beef and poultry. Modern production methods have utilized hemp seed oil to make high-grade food and beauty products and hemp stalk fiber and cellulose to make everything from automotive parts and fine clothing to building materials and fuel. The intermediate processing of hemp seed, oil, food ingredients, and fiber could create jobs in close proximity to the fields of cultivation.

Your Committees have amended this measure by:

- (1) Inserting language to appropriate an unspecified sum to the Department of Agriculture for fiscal years 2015-2016



and 2016-2017 for the establishment of an unspecified number of full-time equivalent positions in the Department of Agriculture to implement the qualified feed developer grant program;

- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

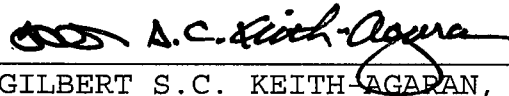
As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 508, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 508, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committees on Judiciary and  
Labor and Ways and Means,



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JILL N. TOKUDA, Chair



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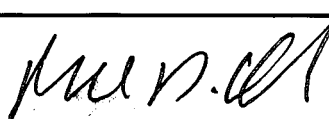
GILBERT S.C. KEITH-AGARAN, Chair





The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

|  |                     |          |     |         |
|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:*  | Committee Referral: | Date:    |     |         |
| HB 508, HDI, SDI   | AGL, JDL/WAM        | 4/8/15   |     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |                     |          |     |         |
| The Recommendation is:<br><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)  | ✓                   |          |     |         |
| KOUCHI, Ronald D. (VC)   | ✓                   |          |     |         |
| CHUN OAKLAND, Suzanne  | ✓                   |          |     |         |
| DELA CRUZ, Donovan M.  | ✓                   |          |     |         |
| ENGLISH, J. Kalani   | ✓                   |          |     |         |
| GALUTERIA, Brickwood   | ✓                   |          |     |         |
| HARIMOTO, Breene   |                     |          |     | ✓       |
| INOUYE, Lorraine R.  | ✓                   |          |     |         |
| RIVIERE, Gil   | ✓                   |          |     |         |
| RUDERMAN, Russell E.   | ✓                   |          |     |         |
| SLOM, Sam  | ✓                   |          |     |         |
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| <b>TOTAL</b>   | 10                  | 2        | 2   | 1       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |                     |          |     |         |
| Chair's or Designee's Signature:<br><div style="text-align:right; font-family: cursive; font-size: 1.2em;">  </div>          |                     |          |     |         |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |                     |          |     |         |

\*Only one measure per Record of Votes