

STAND. COM. REP. NO. **1261** -24

Honolulu, Hawaii
MAR 21, 2024

RE: S.B. No. 2500
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2500, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VALUE-ADDED PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to establish and appropriate funds for the Food and Product Innovation Network within the Agribusiness Development Corporation to enable businesses to scale up new products from research and development to manufacturing and commercialization.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Agriculture; Agribusiness Development Corporation; University of Hawai'i System; Hawai'i Farm Bureau; Ulupono Initiative; Hawaii Food Industry Association; Hawai'i Farmers Union United; Chamber of Commerce Hawaii; and Maui Chamber of Commerce.

Your Committee finds that research and product development is risky and requires significant up-front capital, which discourages many of Hawaii's emerging agribusinesses and entrepreneurs from exploring new markets. The establishment of a food and product innovation network will decrease the investment risk for growing

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businesses and accelerate their efforts to develop new products that promote food resiliency and Hawaii's export marketing. Your Committee further finds that the food and product innovation network proposed by this measure has the ability to significantly assist the State's agricultural businesses by providing space and equipment for farmers and other entrepreneurs to create value-added products made with locally grown and raised agricultural products.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2500, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


MARK M. NARASHIMA, Chair



