
A BILL FOR AN ACT

RELATING TO VALUE-ADDED PRODUCTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that establishing a food
2 and product innovation network is critical to meeting the
3 State's agricultural and economic diversification goals. The
4 network will allow businesses in the State to capitalize
5 globally on the "made in Hawaii", "produced in Hawaii", or
6 "processed in Hawaii" brand; create world-class products; and
7 scale up production by providing the businesses with access to a
8 diverse suite of manufacturing equipment and industry expertise.

9 Accordingly, the purpose of this Act is to establish and
10 appropriate funds for a statewide network of open-access food
11 and value-added product development facilities to enable
12 businesses to scale up new products from research and
13 development to manufacturing and commercialization.

14 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:



1 "§163D- Food and product innovation network;
2 established. (a) There is established within the corporation
3 the food and product innovation network. The purpose of the
4 food and product innovation network shall be to:

5 (1) Allow businesses in the State to capitalize globally
6 on the "made in Hawaii", "produced in Hawaii", or
7 "processed in Hawaii" brand, pursuant to
8 section 486-119;

9 (2) Create world-class products; and

10 (3) Scale up production by providing businesses with
11 access to a diverse suite of manufacturing equipment
12 and industry expertise.

13 (b) Partner members of the food and product innovation
14 network shall include:

15 (1) The department of education food and product
16 innovation center in Kekaha, on the island of Kauai;

17 (2) The foreign-trade zone facility in Hilo, on the island
18 of Hawaii;

19 (3) The university of Hawaii Maui college food innovation
20 center, on the island of Maui;



1 (4) The university of Hawaii Hawaii community college
2 Palamanui food and product innovation center in Hilo,
3 on the island of Hawaii; and

4 (5) The university of Hawaii Leeward community college
5 value-added product development center in Wahiawa, on
6 the island of Oahu.

7 (c) The food and product innovation network shall:

8 (1) Offer a range of resources to support innovation and
9 business development, including courses and events
10 relating to food and value-added product development,
11 entrepreneurship, marketing, branding, business
12 management, workforce development, intellectual
13 property protection, and other related topics;

14 (2) Provide new product development support from
15 early-stage trials to commercialization by
16 establishing a network of facilities that have
17 equipment of various scales, providing expert advice,
18 and offering resources tailored to the regional
19 economies;



- 1 (3) Provide low-risk commercial production with
2 appropriate certifications for exporting products and
3 selling products locally;
- 4 (4) Provide recommendations on process optimization by
5 offering advice and networking, identifying and
6 testing equipment, planning trials, and analyzing
7 results;
- 8 (5) Increase exports by securing facilities and developing
9 compliance programs for off-shore markets; provided
10 that each county shall have no more than two food and
11 product innovation network facilities that produce
12 products labeled "made in Hawaii", "produced in
13 Hawaii", or "processed in Hawaii" pursuant to
14 section 486-119;
- 15 (6) Create and implement programs that promote
16 entrepreneurial development to grow the State's
17 economy; and
- 18 (7) Prepare businesses to scale up and achieve autonomous
19 business success and sustainability.



1 (d) No later than twenty days prior to the convening of
2 each regular session, the food and product innovation network
3 shall submit a report to the legislature that includes:

4 (1) A description of the food and product innovation
5 network's activities and progress in the preceding
6 year in response to the directives established
7 pursuant to subsection (c);

8 (2) An assessment of any progress made in growing the
9 State's agriculture industry, food industry, and
10 related industries and in meeting the State's food
11 security goals; and

12 (3) Any proposed legislation."

13 SECTION 3. Section 163D-2, Hawaii Revised Statutes, is
14 amended by adding two new definitions to be appropriately
15 inserted and to read as follows:

16 "Partner member" means an open-access food and value-added
17 product development facility that is part of the food and
18 product innovation network but is not managed or operated by the
19 corporation.

20 "Primary member" means an open-access food and value-added
21 product development facility that is part of the food and



1 product innovation network and is managed and operated by the
2 corporation."

3 SECTION 4. Section 163D-4, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The corporation shall [~~develop~~]:

6 (1) Develop, promote, assist, and market agricultural
7 products for local consumption, and shall promote and
8 assist in commercial export of agricultural
9 products[-]; and

10 (2) Oversee the food and product innovation network
11 pursuant to section 163D- ; provided that the
12 responsibilities and operations of each partner member
13 shall remain with the partner member."

14 SECTION 5. In accordance with section 9 of article VII of
15 the Hawaii State Constitution and sections 37-91 and 37-93,
16 Hawaii Revised Statutes, the legislature has determined that the
17 appropriations contained in Act 164, Regular Session of 2023,
18 and this Act will cause the state general fund expenditure
19 ceiling for fiscal year 2024-2025 to be exceeded by
20 \$ or per cent. This current declaration takes
21 into account general fund appropriations authorized for fiscal



1 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
2 only. The reasons for exceeding the general fund expenditure
3 ceiling are that:

4 (1) The appropriation made in this Act is necessary to
5 serve the public interest; and

6 (2) The appropriation made in this Act meets the needs
7 addressed by this Act.

8 SECTION 6. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2024-2025 for
11 the food and product innovation network established pursuant to
12 this Act, including:

13 (1) \$ for a food and product innovation facility
14 on the island of Molokai; provided that the facility
15 shall utilize axis deer for producing food and
16 value-added products, including leather and
17 pharmaceuticals;

18 (2) \$ for a food and product innovation facility
19 on the island of Oahu;



1 (3) \$ for an open-access food and value-added
2 product development facility in Hilo, on the island of
3 Hawaii;

4 (4) \$ for an open-access food and value-added
5 product development facility in Kailua-Kona, on the
6 island of Hawaii;

7 (5) \$ for an open-access food and value-added
8 product development facility on the island of Kauai;

9 (6) \$ for an open-access food and value-added
10 product development facility on the island of Maui;
11 and

12 (7) \$ for the establishment of full-time
13 equivalent (FTE) positions.

14 The sum appropriated shall be expended by the agribusiness
15 development corporation for the purposes of this Act.

16 SECTION 7. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 8. This Act shall take effect on July 1, 2050.



Report Title:

ADC; Economic Development; Food and Product Innovation Network;
Food Security; Appropriation; Expenditure Ceiling

Description:

Establishes a food and product innovation network within the Agribusiness Development Corporation. Appropriates funds for food and product innovation facilities on the islands of Molokai, Oahu, Hawaii, Kauai, and Maui and staff. Effective 7/1/2050. (HD1)

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