

STAND. COM. REP. NO.

1224

Honolulu, Hawaii

MAR 14 , 2025

RE: S.B. No. 558  
S.D. 2  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Agriculture & Food Systems, to which was referred S.B. No. 558, S.D. 2, 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 a statewide network of open-access food and value-added product development facilities 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 University of Hawai'i System; Department of Agriculture; Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Office of Hawaiian Affairs; Ulupono Initiative; Hawai'i Farm Bureau; Maui Chamber of Commerce; Hawai'i Forest Industry Association; Local Food Coalition; Hawaii Food Industry Association; and one individual.

Your Committee finds that high production costs and the lack of local processing facilities force many farmers and entrepreneurs to send raw or off-grade products to the mainland for value-added processing, limiting profitability and growth. This measure addresses these challenges by creating a statewide

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network of open-access food and product development facilities, enabling businesses to scale up operations, reduce waste, and compete in local and global markets. By investing in value-added processing, the State can enhance farm revenues, create jobs, and strengthen Hawaii's self-sufficiency and economic resilience.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 558, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 558, S.D. 2, H.D. 1, and be referred to your Committee on Economic Development & Technology.

Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture & Food  
Systems,

  
KIRSTIN KAHALOA Chair



