



**UNIVERSITY OF HAWAII SYSTEM**

**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented Before the  
House Committee on Finance  
Thursday, February 20, 2025, at 2:00 p.m.

By  
Della Teraoka  
Interim Vice President for Community Colleges  
University of Hawai'i System

## HB 774 HD2 – RELATING TO VALUE-ADDED PRODUCTS

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The University of Hawai'i supports the intent of HB 774 HD2, which establishes under the Agribusiness Development Corporation a "food and product innovation network" providing access to facilities, resources, expertise and education to capitalize on the "Made in Hawai'i", "produced in Hawai'i", or "processes in Hawai'i" brand and supporting the strengthening and diversification of the local agriculture economy.

Synergies between partner and primary network members can expand access statewide, and leverage resources while avoiding unnecessary duplication in support of innovation and business development.

Critical to the success of exports and commercialization of value-added products is the establishment of facilities with the capacity to support growing businesses in scaling up production, to support economic diversification through off-shore markets, tailored to the regional economies.

The University of Hawai'i supports the intent of HB 774 HD2, as long as its passage does not replace or adversely impact priorities as indicated in our BOR Approved Budget.

Thank you for the opportunity to provide testimony in support of HB 774 HD2.

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
KA 'ŌIHANA MAHI'AI  
1428 South King Street  
Honolulu, Hawai'i 96814-2512  
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**SHARON HURD**  
Chairperson, Board of Agriculture

**DEAN M. MATSUKAWA**  
Deputy to the Chairperson

**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE**

**THURSDAY, FEBRUARY 20, 2025**  
**2:00 P.M.**  
**CONFERENCE ROOM 308**

**HOUSE BILL NO. 774, H.D. 2**  
**RELATING TO VALUE-ADDED PRODUCTS**

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to testify on House Bill 774, H.D. 2. This bill seeks to establish a food and product innovation network within the Agribusiness Development Corporation, enabling local businesses to scale up new products from research and development to manufacturing and commercialization. The Department of Agriculture supports this initiative.

The food and product innovation network proposed in this measure includes a range of robust facility partners on Kauai, Hawai'i, Maui, Molokai, and Oahu. The Department believes this network has the ability to significantly assist Hawai'i's agricultural businesses by offering space, equipment and specialized expertise to local farmers and other entrepreneurs for creating value-added products using locally grown and raised agricultural products. Additionally, it may serve as a catalyst for innovations in food products, processing technologies, packaging and labeling processes, export certification, inventive supply chain logistics, and new marketing channels.

Thank you for the opportunity to testify on this measure.





**TESTIMONY IN SUPPORT OF HB774 HD2**  
**RELATING TO VALUE-ADDED PRODUCTS**

House Committee on Finance  
Hawai'i State Capitol

February 20, 2025

10:00 AM

Conference Room 308

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Aloha e Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

The Office of Hawaiian Affairs (OHA) submits this testimony in **support of HB774 HD2**, which establishes the Food and Product Innovation Network to expand value-added processing and product development facilities on O'ahu, Maui, and Hawai'i Island. This initiative will remove economic barriers for Native Hawaiian farmers and food producers, provide essential infrastructure to process and package agricultural products, increase revenue, and reduce waste.

Access to commercial kitchens, processing facilities, and technical support remains a major obstacle for Native Hawaiian food businesses. HB774 HD2 will enable more locally grown products—including kalo, loko i'a (fishpond-raised seafood), and other traditional Native Hawaiian foods—to be processed and made available for local markets, DOE school meals, and institutional buyers. By investing in value-added production, this measure strengthens Hawai'i's food security, keeps agricultural dollars circulating in local communities, and reduces dependence on imported goods.

This initiative directly supports OHA's mission to advance the economic, social, and cultural well-being of Native Hawaiians, as mandated by Hawai'i Revised Statutes Chapters 10 and 10-H. It also aligns with Mana i Maui Ola's strategies for economic stability and food sovereignty, helping Native Hawaiian agribusinesses scale up, create jobs, and preserve traditional food systems. Furthermore, Governor Josh Green has identified economic diversification and local food security as core state priorities in his 2024 and 2025 State of the State Addresses. HB774 HD2 advances these goals by expanding local agricultural processing capacity, strengthening food security, and increasing opportunities for Native Hawaiian farmers and food businesses in institutional procurement, school meal programs, and commercial markets.

OHA urges the Committee to pass **HB774 HD2** and invest in a more self-sustaining food system for Hawai'i. Mahalo for your time and consideration.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

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Statement of  
**JAMES KUNANE TOKIOKA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, February 20, 2025  
2:00 PM  
State Capitol, Conference Room 308

In consideration of  
**HB 774, HD2**  
**RELATING TO VALUE-ADDED PRODUCTS**

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee:

Thank you for the opportunity to testify in strong support of HB 774, HD2, which proposes the establishment of the Agribusiness Development Corporation's (ADC) Food and Product Innovation Network. This initiative is pivotal to addressing systemic challenges in Hawai'i's agricultural sector and fostering a resilient and diversified economy that benefits all residents.

**Key Benefits of the Food and Product Innovation Network**

**Value-Added Production Opportunities:**

The network will empower farmers and food entrepreneurs to transform raw agricultural products into high-value goods. Access to centralized processing, packaging, and product development facilities will enable producers to generate greater revenue, extend product shelf life and reduce waste.

**Support for Local Farmers and Entrepreneurs:**

Many of Hawai'i's small-scale farmers and entrepreneurs lack the resources to develop and commercialize new products. Shared facilities, technical assistance, and training programs will level the playing field, enabling these businesses to compete in both local and global markets.

**Enhanced Food Security and Resilience:**

By increasing local food production and processing capacity, this initiative will reduce Hawai'i's reliance on imported goods. This strengthens the state's resilience against supply chain disruptions and aligns with Hawai'i's goals for food security and sustainability.

**Economic Development and Job Creation:**

The network will drive economic growth by supporting new and existing businesses, fostering innovation, and creating jobs in agriculture, food manufacturing and related sectors. Investments in facilities and equipment will provide the infrastructure needed to support these activities.

**Alignment with Sustainability Goals:**

The network promotes sustainable practices by encouraging the use of local ingredients, reducing food waste, and supporting environmentally friendly production methods. These efforts will contribute to Hawai'i's broader climate and sustainability objectives.

**Statewide Benefits and Regional Equity**

The establishment of a statewide network ensures equitable distribution of resources and opportunities across counties, addressing the unique agricultural strengths and needs of each region. Examples include:

- O'ahu: Leverage urban infrastructure for processing and distribution.
- Maui: Support diversified agriculture and innovative value-added products.
- Hawai'i Island: Focus on livestock processing, specialty crops and rural development.
- Kaua'i: Promote niche markets such as tropical fruits and agroforestry products.

Positioning future facilities on ADC-owned lands in Kekaha, Hawai'i Island, Maui and Moloka'i ensures greater access to value-added resources for local producers while utilizing existing infrastructure. This will help maximize the impact on Hawai'i's agricultural sector by fostering entrepreneurship, innovation and economic growth across the islands.

This bill is a forward-thinking measure that addresses critical gaps in Hawai'i's agricultural sector while creating opportunities for economic growth and resilience. By establishing the Food and Product Innovation Network, we can support small farmers and entrepreneurs, enhance food security and advance our state's sustainability goals.

We respectfully urge the Committee to pass this important measure and thank you for your dedication to Hawai'i's agricultural future.

Mahalo for the opportunity to provide testimony.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



WENDY GADY  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
HUI HO'OUULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON FINANCE  
February 20, 2025  
2:00 p.m.  
Conference Room 308 & Videoconference

HOUSE BILL NO. 774 HD2  
RELATING TO VALUE-ADDED PRODUCTS

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to testify in **support** of House Bill No. 774 HD2, which proposes the establishment of the Agribusiness Development Corporation's (ADC) Food and Product Innovation Network across the state of Hawai'i. This initiative represents a transformative opportunity to strengthen the state's agricultural sector, diversify the local economy, and enhance Hawai'i's food security and sustainability efforts.

**The Importance of a Food and Product Innovation Network**

Hawai'i's agricultural industry faces a range of challenges, including limited processing infrastructure, barriers to market entry, and dependence on imported goods. A statewide Food and Product Innovation Network can address these challenges by fostering collaboration, innovation, and value-added production. This network will provide essential resources and facilities that

support farmers, ranchers, and food entrepreneurs in transforming raw agricultural products into high-value goods.

## **Key Benefits of the Proposed Network**

### **1. Value-Added Production Opportunities:**

By providing access to facilities for food processing, packaging, and product development, the network will enable farmers and producers to create value-added goods that generate higher revenue and extend the shelf life of local agricultural products.

### **2. Support for Local Farmers and Entrepreneurs:**

Many small-scale farmers and food entrepreneurs lack the resources to develop, test, and commercialize new products. The network's shared facilities and technical assistance will level the playing field, empowering them to compete in local and global markets.

### **3. Enhanced Food Security and Resilience:**

Expanding local food production and processing capacity will reduce Hawai'i's reliance on imported goods, increasing the state's resilience to supply chain disruptions and advancing its food security goals.

### **4. Economic Development and Job Creation:**

The network will spur economic growth by supporting new and existing businesses, fostering innovation, and creating jobs in agriculture, manufacturing, and related sectors.

## 5. Sustainability and Climate Goals:

The network can encourage sustainable practices by promoting the use of local ingredients, reducing food waste, and supporting environmentally friendly production methods.

### Statewide Benefits and Regional Equity

The establishment of a Food and Product Innovation Network across Hawai'i ensures that resources are distributed equitably among counties, allowing for regional specialization and addressing the unique agricultural strengths and needs of each area.

- **O'ahu:** Leveraging urban markets and infrastructure for processing and distribution.
- **Maui:** Supporting diversified agriculture and innovative value-added products.
- **Hawai'i Island:** Focusing on livestock processing, specialty crops, and rural development.
- **Kaua'i:** Promoting niche markets, such as tropical fruits and agroforestry products.

### Recommendations for Implementation

To ensure the network's success, I recommend the following:

- **Collaboration with Stakeholders:** Engage farmers, producers, academic institutions, and community organizations in the planning



and implementation process to ensure that the network meets local needs.

- **Streamlined Access:** Simplify application processes and provide technical assistance to ensure equitable access to facilities and resources, particularly for small-scale producers and underserved communities.
- **Focus on Education and Training:** Include programs that provide hands-on training in food safety, product development, and marketing to equip producers with the skills needed for success.
- **Sustainability Metrics:** Incorporate metrics to evaluate the network's impact on food security, economic growth, and environmental sustainability.

House Bill 774 HD2 represents a bold and necessary step toward strengthening Hawai'i's agricultural economy and ensuring the long-term viability of local food production. By establishing the Agribusiness Development Corporation's Food and Product Innovation Network, we can empower farmers and producers, foster innovation, and build a more resilient and sustainable food system for the state.

I respectfully urge you to support this measure and prioritize its passage. Thank you for your attention to this critical issue and for your commitment to advancing Hawai'i's agricultural future. We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for your consideration of our testimony.



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February 20, 2025

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 744, HD2**  
RELATING TO VALUE-ADDED PRODUCTS

Conference Room 308 & Videoconference  
2:00 PM

Aloha Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports HB 744, HD2**, which establishes a food and product innovation network within the Agribusiness Development Corporation.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. Farmers can do this by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will increase farm revenue and provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

High production costs are a major driver of narrow profit margins for Hawai'i's farmers and value-added food producers. Labor, taxes, land, transportation, utilities, and supplies are all costs of doing business that often result in value-added food producers just breaking even.

If a Hawai'i farmer or entrepreneur wants to process an off-grade product into a value-added product they are usually forced to send it to the mainland because Hawai'i lacks value-added processing facilities. This cost of transportation to and from the mainland is often enough to discourage farmers from pursuing value-added production.

Hawai'i is potentially losing millions of dollars because of the cost of processing agricultural crops into value-added products. A network of food and value-added facilities in Hawai'i will support the production of new value-added products so that farmers can

increase their income while allowing locally produced value-added goods to compete with imported products, and expand into new export markets, strengthening our local economy.

The strength of Hawai'i's economy depends upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities.

Thank you for the opportunity to testify on this measure.



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#### **Executive Officers**

**Maile Miyashiro**, C&S Wholesale Grocer, *Chair*  
**Kit Okimoto**, Okimoto Corp., *Vice Chair*  
**Jayson Watts**, Mahi Pono, *Secretary/Treasurer*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Advisor*  
**Eddie Asato**, Pint Size Hawaii, *Advisor*  
**Gary Okimoto**, Safeway, *Immediate Past Chair*

TO: Committee on Finance

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 20, 2025

TIME: 2pm

RE: HB774 HD2 Relating to Value Added Products

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure. Increasing local food production is a goal we all share. When more of the food that is consumed in Hawaii is made in Hawaii our state becomes more resilient, more sustainable, and stronger economically. State support for value added products is a key component of increasing local food production.

HFIA has proudly produced the Made in Hawaii Festival for 30 years. Each year Made in Hawaii Festival vendors find ways to add value and create a range of amazing products using locally grown fruits, vegetables, meat, flowers, wood, and more. We know there is tremendous potential for growth in this sector. Creating a Food and Product Innovation Network is the kind of support that can enable our local businesses to grow and thrive and create more Hawaii food and products for Hawaii consumers.

We encourage the Committee to pass this measure and we thank you for the opportunity to testify.



**HB 774 HD2 – RELATING TO VALUE-ADDED PRODUCTS**

**SUPPORT**

Thank you for the opportunity to submit testimony in support of HB 774 HD2.

**HB-774-HD-2**

Submitted on: 2/19/2025 9:55:46 AM

Testimony for FIN on 2/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald Weidenbach	Hawaii Fish Company Inc.	Support	Written Testimony Only

Comments:

Hawai'i Fish Company (HFC) supports HB774 HD2 which increases value-added agriculture product development opportunities statewide to the benefit of Hawai'i's farmers, consumers, and economy.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON FINANCE  
Thursday, February 20, 2025 — 2:00 p.m.

**UluPono Initiative supports HB 774 HD 2, Relating to Value-Added Products.**

Dear Chair Yamashita and Members of the Committee:

My name is Mariah Yoshizu, and I am the Government Affairs Associate at UluPono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**UluPono supports HB 774 HD 2**, which establishes a food and product innovation network within the Agribusiness Development Corporation.

Farmers can increase their profitability by creating value-added products with their off-grade produce. Off-grade produce can be perfectly edible and nutritionally sound, but might not be “good looking” enough for grocery shoppers. With off-grade produce comprising 10% to 40% of typical harvests,<sup>1</sup> this network would help enable farmers to generate revenue from currently unused crops.

We appreciate this committee’s efforts to look at policies that support local food production and the success of our farmers and ranchers in scaling up to help our state meet its agricultural and economic diversification goals.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu  
Government Affairs Associate

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<sup>1</sup> [https://www.salon.com/2019/09/08/study-finds-farm-level-food-waste-is-much-worse-than-we-thought\\_partner/](https://www.salon.com/2019/09/08/study-finds-farm-level-food-waste-is-much-worse-than-we-thought_partner/) and <https://www.sciencedirect.com/science/article/pii/S0921344919301296>



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
Thursday, February 20, 2025 AT 2:00 P.M.**

To The Honorable Representative Kyle T. Yamashita, Chair  
The Honorable Representative Jenna Takenouchi, Vice Chair  
Members of the Committee on Finance

**SUPPORT HB774 HD2 RELATING TO RESILIENCY**

The Maui Chamber of Commerce **SUPPORTS HB774 HD2** which establishes a Food and Product Innovation Network within the Agribusiness Development Corporation (ADC) to support Hawaii's agricultural and economic diversification goals.

The Chamber recognizes that the creation of a food and product innovation network is essential to achieving the state's agricultural and economic diversification objectives. This network will enable businesses in Hawai'i to capitalize on the global appeal of the "Made in Hawai'i," "Produced in Hawai'i," or "Processed in Hawai'i" brand. It will also facilitate the creation of world-class products and increase production capacity by providing businesses with access to a wide range of manufacturing equipment and industry expertise.

We wholeheartedly support initiatives that promote our local businesses and farmers.

For these reasons we **SUPPORT HB774 HD2** and respectfully request its passage.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.





**Testimony to the House Committee on Finance  
Representative Kyle T. Yamashita, Chair  
Representative Jenna Takenouchi, Vice Chair**

**Wednesday, February 14, 2024, at 9:15AM  
Conference Room 325 & Videoconference**

**RE: HB774 HD2 Relating to Value-Added Products**

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 774 House Draft 2 (HB774 HD2), which establishes a food and product innovation network within the Agribusiness Development Corporation.

HB774 HD2 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

A food and product innovation network is vital for advancing Hawaii's agricultural industry and economic diversification. By providing businesses access to manufacturing equipment, industry expertise, and product development resources, this initiative enables local entrepreneurs to scale operations and expand under the "Made in Hawaii" brand. The network will include strategically located facilities, such as university-based innovation centers and new regional sites, ensuring broad support. This infrastructure helps businesses transition from research to commercialization, increasing Hawaii's capacity to produce high-quality, market-ready goods.

The program strengthens food security, supports local production, and reduces reliance on imports while fostering entrepreneurship. By offering certification support, process optimization, and export compliance assistance, it ensures businesses are ready for global markets while maintaining product integrity. Annual reports will track progress in agricultural growth and food security. This initiative aligns with Hawaii's long-term economic goals, and the Chamber supports it for its potential to drive innovation, create jobs, and establish the state as a leader in food and product development.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 774 House Draft 2. Thank you for the opportunity to testify.

**HB-774-HD-2**

Submitted on: 2/18/2025 3:54:24 PM

Testimony for FIN on 2/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT! MAHALO!