



**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
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
&
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Tuesday, February 11, 2025
1:01 PM
State Capitol, Conference Room 229

In consideration of
SB 558
RELATING TO VALUE-ADDED PRODUCTS

Chairs DeCoite and Gabbard, Vice Chairs Wakai and Richards, and members of the Committees:

Thank you for the opportunity to testify in strong support of Senate Bill No. 558, which proposes the establishment of the Agribusiness Development Corporation's (ADC) Food and Product Innovation Network, and appropriates funds for food and product development or innovation facilities in the county of Maui and on the islands of O'ahu and Hawai'i. 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.

SB 558 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 Committees 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



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
AND COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

**TUESDAY, FEBRUARY 11, 2025
1:01 PM
CONFERENCE ROOM 229**

**SENATE BILL NO. 558
RELATING TO VALUE-ADDED PRODUCTS**

Chairs DeCoite and Gabbard, Vice Chair Wakai and Richards, and Members of the Committees:

Thank you for the opportunity to testify on Senate 558. This bill seeks to establish a statewide 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 (Department) supports this initiative.

The food and product innovation network proposed in this measure includes a range of robust facility partners on Kauai, Maui, 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, inventive supply chain logistics, and new marketing channels.

Thank you for the opportunity to testify on this measure.



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 SENATE COMMITTEES ON ECONOMIC DEVELOPMENT
AND TOURISM, & AGRICULTURE AND ENVIRONMENT
February 11, 2025
1:01 p.m.
Conference Room 415 & Videoconference

SENATE BILL NO. 558
RELATING TO VALUE-ADDED PRODUCTS

Chairpersons DeCoite and Gabbard, Vice Chairs Wakai and Richards, and Members of the joint Committees:

The Agribusiness Development Corporation (ADC) **supports** Senate Bill No. 558, which establishes a Food and Product Innovation Network (FPIN) within ADC. Appropriates funds for food and product development or innovation facilities in the county of Maui and on the islands of Oahu and Hawaii.

ADC strongly supports this measure, which provides funding for a statewide FPIN, which will create rural jobs, provide additional revenue streams to our local farmers and producers, and foster the development of locally made value-added products to expand the "Made in Hawaii" brand.

Research and product development is risky and requires a lot of up-front capital, which discourages a lot of Hawaii's emerging agribusinesses and entrepreneurs from exploring new markets. The establishment of FPINs will de-risk investment for growing businesses and accelerate their efforts in developing new products to promote food resiliency and Hawaii's export marketing. The facilities will be the place where agribusinesses and entrepreneurs can develop a

wide variety of locally made value-added products from preparation to packaged product. Because it is a network, information and expertise can be shared and passed on to others to replicate success.

ADC believes these investments will make the agency more dynamic and stimulate economic development, particularly in our rural communities. By making these investments, ADC will be able to attract and support agribusinesses and entrepreneurs and help them reach economies of scale.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for the opportunity to testify on this important measure.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Economic Development and Tourism
Senate Committee on Agriculture and Environment
Tuesday, February 11, 2025, at 1:01 p.m.

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

SB 558 – RELATING TO VALUE-ADDED PRODUCTS

Chairs DeCoite and Gabbard, Vice Chairs Wakai and Richards, and Members of the Committees:

The University of Hawai'i supports the intent of SB 558, which establishes a “food and product innovation network” under the Agribusiness Development Corporation. This network will provide access to facilities, resources, expertise, and education to capitalize on the “Made in Hawai'i”, “Produced in Hawai'i”, or “Processed in Hawai'i” brand, which is critical to meeting the State’s agricultural and economic diversification goals.

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 and supporting economic diversification through offshore markets in all counties, including commodities and off-grades in each region.

Thank you for the opportunity to provide testimony in support of SB 558.



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February 11, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON SB 558
RELATING TO VALUE-ADDED PRODUCTS

Conference Room 229 & Videoconference
1:01 PM

Aloha Chairs DeCoite and Gabbard, Vice-Chairs Wakai and Richards, and Members of the Committees:

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 SB 558, which establishes a Food and Product Innovation Network within the Agribusiness Development Corporation and appropriates funds for food and product development or innovation facilities in the county of Maui and on the islands of Oahu and Hawai'i.

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 this opportunity to testify in support of this measure.



Email: communications@ulupono.com

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
& AGRICULTURE AND THE ENVIRONMENT
Tuesday, February 11, 2025 — 1:01 p.m.

Ulupono Initiative supports SB 558, Relating to Value-Added Products.

Dear Chair DeCoite, Chair Gabbard, and Members of the Committees:

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 SB 558, 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,¹ 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

¹ 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>



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Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Immediate Past Chair*

TO: Committee on Economic Development and Tourism, and Committee on Agriculture and Environment

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 11, 2025

TIME: 1:01pm

RE: SB558 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 and manufacturing helps build a more diverse economic foundation for our state. Increasing local food production also makes our food systems more resilient and sustainable.

HFIA has proudly produced the Made in Hawaii Festival for over 30 years and we know first hand the value and importance of locally made products. We also know that there is huge potential for growth in our local manufacturing sector. Establishing a food and product innovation network is an important step that the State can take to help this sector grow and thrive for the benefit of Hawaii makers, Hawaii consumers, and Hawaii's economy.

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

SB-558

Submitted on: 2/8/2025 11:10:54 AM

Testimony for EDT on 2/11/2025 1:01:00 PM

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

Comments:

Hawaii Fish Company (HFC) supports SB558 which increases value-added agriculture product development opportunities statewide to the benefit of Hawaii's farmers and consumers.

SB-558

Submitted on: 2/7/2025 7:09:43 PM

Testimony for EDT on 2/11/2025 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Testifying for Kanalani Ohana Farm	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members:

As a long-time farmer in Honaunau.

Please support the piece of legislation which will help producers with value-added product development and thereby allow for better support of local agriculture, which is needed at this time.

Thank you,

Colehour Bondera

KANALANI OHANA FARM

colemel2@gmail.com

LATE

February 10, 2025

Subject: SB558 ADC; *Economic Development; Food and Product Innovation Network; Food Security; Appropriations*

Aloha Chair DeCoite, Chair Gabbard, Vice Chair Wakai, Vice Chair Richards, Members of the Economic Development and Tourism Committee, and Members of the Agriculture and Environment Committee,

Hawai'i Food+ Policy supports passing SB558 in establishing a Food and Product Innovation Network so as to meet our state's agricultural and economic diversification goals. According to the Hawaii Department of Business, Economic Development and Tourism, Hawaii has an increased interest in economic growth and maintaining stability through the diversification of our economic industries. But according to a study done by the Research and Economic Analysis Division (READ) in September of 2020, the industry with the largest growth rate over almost 2 decades was in Mining, Quarrying, and Oil and Gas Extraction at a 2.9% increase. While our Agriculture, Forestry, Fishing and Hunting experienced a -0.2% growth over the same period. Our state should be focused on supporting the economic growth of our local agricultural sectors, as Hawaii's climate could be made the perfect place to extend our agricultural economic development.

Our local businesses, especially those within the agricultural, forestry, fishing and hunting sector, should have the same opportunities to diversify Hawaii's economy. Through the support of a Food and Product Innovation Network, local businesses will receive the appropriate assistance in growing their business from development to manufacturing. The state should be supporting the growth of our local businesses to reach farther outside of our islands, taking the growth statistics of our agricultural sector out of the negatives, and uplifting opportunities for economic growth and stability. On behalf of Hawai'i Food+ Policy we urge your committees to support SB558 in offering the same economic growth opportunities to our local businesses.

Thank you for your time and consideration,
The Hawai'i Food+ Policy Team

Measuring Economic Diversification in Hawaii,
dbedt.hawaii.gov/economic/reports_studies/econdiversification/.

Measuring Economic Diversification in Hawaii - DBEDT, Sept. 2020,
dbedt.hawaii.gov/economic/files/2020/09/Diversification2020.pdf

LATE



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM and
AGRICULTURE AND ENVIRONMENT
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Tuesday, February 11, 2025, 1:01 P.M.**

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the committee on Economic Development and Tourism
Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair
Members of the committee on Agriculture and Environment

SUPPORT SB558 RELATING TO VALUE-ADDED PRODUCTS

The Maui Chamber of Commerce **SUPPORTS SB558** 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 SB558** 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 Senate Committee on Economic Development and Tourism
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

Testimony to the Senate Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair

Tuesday, February 11, 2025, at 1:01PM
Conference Room 229 & Videoconference

LATE

RE: SB558 Relating to Value-Added Products

Aloha e Chair DeCoite, Chair Gabbard, Vice Chairs, and Committee Members:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 558 (SB558), which establishes a Food and Product Innovation Network within the Agribusiness Development Corporation and appropriates funds for food and product development or innovation facilities in the county of Maui and on the islands of Oahu and Hawai'i.

SB558 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.

The proposed food and product innovation network will strengthen Hawaii's agricultural and economic diversification. By leveraging the "made in Hawaii" brand, it helps businesses create quality products and scale production. Access to manufacturing equipment and expertise enables entrepreneurs to move efficiently from research to commercialization, enhancing local and global competitiveness.

This bill establishes a statewide network of open-access food and product development facilities across Kauai, Hawaii, Maui, and Oahu. These centers provide business training, branding support, and specialized equipment to boost exports, streamline production, and ensure certification compliance. The Chamber supports this bill as a vital investment in Hawaii's economy, fostering innovation, job growth, and long-term sustainability.

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 Senate Bill 558. Thank you for the opportunity to testify.



Hawai'i Forest Industry Association

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Email: hfia@hawaiiiforest.org

LATE

Date: 02/10/25

TO: AEN Chair Gabbard, EDT Chair DeCoite and AEN/EDT Committee Members

FROM: Hawai'i Forest Industry Association (HFIA)

SUBJECT: In Support of SB558 Relating to Value Added Products

Dear Chair Gabbard, Chair DeCoite and AEN/EDT Committee Members,

On behalf of the Directors and members of the Hawai'i Forest Industry Association (HFIA), please support SB558 Relating to Value-Added Products..

Since 1989 HFIA has worked towards actualizing healthy and productive forests across the state of Hawaii and recognized Hawaii's opportunity for economic growth and diversification. We've taken much pride in encouraging our members to create products utilizing locally sourced materials. We've done this via our Hawaii's Wood Brand program which represents fine items made from wood grown in the Hawaiian Islands. The program requires participants to meet certain criteria ensuring their products are Hawaii Made and of good quality. Roughly 40% of HFIA's members are woodworkers, the vast majority of whom utilize woods sourced locally. Many HFIA woodworkers sell their finished products both locally and out of state. These sales of high quality, Hawaii Made products, to out of state buyers are a small-scale example of what SB558 could yield on a broader scale across various food and product categories.

It is also important to note that Hawaii is home to millions of acres of land zoned as Conservation Reserve. These lands hold forest resources that could be utilized for innovation and to create value-added, Hawaii Made products. Extracted resources could be replenished for future harvest and use. These lands also hold wild game that could be processed to feed local families or exported as a Hawaii Sourced product with the support of a Food and Product Innovation Network.

Ultimately, a successful Food and Product Innovation Network could yield various benefits including economic diversification and growth, job creation, business innovation and networking and resource sharing amongst entrepreneurs in the State of Hawaii. For these reasons we hope that you will support SB558.

Mahalo for your time and consideration,

Guy Cellier

Guy Cellier, President

Hawaii Forest Industry Association

HFIA's mission is to promote healthy and productive forests and a sustainable forest industry through management, education, planning, information exchange, and advocacy. HFIA has over 130 members including woodworkers, landowners, sawyers, foundations, foresters, growers, educators, environmentalists, architects, millers, ranchers, and others interested in HFIA's mission and goals.

HFIA Board of Directors

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