
A BILL FOR AN ACT

RELATING TO AGRICULTURE INNOVATION.

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

1 SECTION 1. The legislature finds that Hawaii is in need of
2 a more robust, resilient, and self-sufficient agricultural
3 industry that promotes the State's food security policies.
4 Supporting and nurturing local agricultural innovation and
5 awarding financial resources to businesses will, among other
6 things, bring to the market new technology to further the
7 State's food self-sufficiency goals.

8 Accordingly, the purpose of this Act is to establish an
9 innovation grant program for agricultural innovation.

10 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 "PART . AGRICULTURE INNOVATION GRANT PROGRAM

14 §206M-A Agriculture innovation grant program;
15 establishment. There is established the agriculture innovation
16 grant program to fund agribusiness incubator programs for the
17 support of start-up agricultural businesses developing
18 innovations for:



- 1 (1) Feed production;
- 2 (2) Food waste recycling;
- 3 (3) On-farm energy efficiency;
- 4 (4) Soil health and conservation;
- 5 (5) Food production;
- 6 (6) Food processing; and
- 7 (7) Marketing of food products.

8 The agriculture innovation grant program shall be placed
9 within the department of business, economic development, and
10 tourism for administrative purposes and shall be administered
11 and implemented by the development corporation.

12 §206M-B Agriculture innovation grant program;
13 applications; awards; rules. (a) Each application for an
14 agriculture innovation grant shall show an agribusiness
15 incubator program's capacity to mentor and develop start-up
16 agricultural businesses focused on:

- 17 (1) Feed production;
- 18 (2) Food waste recycling;
- 19 (3) On-farm energy efficiency;
- 20 (4) Soil health and conservation;
- 21 (5) Food production;
- 22 (6) Food processing; and



(7) Marketing of food products.

Any institution of higher education, nonprofit organization, business entity, or government agency shall be eligible to apply for an agriculture innovation grant.

(b) The board, in consultation with experts familiar with the State's agricultural industry, shall accept and evaluate agriculture innovation grant applications, considering each applicant's demonstrated ability to provide start-up agricultural businesses with:

(1) Assistance from experts in bringing technologies to market, ideally in the form of a large mentor network and local, well-connected, and experienced staff;

(2) Dedicated mentorship where experienced, successful start-up leaders are paired with leaders whose companies are in the early stages of agricultural technology commercialization;

(3) Early vetting and refinement of business models;

(4) Intensive introductory programs for both seed- and growth-stage companies;

(5) Customized training from experts in several areas, including customer development, pitching, intellectual



1 property, financial projections, valuation, fund-
2 raising, and team-building; and

3 (6) Connections to strategic partners both within and
4 outside of the State.

5 Applications that show evidence of demonstration funding, cost
6 share, or additional funds already secured shall receive more
7 favorable consideration. Such applications shall provide the
8 source, amount, timing, and degree of certainty for any funds
9 secured outside of the agriculture innovation grant.

10 (c) Agriculture innovation grants shall be awarded by the
11 board subject to available funds in the agriculture innovation
12 grant fund established under section 206M-C.

13 (d) An applicant who receives an agriculture innovation
14 grant may apply to renew the grant. Applications for renewal
15 shall include a report detailing the success of the agribusiness
16 incubator program.

17 (e) The board shall adopt rules pursuant to chapter 91 to:

18 (1) Specify an application procedure and timeline for the
19 agriculture innovation grant program;

20 (2) Develop a procedure by which to rate applications and
21 award agriculture innovation grants; and



(3) Adopt methods by which to measure the success of each awardee in fulfilling the purpose for which the agriculture innovation grant was awarded, including, as appropriate:

- (A) The amount and source of follow-on funding;
- (B) The amount of revenue earned by start-up agricultural businesses supported by the agribusiness incubator program;
- (C) Job creation resulting from the agribusiness incubator program;
- (D) The amount of product grown or sold by volume by start-up agricultural businesses supported by the agribusiness incubator program; and
- (E) The sustainability of start-up agricultural businesses supported by the agribusiness incubator program.

§206M-C Agriculture innovation grant fund. (a) There is created within the state treasury the agriculture innovation grant fund for the agriculture innovation grant program established under section 206M-A.

(b) Deposits into the fund may include appropriations to the fund by the legislature and gifts, grants, or donations from



1 public or private sources. Moneys in the fund may be used for
2 direct and indirect costs associated with the agriculture
3 innovation grant program; provided that no more than one per
4 cent of the total amount of moneys annually appropriated from
5 the fund shall be used to offset administrative costs incurred
6 by the board to implement and sustain the agriculture innovation
7 grant program.

8 **\$206M-D Agriculture innovation grant program; reporting.**

9 Following each fiscal year in which the board awards one or more
10 agriculture innovation grants, the board shall submit a report
11 to the legislature describing, at a minimum, the agribusiness
12 incubator programs receiving a grant, the amount awarded to each
13 program, and the results achieved by each program. The report
14 shall be submitted no later than twenty days prior to the
15 convening of the next regular session."

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so much
18 thereof as may be necessary for fiscal year 2014-2015 to be
19 deposited into the agriculture innovation grant fund.

20 SECTION 4. There is appropriated out of the agriculture
21 innovation grant fund the sum of \$ or so much thereof as



1 may be necessary for fiscal year 2014-2015 for the purposes of
2 the agriculture innovation grant program.

3 The sum appropriated shall be expended by the department of
4 business, economic development, and tourism for the purposes of
5 this Act.

6 SECTION 5. In codifying the new sections added by section
7 2 of this Act, the revisor of statutes shall substitute
8 appropriate section numbers for the letters used in designating
9 the new sections in this Act.

10 SECTION 6. This Act shall take effect on July 1, 2014.



Report Title:

Agriculture Innovation Grant Program and Fund; Appropriation

Description:

Establishes an Agriculture Innovation Grant Program and Agriculture Innovation Grant Fund to fund agribusiness incubator programs to support start-up businesses in Hawaii focused on feed production, food waste recycling, on-farm energy efficiency, soil health and conservation, and food related agricultural activities. Makes an appropriation. Effective July 1, 2014. (HB1534 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

