
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" brand, create world-class
6 products, and scale up production by providing the businesses
7 with access to a diverse suite of manufacturing equipment and
8 industry expertise.

9 Accordingly, the purpose of this Act is to establish a
10 statewide network of open-access food and value-added product
11 development facilities to enable businesses to scale up new
12 products from research and development to manufacturing and
13 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 allow businesses
- 5 in the State to capitalize globally on the "made in Hawaii"
- 6 brand, pursuant to section 486-119; create world-class products;
- 7 and scale up production by providing the businesses with access
- 8 to a diverse suite of manufacturing equipment and industry
- 9 expertise.
- 10 (b) Partner members of the food and product innovation
- 11 network shall include:
- 12 (1) The department of education food and product
- 13 innovation center in Kekaha, on the island of Kauai;
- 14 (2) The foreign-trade zone facility in Hilo, on the island
- 15 of Hawaii;
- 16 (3) The university of Hawaii Maui college food innovation
- 17 center, on the island of Maui; and
- 18 (4) The university of Hawaii Leeward community college
- 19 value-added product development center in Wahiawa, on
- 20 the island of Oahu.
- 21 (c) The food and product innovation network shall:



- 1 (1) Offer a range of resources within the wider network to
2 support innovation and business development, including
3 courses and events relating to food and value-added
4 product development, entrepreneurship, marketing,
5 branding, business management, workforce development,
6 intellectual property protection, and other topics;
- 7 (2) Provide new product development support from
8 early-stage trials to commercialization by
9 establishing a network of facilities with equipment of
10 various scales, providing expert advice, and offering
11 resources tailored to the regional economies;
- 12 (3) Provide low-risk commercial production with
13 appropriate certifications for exporting products and
14 selling products locally;
- 15 (4) Provide recommendations on process optimization by
16 offering advice and networking, identifying and
17 testing equipment, planning trials, and analyzing
18 results;
- 19 (5) Increase exports by securing facilities and developing
20 compliance programs for off-shore markets; provided
21 that each county shall have no more than two food and



1 product innovation network facilities that produce
2 products labeled "made in Hawaii", "produced in
3 Hawaii", or "processed in Hawaii" pursuant to
4 section 486-119;

5 (6) Develop entrepreneurs to grow the State's economy; and

6 (7) Prepare businesses to scale up and to achieve
7 autonomous business success and sustainability.

8 (d) No later than twenty days prior to the convening of
9 each regular session, the food and product innovation network
10 shall submit a report to the legislature including:

11 (1) A description of the food and product innovation
12 network's activities and progress in the preceding
13 year, including the activities and progress of primary
14 members and partner members, in response to the
15 directives established pursuant to subsection (c);

16 (2) An assessment of any progress Hawaii has made in
17 growing the State's agriculture industry, food
18 industry, and related industries, and in meeting the
19 State's food security goals; and

20 (3) Any proposed legislation."



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

4 "Partner member" means an open-access food and value-added
5 product development facility that is part of the food and
6 product innovation network but is not managed or operated by the
7 corporation.

8 "Primary member" means an open-access food and value-added
9 product development facility that is part of the food and
10 product innovation network and is managed and operated by the
11 corporation."

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

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

15 (1) Develop, promote, assist, and market agricultural
16 products for local consumption, and shall promote and
17 assist in commercial export of agricultural
18 products[-]; and

19 (2) Oversee the food and product innovation network
20 pursuant to section 163D- ; provided that the



1 responsibilities and operations of each partner member
2 shall remain with the partner member."

3 SECTION 5. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2023-2024 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2024-2025 for the food and product innovation network
8 established pursuant to this Act, including:

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

14 (2) \$ for a food and product innovation
15 facility on the island of Oahu.

16 The sums appropriated shall be expended by the agribusiness
17 development corporation for the purposes of this Act.

18 SECTION 6. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



H.B. NO. 1426

1 SECTION 7. This Act shall take effect on July 1, 2023.

2

INTRODUCED BY:



JAN 25 2023



H.B. NO. 1426

Report Title:

ADC; Economic Development; Food Security; Appropriation

Description:

Establishes a food and product innovation network within the Agribusiness Development Corporation. Appropriates moneys for food and product innovation facilities on the islands of Molokai and Oahu.

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