STAND. COM. REP. NO. 1250

Honolulu, Hawaii

MAR 2 7 2023

RE: H.B. No. 1426 H.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism, to which was referred H.B. No. 1426, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VALUE-ADDED PRODUCTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Food and Product Innovation Network within the Agribusiness Development Corporation; and
- (2)Appropriate funds for Food and Product Innovation Facilities on the islands of Molokai, Oahu, and Hawaii.

Your Committees received testimony in support of this measure from Agribusiness Development Corporation, Ulupono Initiative, Hawai'i Farm Bureau, Hawai'i Forest Industry Association, Sustainable Molokai, Molokai Hunting Club, and two individuals. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that farmers and food producers in the State seek to create additional revenue streams through valueadded products, which are raw agricultural crops that undergo specified processes that add to their appeal in the marketplace, like packaged salad mix, for example. While there are economic



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incentives for farmers to innovate and create value-added products, they typically must resort to using facilities on the mainland, which can be too expensive to justify. Your Committees further find that value-added products can reduce food waste at farms by providing a use for cosmetically imperfect food crops that would otherwise be wasted. Therefore, this measure establishes food and product innovation facilitates on Molokai, Oahu, and Hawaii islands to make available the infrastructure for farmers and ranchers in the State to create value-added products. This measure also establishes the Food and Product Innovation Network to provide support in actively addressing local food issues as they become increasingly complex and challenging.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1426, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Agriculture and Environment and Energy, Economic Development, and Tourism,

MIKE GABBARD, Chair





The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:*	Committee Referral: Date:						
HB1426 HD1	AEN/EET, WAM 03-15-23						
The Committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
GABBARD, Mike (C)		\mathbf{X}					
RICHARDS, III, Herbert M. "Tim" (VC)		X					
DECOITE, Lynn		\times					
RHOADS, Karl		\times					
AWA, Brenton		\mathbf{X}					
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TOTAL		5					
Recommendation:							
Adopted Not Adopted							
Chair's or Designee's Signature:							
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

*Only one measure per Record of Votes

The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Energy, Economic Development, and Tourism EET

Bill / Resolution No.:* Committee Referral: Date:								
HB1426, HD1 AEN	LEET,	WAM	3-13	-13				
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members	Aye	Aye (WR)	Nay	Excused				
DECOITE, Lynn (C)								
WAKAI, Glenn (VC)								
FUKUNAGA, Carol				\checkmark				
KIM, Donna Mercado								
FEVELLA, Kurt								
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Recommendation:								
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*Only one measure per Record of Votes