
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that local agriculture is
2 essential to Hawaii. Eighty-five per cent of all food consumed
3 in the State is imported, leaving Hawaii vulnerable to natural
4 disasters and supply chain disruptions. Increasing the amount
5 of food produced locally is key to reducing the need for
6 imported foods.

7 The legislature further finds that if left dependent on
8 imports, Hawaii residents will experience greater volatility in
9 the price and availability of food because of the impact of
10 climate change on national and global food production. It can
11 no longer be assumed that there will always be an unlimited
12 supply of affordable food from overseas to feed Hawaii's
13 population.

14 The legislature recognizes, however, that high costs in the
15 State limit the competitiveness of local agriculture and have
16 undermined efforts to expand local food production. Direct
17 support for local agricultural producers can help overcome the



1 high costs faced by Hawaii's agricultural sector. The creation
2 of an agricultural investment program will allow the
3 agribusiness development corporation to invest in agricultural
4 producers to support the State's economy and alleviate financial
5 strains on the local agricultural sector.

6 Accordingly, the purpose of this Act is to establish the
7 Hawaii agricultural investment program to provide a dedicated
8 funding source for the local agricultural sector.

9 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
10 amended by adding a new section to part I to be appropriately
11 designated and to read as follows:

12 "§163D- Hawaii agricultural investment program. (a)

13 There is established within the corporation the Hawaii
14 agricultural investment program.

15 (b) Subject to legislative appropriation, moneys in the
16 Hawaii agricultural investment program shall be awarded as
17 matching grants to:

- 18 (1) Acquire or improve real property, irrigation systems,
19 and transportation networks to promote agricultural
20 production or processing activities;



- 1 (2) Purchase or improve equipment and technology for
- 2 agricultural production or processing activities;
- 3 (3) Promote workforce development and labor solutions for
- 4 agricultural production and processing;
- 5 (4) Conduct research on and testing of agricultural
- 6 products and markets;
- 7 (5) Promote and market agricultural products grown or
- 8 raised in the State;
- 9 (6) Promote food safety training and education to promote
- 10 agricultural production and market development; and
- 11 (7) Perform any other immediate response activities
- 12 intended to support agricultural production or
- 13 processing that will lead to the reduced import of
- 14 food, fodder, or feed from outside the State.
- 15 (c) The following standards shall apply to all grants
- 16 awarded through the Hawaii agricultural investment program:
- 17 (1) Any grant shall be used exclusively for the purposes
- 18 of the program;
- 19 (2) The applicant shall indicate capability to properly
- 20 use the grant to promote agricultural production;



- 1 (3) The grantee shall comply with all applicable federal
2 and state laws prohibiting discrimination against any
3 person on the basis of race, color, national origin,
4 religion, creed, sex, age, sexual orientation,
5 disability, or any other characteristic protected
6 under applicable federal or state law;
- 7 (4) The grant shall not be used for purposes of
8 entertainment or perquisites;
- 9 (5) The grantee shall comply with other requirements as
10 the corporation may prescribe;
- 11 (6) All activities undertaken with grant funds received
12 shall comply with all applicable federal, state, and
13 county statutes and ordinances;
- 14 (7) The grantee shall:
- 15 (A) Indemnify and hold harmless the State and its
16 officers, agents, and employees from and against
17 any and all claims arising out of or resulting
18 from activities carried out or projects
19 undertaken with funds received from the program;
20 and



1 (B) Obtain sufficient insurance to provide the
2 indemnification under subparagraph (A), if
3 requested to do so by the corporation; and

4 (8) The grantee shall agree to make available to the
5 corporation all records the grantee may have relating
6 to the grant to monitor the grantee's compliance with
7 the requirements of the program.

8 (d) The corporation shall submit a report to the
9 legislature no later than twenty days prior to the convening of
10 each regular session on the status and progress of existing
11 programs and activities and the status of new programs and
12 activities funded under the Hawaii agricultural investment
13 program. The report shall also include:

14 (1) An accounting of all moneys expended by the Hawaii
15 agricultural investment program;

16 (2) Descriptions of the markets targeted for expenditures,
17 including the reasons for selecting those markets;

18 (3) A discussion of the persons who will be served by the
19 expenditures;

20 (4) The specific objectives of the expenditures, including
21 measurable outcomes; and



1 (5) An assessment of the number of socially disadvantaged
2 farmers and ranchers served by the program."

3 SECTION 3. In accordance with section 9 of article VII of
4 the Hawaii State Constitution and sections 37-91 and 37-93,
5 Hawaii Revised Statutes, the legislature has determined that the
6 appropriations contained in Act 164, Regular Session of 2023,
7 and this Act will cause the state general fund expenditure
8 ceiling for fiscal year 2024-2025 to be exceeded by
9 \$ or per cent. This current declaration takes
10 into account general fund appropriations authorized for fiscal
11 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
12 only. The reasons for exceeding the general fund expenditure
13 ceiling are that:

14 (1) The appropriation made in this Act is necessary to
15 serve the public interest; and

16 (2) The appropriation made in this Act meets the needs
17 addressed by this Act.

18 SECTION 4. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2024-2025 for
21 the agribusiness development corporation to establish the Hawaii



1 agricultural investment program to support local agricultural
2 producers.

3 The sum appropriated shall be expended by the agribusiness
4 development corporation for the purposes of this Act.

5 SECTION 5. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2024-2025 for
8 the establishment of two full-time equivalent (2.0 FTE)
9 positions within the Hawaii agricultural investment program to
10 manage the procurement process to award grants, generate and
11 administer contracts, and manage the accounting oversight
12 resulting from the awarding of grants.

13 The sum appropriated shall be expended by the agribusiness
14 development corporation for the purposes of this Act.

15 SECTION 6. New statutory material is underscored.

16 SECTION 7. This Act shall take effect on July 1, 2050.



Report Title:

ADC; Hawaii Agricultural Investment Program; Reports; Positions;
Expenditure Ceiling; Appropriations

Description:

Establishes the Hawaii Agricultural Investment Program within the Agribusiness Development Corporation to support local agricultural producers. Requires annual reports. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds for program and two positions. Takes effect 7/1/2050.
(SD1)

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