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# 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 outside the State to feed  
13 Hawaii's population.

14           The legislature also recognizes, however, that high costs  
15 in the State limit the competitiveness of local agriculture and  
16 have undermined efforts to expand local food production. Direct



1 support for local agricultural producers can help overcome the  
2 high costs faced by Hawaii's agricultural sector.

3 Accordingly, the purpose of this Act is to establish the  
4 Hawaii agricultural investment program to provide a dedicated  
5 funding source for the local agricultural sector. Through the  
6 program, the department of agriculture can invest in  
7 agricultural producers to support the State's economy and  
8 alleviate financial strains on the local agricultural sector.

9 SECTION 2. Chapter 141, Hawaii Revised Statutes, is  
10 amended by adding two new sections to part I to be appropriately  
11 designated and to read as follows:

12 "§141- Hawaii agricultural investment program. (a)  
13 There is established within the department of agriculture the  
14 Hawaii agricultural investment program.

15 (b) Moneys in the program shall be awarded as matching  
16 grants to:

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

20 (2) Purchase or improve equipment and technology for  
21 agricultural production or processing activities;



- 1        (3) Promote workforce development and labor solutions for
- 2            agricultural production and processing;
- 3        (4) Conduct research on and testing of agricultural
- 4            products and markets;
- 5        (5) Promote and market agricultural products grown or
- 6            raised in the State;
- 7        (6) Promote food safety training and education to promote
- 8            agricultural production and market development; and
- 9        (7) Any other immediate response activities intended to
- 10           support agricultural production or processing that
- 11           will lead to the reduced importation of food, fodder,
- 12           or feed from outside the State.
  
- 13        (c) The department of agriculture shall submit a report to
- 14        the legislature no later than twenty days prior to the convening
- 15        of each regular session on the status and progress of existing
- 16        programs and activities and the status of new programs and
- 17        activities funded under the Hawaii agricultural investment
- 18        program. The report shall also include:
  
- 19           (1) An accounting of all moneys expended by the Hawaii
- 20           agricultural investment program;



- 1        (2) Descriptions of the markets targeted for expenditures,
- 2            including the reasons for selecting those markets;
- 3        (3) A discussion of the persons who will be served by the
- 4            expenditures; and
- 5        (4) The specific objectives of the expenditures, including
- 6            measurable outcomes.

7        §141- Grants; conditions and qualifications. (a)

8        Applications for grants shall be made to the department and

9        contain such information as the department shall require. At a

10       minimum, the application shall include:

- 11       (1) The name of the requesting organization or individual;
- 12       (2) The purpose of the grant;
- 13       (3) The service to be supported by the grant;
- 14       (4) The target group to be benefited;
- 15       (5) The cost of the grant; and
- 16       (6) A guaranty that the grant will be used for activities
- 17            that are consistent with the purposes of this chapter.
- 18       (b) Grants shall only be awarded if:
- 19            (1) The applicant agrees to comply with applicable
- 20            federal, state, and county laws;



- 1        (2) The grant shall not be used for purposes of
- 2            entertainment or perquisites;
- 3        (3) All activities and improvements undertaken with funds
- 4            received shall comply with all applicable federal,
- 5            state, and county statutes and ordinances, including
- 6            applicable building codes and agency rules; and
- 7        (4) The applicant will indemnify and hold harmless the
- 8            department, the State of Hawaii, its officers agents,
- 9            and employees from and against any and all claims
- 10           arising out of or resulting from activities carried
- 11           out or projects undertaken with funds provided
- 12           hereunder, and procure sufficient insurance to provide
- 13           this indemnification if requested to do so by the
- 14           department.
- 15        (c) To receive a grant, an applicant shall:
- 16           (1) Be:
- 17            (A) A for-profit organization incorporated under the
- 18            laws of the State;
- 19            (B) A nonprofit community-based organization
- 20            determined to be exempt from federal income
- 21            taxation by the Internal Revenue Service;



- 1           (C) A cooperative association; or
- 2           (D) An individual, who in the department's
- 3                   determination, is able to provide the services or
- 4                   activities proposed in the application for a
- 5                   grant;
- 6       (2) Agree to make available to the department all records
- 7           the applicant may have relating to the operation of
- 8           the applicant's activity, business, or enterprise, to
- 9           allow the office to monitor the applicant's activity,
- 10           business, or enterprise, to allow the office to
- 11           monitor the applicant's compliance with the purpose of
- 12           this chapter; and
- 13       (3) Establish, to the satisfaction of the department, that
- 14           sufficient funds are available for the effective
- 15           operation of the activity, business, or enterprise for
- 16           the purpose for which the grant is awarded.
- 17       (d) Every grant shall be:
- 18           (1) Monitored by the department to ensure compliance with
- 19           this chapter and the purposes and intent of the grant;
- 20           and



1       (2) Evaluated annually to determine whether the grant  
2           attained the intended results in the manner  
3           contemplated."

4           SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$3,000,000 or so much  
6 thereof as may be necessary for fiscal year 2023-2024 and the  
7 same sum or so much thereof as may be necessary for fiscal year  
8 2024-2025 for the department of agriculture to establish the  
9 Hawaii agricultural investment program to support local  
10 agricultural producers; provided that no funds shall be made  
11 available under this Act unless the department of agriculture  
12 obtains twenty-five per cent matching funds from federal,  
13 private, or other sources.

14           The sums appropriated shall be expended by the department  
15 of agriculture for the purposes of this Act.

16           SECTION 4. The appropriations made in section 3 of this  
17 Act shall not lapse at the end of the fiscal years for which the  
18 appropriations were made; provided that all moneys from the  
19 appropriations unencumbered as of June 30, 2026, shall lapse as  
20 of that date.

21           SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2023.





**Report Title:**

Hawaii Agricultural Investment Program; Department of  
Agriculture; Appropriation

**Description:**

Establishes the Hawaii Agricultural Investment Program to  
support local agricultural producers. Requires annual reports  
to the Legislature. Appropriates funds. (SD1)

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

