
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", "produced in Hawaii", or
6 "processed in Hawaii" brand; create world-class products; and
7 scale up production by providing the businesses with access to a
8 diverse suite of manufacturing equipment and 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:

5 (1) Allow businesses in the State to capitalize globally
6 on the "made in Hawaii", "produced in Hawaii", or
7 "processed in Hawaii" brand, pursuant to
8 section 486-119;

9 (2) Create world-class products; and

10 (3) Scale up production by providing the businesses with
11 access to a diverse suite of manufacturing equipment
12 and industry expertise.

13 (b) Partner members of the food and product innovation
14 network shall include:

15 (1) Future facilities to be developed on lands owned by
16 the agribusiness development corporation in Kekaha, on
17 the island of Kauai; a to-be-determined location on
18 the island of Hawaii; and additional facilities on the
19 islands of Maui and Molokai to expand regional support
20 and enhance statewide coverage;



- 1 (2) The foreign-trade zone facility in Hilo, on the island
2 of Hawaii;
- 3 (3) The university of Hawaii Maui college food innovation
4 center, on the island of Maui; and
- 5 (4) The university of Hawaii Leeward community college
6 value-added product development center in Wahiawa, on
7 the island of Oahu.
- 8 (c) The food and product innovation network shall:
- 9 (1) Offer a range of resources within the wider network to
10 support innovation and business development, including
11 courses and events relating to food and value-added
12 product development, entrepreneurship, marketing,
13 branding, business management, workforce development,
14 intellectual property protection, and other topics;
- 15 (2) Provide new product development support from
16 early-stage trials to commercialization by
17 establishing a network of facilities with equipment of
18 various scales, providing expert advice, and offering
19 resources tailored to the regional economies;



- 1 (3) Provide low-risk commercial production with
2 appropriate certifications for exporting products and
3 selling products locally;
- 4 (4) Provide recommendations on process optimization by
5 offering advice and networking, identifying and
6 testing equipment, planning trials, and analyzing
7 results;
- 8 (5) Increase exports by securing facilities and developing
9 compliance programs for off-shore markets; provided
10 that each county shall have no more than two food and
11 product innovation network facilities that produce
12 products labeled "made in Hawaii", "produced in
13 Hawaii", or "processed in Hawaii" pursuant to
14 section 486-119;
- 15 (6) Develop entrepreneurs to grow the State's economy; and
- 16 (7) Prepare businesses to scale up and achieve autonomous
17 business success and sustainability.
- 18 (d) No later than twenty days prior to the convening of
19 each regular session, the corporation, on behalf of the food and
20 product innovation network, shall submit a report to the
21 legislature that includes:



- 1 (1) A description of the food and product innovation
2 network's activities and progress in the preceding
3 year, including the activities and progress of primary
4 members and partner members, in response to the
5 directives established pursuant to subsection (c);
- 6 (2) An assessment of any progress made in growing the
7 State's agriculture industry, food industry, and
8 related industries, and in meeting the State's food
9 security goals; and
- 10 (3) Any proposed legislation."

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

14 ""Partner member" means an open-access food and value-added
15 product development facility that is part of the food and
16 product innovation network but is not managed or operated by the
17 corporation.

18 "Primary member" means an open-access food and value-added
19 product development facility that is part of the food and
20 product innovation network and is managed and operated by the
21 corporation."



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

3 "(b) The corporation shall [~~develop~~];
4 (1) Develop, promote, assist, and market agricultural
5 products for local consumption[~~, and shall promote~~];
6 (2) Promote and assist in commercial export of
7 agricultural products[~~;~~]; and
8 (3) Oversee the food and product innovation network
9 pursuant to section 163D- ; provided that the
10 responsibilities and operations of each partner member
11 shall remain with the partner member."

12 SECTION 5. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2025-2026 and
15 the same sum or so much thereof as may be necessary for fiscal
16 year 2026-2027 to defray costs associated with the
17 implementation of the food and product innovation network,
18 including:

- 19 (1) \$ for two full-time equivalent (2.0 FTE)
20 positions; and
21 (2) \$ for other operating expenses.



1 The sums appropriated shall be expended by the department
2 of health for the purposes of this Act.

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

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



Report Title:

ADC; Economic Development; Food and Product Innovation Network;
Food Security; DOH; Appropriation

Description:

Establishes a food and product innovation network within the
Agribusiness Development Corporation. Appropriates moneys to
the Department of Health to assist with implementation.
Effective 7/1/2050. (SD1)

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