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# 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. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14       SECTION 6. This Act shall take effect on July 1, 3000.



**Report Title:**

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

**Description:**

Establishes a food and product innovation network within the  
Agribusiness Development Corporation. Effective 7/1/3000.  
(HD2)

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

