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DEPT. COMM. NO. 204

DTS: 202512311237TA

January 5, 2026

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaiʻi 96813

The Honorable Nadine K. Nakamura,
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Agribusiness Development Corporation for the Food and Product Innovation Network Report, as required by Act 237 SLH 2025 Relating to Value-Added Products.

In accordance with Section 93-16, Hawaiʻi Revised Statutes, I am also informing you that the report may be viewed electronically at:
http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/.

Sincerely,

James Kunane Tokioka
DBEDT Director

Enclosure

c: Legislative Reference Bureau

ANNUAL REPORT TO THE THIRTY-THIRD LEGISLATURE (2026 REGULAR SESSION)

REPORT OF THE FOOD AND PRODUCT INNOVATION NETWORK IN RESPONSE TO ACT 237 SLH 2025.

Prepared by:

AGRIBUSINESS DEVELOPMENT CORPORATION (ADC)

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

December 2025

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Executive Summary

Pursuant to Act 237, the Agribusiness Development Corporation (ADC) submits this Annual Report detailing the activities, outcomes, and financial priorities of the Food and Product Innovation Network (FPIN) for July – December 2025.

A central focus of the upcoming planning period is the phased development of FPIN facilities statewide, beginning with concept development for Neighbor Island facilities, followed by the design and construction of a centralized Oʻahu Food and Product Innovation Center. This phased approach ensures efficient use of public funds, alignment with market demand, and equitable statewide access.

1. Statutory Mandates for the Food and Product Innovation Network (FPIN)

The Agribusiness Development Corporation operates under Act 237, which authorizes ADC to:

- Promote the development, expansion, and diversification of agribusiness.
- Support value-added agriculture and food product innovation.
- Facilitate public-private partnerships.
- Provide technical, business, and infrastructure support to agricultural enterprises.

The Food and Product Innovation Network (FPIN) was implemented as a strategic initiative to fulfill these statutory objectives.

2. Program Overview: Food and Product Innovation Network

The Food and Product Innovation Network is a coordinated system of facilities, services, and partnerships designed to assist food and agricultural product businesses at various stages of development, including:

- Concept and product development.
- Product testing and refinement.
- Regulatory and food safety readiness.
- Scaling and commercialization.

3. Program Goals and Objectives

The primary goals of FPIN under Act 237 include:

- Enable Hawaii businesses to scale up and access global markets.
- Supporting Value-Added Agriculture and capitalize on the “Hawaii Made” brand for exports.
- Access to manufacturing equipment and expertise.
- Create world-class, export-ready products.
- Support economic diversification and food security.

4. FPIN Deliverables and Performance Outcomes

- Conducted site visits at both domestically and international locations to support and advance Hawaii Food and Product Innovation Network objectives.
- Engaged key stakeholders for introductory meetings regarding the Hawaii FPIN.
- Participated in food systems related meetings and public forums to promote FPIN initiatives and Central Oahu development efforts.
- Presented updates and progress on FPIN initiatives to the Senate Ways and Means Committee.

5. Financial Priorities and Phased Capital Planning

A. Completion of Concept Development for Neighbor Island Facilities

ADC’s first financial priority is the **completion of concept development for Food and Product Innovation Network facilities on the Neighbor Islands, led by the University of Hawai‘i Community Design Center (UH CDC).**

This effort will:

- Define facility typologies appropriate to Neighbor Island scale and industry needs.
- Identify site requirements, operational models, and programmatic elements.
- Ensure consistency and interoperability within the statewide FPIN framework.
- Provide cost estimates and implementation pathways for future capital investment.

Completion of this phase establishes the foundation for informed design and construction decisions.

B. FY27 – Funding for Design of the Oʻahu Food and Product Innovation Center

In FY27, ADC's primary capital priority is funding for the architectural and engineering design of the Oahu Food and Product Innovation Center, which will serve as the central hub of the statewide FPIN.

Design funding will support:

- Full architectural and engineering services
- Food processing layout and equipment planning
- Compliance with food safety, zoning, and environmental requirements
- Integration of training, business support, and shared-use production spaces

Investing in design in FY27 ensures readiness for construction and minimizes downstream cost escalation.

C. FY28 – Construction of the Entrepreneur Product Manufacturing Facility

In FY28, ADC seeks funding for the construction of the Entrepreneur Product Manufacturing Facility

Construction will:

- Establish the first purpose-built, state-supported food innovation facility on Central Oahu.
- Serve approximately 80% of the State's population and food manufacturing demand.
- Anchor the FPIN network and support statewide commercialization efforts.
- Increase local food production, processing capacity, and economic resilience.

This facility is critical to achieving scale, efficiency, and impact under Act 237.

D. FY28 – Funding for Design of Neighbor Island FPIN Facilities

Concurrent with Oʻahu construction in **FY28,** ADC prioritizes funding for the **design of Neighbor Island Food and Product Innovation Network facilities**, informed by the completed UH CDC concept development.

Design funding will:

- Translate concept plans into site-specific, build-ready designs.
- Align Neighbor Island facilities with Oahu hub operations.
- Prepare projects for phased construction as funding becomes available.
- Ensure equitable statewide access to FPIN resources.

E. Leveraging and Sustainability

ADC will continue to leverage:

- Federal and competitive grants.
- Public-private partnerships.
- User fees and cost-recovery models.
- Collaboration with educational institutions and industry partners.

These strategies enhance sustainability and maximize the impact of State investment.

6. Economic and Community Impact

The FPIN contributes to broader economic development goals by:

- Supporting small and emerging agribusinesses.
- Encouraging job creation and workforce development.
- Increasing demand for locally grown agricultural products.
- Enhancing food system resilience and local supply chains**.**

7. Challenges and Risk Considerations

During the reporting period, ADC identified several challenges:

- Limited availability of specialized processing equipment.
- Capacity constraints at shared-use facilities.
- Regulatory complexity for early-stage food businesses

ADC addresses these challenges through strategic partnerships and targeted technical assistance

Updated to reflect:

- Phased capital funding dependencies.
- Construction cost volatility.
- Need for alignment across agencies and partners.

ADC is actively managing these risks through early planning, design readiness, and stakeholder coordination.

8. Next Steps and Budget Outlook

ADC's near-term priorities include:

- Completion of UH CDC concept development deliverables.
- Securing FY27 design funding for Oahu.
- Increasing focus on scalability and export readiness.
- Advancing FY28 construction readiness.
- Seeking additional funding and investment to strengthen infrastructure.
- Preparing Neighbor Island facilities for subsequent capital phases.

9. Conclusion

From July through December 2025, the Hawaiʻi Food and Product Innovation Network (FPIN) demonstrated the value of a coordinated, statewide approach to food and product innovation. During this period, FPIN strengthened its role as a connective backbone—linking some primary members, partner organizations, and industry stakeholders to shared resources, technical expertise, and market-facing opportunities. Through regular coordination, responsive technical assistance, and targeted program delivery, the network supported value-added product development, workforce skill-building, and early-stage business growth aligned with Hawaiʻi's economic development and food system priorities.

As the FPIN grows, the progress achieved in the latter half of 2025 positions the network to deepen its impact—supporting resilient local enterprises, fostering collaboration across islands, and contributing to a more diversified, sustainable, and innovation-driven economy for Hawaiʻi.

- **Appendices**

PROJECTS/EVENTS/WORKSHOPS (FPIN	DATES	PURPOSE
Start date 6/18/2025		
59th Annual Hawaii State Farm Fair	7/12-7/13/2025	representing ADC and Central Oahu Initiatives
HPP Summit	7/15/2025	To study HPP and identify gaps for future FPIN's
Maui visit MFIC	7/31/2025	See Site and learn about the FIC program
Senate WAM Committee Presentation	8/12/2025	FPIN presentation and ADC
WVAPDC-Aina to Makeke	8/14/2025	Market Showcase:cohort 6
Where's the money WVAPDC	8/19/2025	Small business in Hawaii
Hawaii Tourism Authority Convention	9/22 & 9/23	Promote Central Oahu Initiatives
Day at the Lake	9/27/2025	representing ADC and Central Oahu Initiatives
Superior Farms & Boulder School Distric	regional kitche	9/28-9/30
Keiki Construction Zone	11/9/2025	representing ADC and Central Oahu Initiatives
COAFH groundbreaking ceremony	11/14/2025	
International FPIN site visits	11/29-12/6	New Zealand Food Bowl
		Food Precinct-SIFT Perth Australia
		Scale Up Bio-Singapore
		Nurasa-Singapore
		Food Plant Singapore
		Singpore Polytechnic-FIRC & FFL
Hawaii Food Systems Summit	12/8-12/9	Promote Central Oahu Initiatives
Ferry Building/La Cocina	16-Dec	San Francisco