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TESTIMONY OF WENDY L. GADY  
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BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT  
& TECHNOLOGY

March 27, 2026  
9:30 a.m.

Conference Room 423 & Videoconference

HOUSE CONCURRENT RESOLUTION 24  
REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,  
AND TOURISM TO CONDUCT A STUDY ON HAWAII'S FOOD MANUFACTURING  
STRENGTHS AND STRATEGIC MARKETS

Chairperson Ilagan, Vice Chair Hussey, and Members of the Committee:

I am writing in **strong support** of HCR24, which requests that the Department of Business, Economic Development, and Tourism (DBEDT) design a comprehensive study of Hawai'i's food manufacturing sector. This measure represents a critical step toward strengthening our local economy, enhancing food system resilience, and positioning Hawai'i as a global leader in high-value, premium food products.

Hawai'i possesses unique agricultural assets, cultural heritage, and geographic branding advantages that distinguish its food products in both domestic and international markets. However, the State currently lacks a coordinated, data-driven strategy to identify and scale the most competitive opportunities within the food manufacturing sector. HCR24 directly addresses this gap.

By directing DBEDT to design a study in collaboration with the Agribusiness Development Corporation (ADC), the University of Hawai'i, and the Department of Health (DOH), this measure ensures a holistic approach that

integrates economic development, workforce training, and regulatory considerations. Including DOH is especially important to identify regulatory barriers, streamline food safety requirements, and recommend policy changes that enable responsible scaling and commercialization of locally manufactured food products.

The study should explicitly incorporate a rigorous cost-of-production analysis across targeted product categories. Understanding the full cost structure—including labor, utilities, transportation, compliance, packaging, and inputs—is essential to determining the minimum profit margins required to make local food manufacturing economically viable. This analysis will allow the State to:

- Identify break-even thresholds and realistic pricing strategies
- Assess competitiveness relative to imported goods and other export regions
- Determine which products can sustain premium positioning while remaining profitable
- Inform targeted incentives, infrastructure investments, and policy adjustments

Equally important, the study's focus on identifying Hawai'i's competitive advantages and defining "high-value" food products using clear economic metrics will enable more strategic investment and policy decisions. These metrics should include:

- Added potential per unit of raw agricultural input
- Export market demand and achievable price premiums
- Shelf stability and logistics feasibility given Hawai'i's geographic isolation
- Brand differentiation tied to Hawai'i's origin and cultural identity
- Job creation, wage levels, and workforce development potential
- Scalability, including regulatory feasibility and infrastructure readiness
- Verified margin potential based on cost-of-production analysis

Through this framework, the State can prioritize products that deliver the greatest economic return. These may include specialty processed foods, nutraceuticals, premium beverages, and other branded goods that command higher margins in global markets.

This effort will also support import substitution where appropriate, reduce economic leakage, and diversify Hawai'i's economy beyond tourism. At the same time, it will provide actionable insights to align University of Hawai'i curriculum and training programs with industry needs, ensuring a skilled workforce capable of sustaining long-term growth in this sector.

Please note that the ADC Board is scheduled to meet on March 31, and future testimony may be amended based on board discussion and determination. HCR24 reflects a thoughtful, forward-looking approach to economic development—one that leverages research, education, and cross-agency collaboration to build a more resilient and prosperous Hawai'i. For these reasons, I respectfully urge the Committee to pass HCR24.

Mahalo for the opportunity to provide testimony.