
A BILL FOR AN ACT

RELATING TO AGRICULTURAL COOPERATIVES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii's
2 agricultural industry faces an uncertain future. With the
3 demise of large-scale, plantation agriculture, our farmers and
4 ranchers have concentrated their efforts in diversified
5 agricultural endeavors, including macadamia nuts, coffee,
6 papaya, and floriculture. Diversified agriculture offers
7 enormous opportunities. However, these smaller-scale industries
8 also face numerous challenges, both from within the state and
9 from competition abroad.

10 The legislature finds that a carefully organized and
11 implemented statewide agricultural cooperative would provide
12 farmers with a viable means of overcoming some of these
13 challenges. A statewide agricultural cooperative that includes
14 farmers from the entire range of agricultural industries in
15 Hawaii would represent a powerful force to address the needs of
16 Hawaii's farmers, and would provide much needed assistance in
17 areas like product marketing, distribution, pre-sale agreements,
18 and transportation.



1 The legislature further finds that the department of
2 agriculture is the most appropriate state entity to help
3 facilitate the establishment of the statewide agricultural
4 cooperative.

5 The purpose of this Act is to establish a process for the
6 planning and establishment of a statewide agricultural
7 cooperative by July 1, 2009.

8 SECTION 2. The department of agriculture shall plan for
9 the establishment of a statewide agricultural cooperative by
10 July 1, 2009. In its planning efforts, the department of
11 agriculture shall consult with a wide variety of organizations,
12 enterprises, and individuals, including:

- 13 (1) The agribusiness development corporation;
- 14 (2) The department of business, economic development, and
15 tourism;
- 16 (3) The Hawaii Farm Bureau Federation;
- 17 (4) The Hawaii Agricultural Research Center;
- 18 (5) The University of Hawaii college of tropical
19 agriculture and human resources;
- 20 (6) Organizations representing each of the major crops
21 produced in Hawaii;
- 22 (7) Individual agricultural enterprises;



- 1 (8) Entities involved in processing or packaging of
- 2 agricultural products;
- 3 (9) Distributors, wholesalers, and retailers of
- 4 agricultural products, including the military;
- 5 (10) Transportation companies and organizations, including
- 6 shipping and trucking; and
- 7 (11) Venture capitalists and other similar entities
- 8 involved in business investment and finance.

9 SECTION 3. (a) On or before December 31, 2008, the

10 department of agriculture shall submit a comprehensive report to

11 the legislature on its plans to establish the statewide

12 agricultural cooperative. The report shall include:

- 13 (1) A summary of its planning activities to date;
- 14 (2) A business plan for the statewide agricultural
- 15 cooperative, including annual projections; and
- 16 (3) Proposed legislation to establish the statewide
- 17 agricultural cooperative by July 1, 2009; provided
- 18 that the proposed legislation shall include the items
- 19 specified under subsection (b); and provided further
- 20 that the legislation consider the information received
- 21 in the consultations specified in section 2.



1 (b) The proposed legislation to establish the statewide
2 agricultural cooperative by July 1, 2009, shall include the
3 following provisions:

4 (1) The statewide agricultural cooperative shall be headed
5 by a board of directors, with members appointed from
6 private and public agencies and organizations;
7 provided that the board of directors includes members
8 representing secondary industries related to
9 agriculture such as retail, wholesale, and
10 distribution; processing and packaging;
11 transportation; banking, finance, and venture capital;
12 business marketing and product development; and
13 renewable energy involving biomass;

14 (2) The statewide agricultural cooperative shall be a
15 voluntary program for agricultural enterprises;
16 provided that those who choose to opt in shall agree
17 to abide by all of the rules and guidelines set forth
18 by the statewide agricultural cooperative;

19 (3) The statewide agricultural cooperative shall assist
20 and support its members by:

21 (A) Increasing efforts to market and add value for
22 products produced by members;



- 1 (B) Improving distribution, packaging, and market
- 2 pricing for products produced by members;
- 3 (C) Ensuring adequate food safety and quality
- 4 standards to promote consistent, reliable, and
- 5 safe products produced by members;
- 6 (D) Providing cost-effective solutions in addressing
- 7 issues relating to transportation of products;
- 8 (E) Providing technical support to members;
- 9 (F) Implementing crop coordination to maximize
- 10 efficiency and meet market demands; and
- 11 (G) Negotiating pre-sale agreements to ensure a
- 12 consistent stream of buyers for member products;
- 13 and
- 14 (4) The statewide agricultural cooperative shall consider
- 15 plans to convert to a private entity owned by its
- 16 members by July 1, 2010.

17 SECTION 4. This Act shall take effect on July 1, 2034.



Report Title:

Statewide Agricultural Cooperative

Description:

Establishes a process for the planning and establishment of a statewide agricultural cooperative. (HB2417 HD1)

