

JAN 19 2007

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that there is a need to
2 improve the State's economic foundation and increase opportunity
3 for all Hawaii residents.

4 Currently, farmers are hindered from selling food because
5 of their inability to consolidate, process, and ship marketable
6 quantities of food. The development of a pilot program is
7 necessary to start a coordinated statewide network for
8 agricultural processing, consolidation, marketing, and shipping
9 facilities. Facilities for this purpose are referred to as
10 "terminal markets".

11 Terminal markets enable farmers with small and large farms
12 to sell crops to meet military and non-military food
13 requirements through better processing, consolidation of small
14 farm offerings, dependable delivery, and quality assurance.
15 Since the nation is in a state of war, it is essential that
16 every possible action is taken to increase the availability of
17 fresh foods for the public, the military, and for export to the
18 mainland.



1 The purpose of this Act is to support a coordinated,
2 statewide network of agricultural processing, marketing, and
3 shipping facilities by establishing a terminal market pilot
4 program on the island of Hawaii. This Act appropriates:

5 (1) \$200,000 for planning a pilot program on the island of
6 Hawaii;

7 (2) \$50,000 to hire a consultant to assist in planning
8 terminal markets; and

9 (3) \$3,000,000 in general obligation bonds for
10 construction and equipment costs for a terminal market
11 and vacuum cooling plant for the island of Hawaii.

12 In addition, this Act requires the consultant to work with
13 the department of agriculture to form a committee, reflecting
14 the interests affected by this Act, to recommend policies,
15 rules, and procedures to be followed by any operator chosen by
16 the department of agriculture to operate terminal markets under
17 this Act.

18 SECTION 2. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$200,000 or so much
20 thereof as may be necessary for fiscal year 2007-2008 for the
21 purpose of planning a pilot program on the island of Hawaii to
22 demonstrate the first of several linked terminal markets to



1 serve food producers, distributors, retailers, military buyers,
2 private distributors, and retail outlets.

3 The sum appropriated shall be expended by the department of
4 agriculture for the purposes of this Act.

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$50,000 or so much
7 thereof as may be necessary for fiscal year 2007-2008 for the
8 department of agriculture to hire a consultant who shall be
9 exempt from chapters 76, 78, and 89, to:

10 (1) Plan terminal markets on the islands of Maui and
11 Hawaii to accept orders, process products for
12 shipment, and to ship fresh foods to wholesale buyers
13 using transportation available at the ports of Hilo
14 and Kahului;

15 (2) Plan for the operation and coordination of terminal
16 market facilities on Kauai and Oahu to be capable of
17 filling military and private orders;

18 (3) Prepare to build facilities and provide necessary
19 equipment to achieve marketing goals; and

20 (4) Coordinate with the department of agriculture to form
21 a committee as specified in section 4 of this Act.



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

3 SECTION 4. (a) The consultant hired under section 3 of
4 this Act shall be a person with experience working with
5 agricultural production and marketing and with knowledge of
6 military food purchasing procedures. The consultant shall
7 coordinate with the department of agriculture to form a
8 committee that reflects the interests affected by this Act. The
9 members of the committee shall include:

- 10 (1) One representative each from the farm bureau serving
11 Maui, the island of Hawaii, and Oahu;
- 12 (2) One representative of the mayor of Maui;
- 13 (3) One representative of the mayor of the island of
14 Hawaii;
- 15 (4) One representative from the University of Hawaii
16 college of tropical agriculture and human resources at
17 Hilo;
- 18 (5) One representative from the agriculture research
19 station at Mealani;
- 20 (6) One person with a minimum of five years experience
21 with growing and selling fresh produce to hotels,



1 retail market changes, and the federal defense

2 logistics agency; and

3 (7) One representative from the Hawaii Agriculture
4 Research Center.

5 (b) The committee shall elect a chairperson from among its
6 members. The committee shall recommend policies, rules, and
7 procedures to be followed by any operator chosen by the
8 department of agriculture in operating terminal markets under
9 this Act. The chairperson may request from the department of
10 agriculture reimbursements for:

11 (1) Travel expenses for members;

12 (2) Costs of providing notification to the public; and

13 (3) Costs associated with reports of public meetings
14 regarding the purposes of this Act and issuance of a
15 summary report on committee recommendations if desired
16 by the committee.

17 SECTION 5. The director of finance is authorized to issue
18 general obligation bonds in the sum of \$3,000,000 or so much
19 thereof as may be necessary and the same sum or so much thereof
20 as may be necessary is appropriated for fiscal year 2007-2008
21 for construction and equipment for a terminal market and vacuum
22 cooling plant for the island of Hawaii, including provision of



1 communications capability necessary to coordinate orders from
2 buyers worldwide between facilities on the islands of Maui,
3 Hawaii, and Oahu.

4 The sum appropriated in this section shall be expended by
5 the department of agriculture for the purposes of this Act.

6 SECTION 6. The appropriation made for the capital
7 improvement project authorized in section 5 of this Act shall
8 not lapse at the end of the fiscal year for which the
9 appropriation is made; provided that all moneys from the
10 appropriation unencumbered as of June 30, 2010, shall lapse as
11 of that date.

12 SECTION 7. This Act shall take effect on July 1, 2007.

13

INTRODUCED BY: *Bunueli Koff* B/R



Report Title:

Terminal Markets for Agricultural Products; Appropriations

Description:

Appropriates \$200,000 to plan a terminal market pilot program on the Big Island; appropriates \$50,000 for the Department of Agriculture (DOA) to hire a consultant to assist in planning terminal markets; authorizes \$3,000,000 in general obligation bonds to finance construction and equipment for a terminal market and vacuum cooling plant on the island of Hawaii; requires the consultant to work with DOA to form a Committee relating to terminal markets.

