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# 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, Hawaii Revised Statutes,  
10 to:

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

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

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

21 (4) Coordinate with the department of agriculture to form  
22 a committee as specified under 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  
16 desired 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.



**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. (SD1)

