
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM, IN COOPERATION WITH THE DEPARTMENT OF AGRICULTURE
AND THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, TO
CONDUCT A STUDY ON AGRICULTURAL COOPERATIVES.

1 WHEREAS, while there is no universally accepted definition,
2 a cooperative can be defined as a business entity established
3 pursuant to state law that is owned and operated for the benefit
4 of any individual who utilizes the cooperative's services; and
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6 WHEREAS, according to the National Agricultural Law Center,
7 an agricultural cooperative, sometimes referred to as a farmer
8 cooperative, is often formed to bolster the collective economic
9 market power of a group of farmers; and
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11 WHEREAS, an agricultural cooperative can serve various
12 functions, including providing loans to farmers, supplying
13 information regarding agricultural production, bargaining on
14 behalf of its members, or marketing agricultural products for
15 its members; and
16

17 WHEREAS, generally, an agricultural cooperative is:

- 18
- 19 (1) Owned and democratically controlled by the entities
20 that use the cooperative's services;
21
 - 22 (2) Limited with respect to the returns that its members
23 receive on their individual financial investments into
24 the cooperative;
25
 - 26 (3) Financed primarily by cooperative members and entities
27 that utilize the services of the cooperative; and



1 (4) Equitable in the distribution of any net profits to
2 its members, generally distributing profits in
3 proportion to each member's use of the cooperative;
4 and
5

6 WHEREAS, traditionally, agricultural cooperatives are
7 organized to support three main objectives: supply; marketing;
8 or service; and
9

10 WHEREAS, a supply agricultural cooperative provides to its
11 members inputs necessary for agricultural production, such as
12 fertilizers or pesticides; and
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14 WHEREAS, a marketing agricultural cooperative provides to
15 its members marketing assistance for their agricultural
16 products; and
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18 WHEREAS, a service agricultural cooperative provides to its
19 members services related to their agricultural endeavors, such
20 as housing, transportation, or insurance; and
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22 WHEREAS, value-added agricultural cooperatives are a newer
23 type of agricultural cooperative that is growing in popularity
24 and holds promise in Hawaii due to the State's value-added
25 manufacturing sector; and
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27 WHEREAS, value-added agricultural cooperatives assist with
28 the conversion of raw agricultural products into further
29 processed products, and value-added agriculture is a rapidly
30 expanding area of Hawaii's economy; and
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32 WHEREAS, agricultural cooperatives can be affected by state
33 and federal regulations that do not necessarily apply to regular
34 business corporations; and
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36 WHEREAS, given the scarcity of resources and high business
37 costs faced by entities engaged in agricultural endeavors in the
38 State, farmers in Hawaii may benefit from adopting a cooperative
39 model of farming and farm ownership that will offer mutual
40 support as well as cost- and resource-sharing; now, therefore,



H.C.R. NO. 187

1 BE IT RESOLVED by the House of Representatives of the
 2 Thirtieth Legislature of the State of Hawaii, Regular Session of
 3 2020, the Senate concurring, that the Department of Business,
 4 Economic Development, and Tourism is requested to conduct a
 5 study of agricultural cooperatives in cooperation with the
 6 Department of Agriculture and the Department of Commerce and
 7 Consumer Affairs; and

8
 9 BE IT FURTHER RESOLVED that this agricultural cooperative
 10 study include an examination of:

- 11
- 12 (1) The structure of agricultural cooperatives in other
 13 states, including any regulations regarding formation,
 14 financing, and governance;
 - 15
 - 16 (2) Any efforts by state governments to regulate or
 17 support agricultural cooperatives; and
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 - 19 (3) Any benefits that State regulation or support of
 20 agricultural cooperatives may bring to Hawaii's
 21 farmers, industries, and economy; and
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23 BE IT FURTHER RESOLVED that the Department of Business,
 24 Economic Development, and Tourism is requested to submit a
 25 report to the Legislature of its findings and recommendations,
 26 including any proposed legislation, no later than twenty days
 27 prior to the convening of the Regular Session of 2021; and
 28

29 BE IT FURTHER RESOLVED that certified copies of this
 30 Concurrent Resolution be transmitted to the Director of
 31 Business, Economic Development, and Tourism; Chairperson of the
 32 Board of Agriculture; and Director of Commerce and Consumer
 33 Affairs.
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 36

OFFERED BY:

[Handwritten signatures and names over the "OFFERED BY:" line]
Debra K. Aul
Richard L. Iwama
David A. Kawakawa
William W. Winger
Debra K. Aul
Richard L. Iwama
David A. Kawakawa
William W. Winger

