

Honolulu, Hawaii

MAR 22 2023

RE: H.B. No. 1426

H.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism, to which was referred H.B. No. 1426, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VALUE-ADDED PRODUCTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Food and Product Innovation Network within the Agribusiness Development Corporation; and
- (2) Appropriate funds for Food and Product Innovation Facilities on the islands of Molokai, Oahu, and Hawaii.

Your Committees received testimony in support of this measure from Agribusiness Development Corporation, Uluono Initiative, Hawai'i Farm Bureau, Hawai'i Forest Industry Association, Sustainable Molokai, Molokai Hunting Club, and two individuals. Your Committees received comments on this measure from the Department of Agriculture.

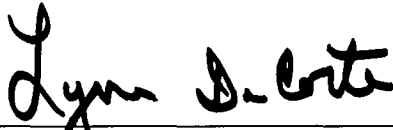
Your Committees find that farmers and food producers in the State seek to create additional revenue streams through value-added products, which are raw agricultural crops that undergo specified processes that add to their appeal in the marketplace, like packaged salad mix, for example. While there are economic



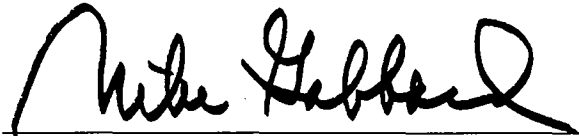
incentives for farmers to innovate and create value-added products, they typically must resort to using facilities on the mainland, which can be too expensive to justify. Your Committees further find that value-added products can reduce food waste at farms by providing a use for cosmetically imperfect food crops that would otherwise be wasted. Therefore, this measure establishes food and product innovation facilitates on Molokai, Oahu, and Hawaii islands to make available the infrastructure for farmers and ranchers in the State to create value-added products. This measure also establishes the Food and Product Innovation Network to provide support in actively addressing local food issues as they become increasingly complex and challenging.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1426, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Environment and Energy,
Economic Development, and
Tourism,



LYNN DECOITE, Chair



MIKE GABBARD, Chair



