
A BILL FOR AN ACT

RELATING TO VALUE-ADDED PRODUCTS.

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

1 SECTION 1. The legislature finds that establishing a food
2 and product innovation network is critical to meeting the
3 State's agricultural and economic diversification goals. The
4 network will allow businesses in the State to capitalize
5 globally on the "Hawaii made", "made in Hawaii", "produced in
6 Hawaii", or "processed in Hawaii" brand; create world-class
7 products; and scale up production by providing the businesses
8 with access to a diverse suite of manufacturing equipment and
9 industry expertise.

10 Accordingly, the purpose of this Act is to establish and
11 appropriate funds for a statewide network of open-access food
12 and value-added product development facilities to enable
13 businesses to scale up new products from research and
14 development to manufacturing and commercialization.

15 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:



1 "§163D- Food and product innovation network;
2 established. (a) There is established within the corporation
3 the food and product innovation network. The network shall
4 operate under a centralized coordination structure administered
5 by the corporation to ensure alignment in standards,
6 programming, and strategic direction across all facilities
7 statewide. The purpose of the food and product innovation
8 network shall be to:

9 (1) Allow businesses in the State to capitalize globally
10 on the "Hawaii made", "made in Hawaii", "produced in
11 Hawaii", or "processed in Hawaii" brand, pursuant to
12 section 486-119;

13 (2) Create world-class products; and

14 (3) Scale up production by providing the businesses with
15 access to a diverse suite of manufacturing equipment
16 and industry expertise.

17 (b) Partner members of the food and product innovation
18 network shall include:

19 (1) Future facilities to be developed on lands set aside
20 by executive order to the corporation in Kekaha, on
21 the island of Kauai; a to-be-determined location on



1 the island of Hawaii; and additional facilities on the
2 islands of Maui, Molokai, and Oahu to expand regional
3 support and enhance statewide coverage;

4 (2) The foreign-trade zone facility in Hilo, on the island
5 of Hawaii;

6 (3) The university of Hawaii Maui college food innovation
7 center, on the island of Maui; and

8 (4) The university of Hawaii Leeward community college
9 value-added product development center in Wahiawa, on
10 the island of Oahu.

11 (c) The food and product innovation network shall:

12 (1) Offer a range of resources within the wider network to
13 support innovation and business development, including
14 courses and events relating to food and value-added
15 product development, entrepreneurship, marketing,
16 branding, business management, workforce development,
17 intellectual property protection, and other topics;

18 (2) Provide new product development support from
19 early-stage trials to commercialization by
20 establishing a network of facilities with equipment of



1 various scales, providing expert advice, and offering
2 resources tailored to the regional economies;

3 (3) Provide low-risk commercial production with
4 appropriate certifications for exporting products and
5 selling products locally;

6 (4) Provide recommendations on process optimization by
7 offering advice and networking, identifying and
8 testing equipment, planning trials, and analyzing
9 results;

10 (5) Increase exports by securing facilities and developing
11 compliance programs for off-shore markets; provided
12 that each county shall have no more than two food and
13 product innovation network facilities that produce
14 products labeled "Hawaii made", "made in Hawaii",
15 "produced in Hawaii", or "processed in Hawaii"
16 pursuant to section 486-119;

17 (6) Develop entrepreneurs to grow the State's economy;

18 (7) Prepare businesses to scale up and achieve autonomous
19 business success and sustainability;

20 (8) Establish pathways from early-stage innovation through
21 commercialization, including pilot testing,



1 certification, and support for accessing capital and
2 distribution channels;

3 (9) Facilitate partnerships with research institutions,
4 educational organizations, and private sector partners
5 to strengthen innovation pipelines, technology
6 transfer, and applied research opportunities; and

7 (10) Engage with national and international partners,
8 including foreign innovation networks, to support
9 shared learning, exchange of best practices, and
10 cooperative programming that advances innovation,
11 sustainability, and commercialization outcomes.

12 (d) No later than twenty days prior to the convening of
13 each regular session, the corporation, on behalf of the food and
14 product innovation network, shall submit a report to the
15 legislature that includes:

16 (1) A description of the food and product innovation
17 network's activities and progress in the preceding
18 year, including the activities and progress of primary
19 members and partner members, in response to the
20 directives established pursuant to subsection (c);



(2) An assessment of any progress made in growing the State's agriculture industry, food industry, and related industries, and in meeting the State's food security goals; and

(3) Any proposed legislation."

SECTION 3. Section 163D-2, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Partner member" means an open-access food and value-added product development facility that is part of the food and product innovation network but is not managed or operated by the corporation.

"Primary member" means an open-access food and value-added product development facility that is part of the food and product innovation network and is managed and operated by the corporation."

SECTION 4. Section 163D-4, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The corporation shall ~~develop~~ develop:"

(1) Develop, promote, assist, and market agricultural products for local consumption~~[, and shall promote];~~



- 1 (2) Promote and assist in commercial export of
2 agricultural products[-]; and
- 3 (3) Oversee the food and product innovation network
4 pursuant to section 163D- ; provided that the
5 responsibilities and operations of each partner member
6 shall remain with the partner member."

7 SECTION 5. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$385,289 or so much
9 thereof as may be necessary for fiscal year 2025-2026 and the
10 same sum or so much thereof as may be necessary for fiscal year
11 2026-2027 to defray costs associated with the implementation of
12 the food and product innovation network, including:

- 13 (1) \$172,884 for two full-time equivalent (2.0 FTE)
14 positions; and
- 15 (2) \$212,405 for other operating expenses.

16 The sums appropriated shall be expended by the department
17 of health for the purposes of this Act.

18 SECTION 6. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 7. This Act shall take effect on July 1, 2025.



Report Title:

ADC; Economic Development; Food and Product Innovation Network;
Food Security; DOH; Appropriation

Description:

Establishes a food and product innovation network within the
Agribusiness Development Corporation. Appropriates funds to the
Department of Health to assist with implementation. (CD1)

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not legislation or evidence of legislative intent.*

