

JAN 17 2025

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# A BILL FOR AN ACT

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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 "made in Hawaii", "produced in Hawaii", or  
6 "processed in Hawaii" brand; create world-class products; and  
7 scale up production by providing the businesses with access to a  
8 diverse suite of manufacturing equipment and industry expertise.

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

14       SECTION 2. Chapter 163D, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 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 food and product  
4 innovation network shall:

5        (1)    Allow businesses in the State to capitalize globally  
6        on the "made in Hawaii", "produced in Hawaii", or  
7        "processed in Hawaii" brand, pursuant to  
8        section 486-119;

9        (2)    Create world-class products; and

10       (3)    Scale up production by providing businesses with  
11       access to a diverse suite of manufacturing equipment  
12       and industry expertise.

13       (b)    Partner members of the food and product innovation  
14 network shall include:

15       (1)    The department of education food and product  
16       innovation center in Kekaha, on the island of Kauai;

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

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



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

(c) The food and product innovation network shall:

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

(2) Provide new product development support from early-stage trials to commercialization by establishing a network of facilities with equipment of various scales, providing expert advice, and offering resources tailored to the regional economies;

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

(4) Provide recommendations on process optimization by offering advice and networking, identifying and



1       testing equipment, planning trials, and analyzing  
2       results;

3       (5) Increase exports by securing facilities and developing  
4       compliance programs for off-shore markets; provided  
5       that each county shall have no more than two food and  
6       product innovation network facilities that produce  
7       products labeled "made in Hawaii", "produced in  
8       Hawaii", or "processed in Hawaii" pursuant to  
9       section 486-119;

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

11      (7) Prepare businesses to scale up and to achieve  
12      autonomous business success and sustainability.

13      (d) No later than twenty days prior to the convening of  
14      each regular session, the food and product innovation network  
15      shall submit a report to the 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 and



1 assist in commercial export of agricultural  
2 products[+]; and

3 (2) Oversee the food and product innovation network  
4 established pursuant to section 163D- ; provided that  
5 the responsibilities and operations of each partner  
6 member 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 \$ or so  
9 much thereof as may be necessary for fiscal year 2025-2026 and  
10 the same sum or so much thereof as may be necessary for fiscal  
11 year 2026-2027 for the food and product innovation network  
12 established pursuant to this Act, including:

13 (1) \$ for a food and product innovation facility  
14 in the county of Maui; provided that the facility  
15 shall utilize axis deer for producing food and  
16 value-added products, including leather and  
17 pharmaceuticals;

18 (2) \$ for a food and product innovation facility  
19 on the island of Oahu;



(3) § for an open-access food and value-added product development facility in Hilo on the island of Hawaii; and

(4) § for an open-access food and value-added product development facility in Kailua-Kona on the island of Hawaii.

The sums appropriated shall be expended by the agribusiness development corporation for the purposes of this Act.

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

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

INTRODUCED BY:

Lynn DeCorte



# S.B. NO. 558

**Report Title:**

ADC; Economic Development; Food and Product Innovation Network;  
Food Security; Appropriations

**Description:**

Establishes a Food and Product Innovation Network within the Agribusiness Development Corporation. Appropriates funds for food and product development or innovation facilities in the county of Maui and on the islands of Oahu and Hawaii.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

