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# 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);



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

5       (3) Any proposed legislation."

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

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

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

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

19       "(b) The corporation shall [~~develop~~]:

20       (1) Develop, promote, assist, and market agricultural  
21       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)

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

