

STAND. COM. REP. NO.

1224

Honolulu, Hawaii

MAR 14

, 2025

RE: S.B. No. 558
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Agriculture & Food Systems, to which was referred S.B. No. 558, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish and appropriate funds for a statewide network of open-access food and value-added product development facilities to enable businesses to scale up new products from research and development to manufacturing and commercialization.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Department of Agriculture; Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Office of Hawaiian Affairs; Ulupono Initiative; Hawai'i Farm Bureau; Maui Chamber of Commerce; Hawai'i Forest Industry Association; Local Food Coalition; Hawaii Food Industry Association; and one individual.

Your Committee finds that high production costs and the lack of local processing facilities force many farmers and entrepreneurs to send raw or off-grade products to the mainland for value-added processing, limiting profitability and growth. This measure addresses these challenges by creating a statewide

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network of open-access food and product development facilities, enabling businesses to scale up operations, reduce waste, and compete in local and global markets. By investing in value-added processing, the State can enhance farm revenues, create jobs, and strengthen Hawaii's self-sufficiency and economic resilience.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture & Food Systems that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 558, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 558, S.D. 2, H.D. 1, and be referred to your Committee on Economic Development & Technology.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture & Food
Systems,


KIRSTIN KAHALOA Chair



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Bill/Resolution No.: SB 558, SD2	Committee Referral: AGR, ELD, FIN	Date: 3/12/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. KAHALOA, Kirstin (C)	X			
2. KUSCH, Matthias (VC)	X			
3. LOWEN, Nicole E.	X			
4. PERRUSO, Amy A.	X			
5. QUINLAN, Sean	X			
6. WARD, Gene				X
TOTAL (6)	5			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				