

A Bill for an Act Relating to the Establishment of a State Farming Demonstration Project.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the tri-partite base of the Hawaiian economy—tourism, agriculture, and the military—must be developed to its best advantage and in the best interest of the people of the State. The legislature further finds that the agricultural industry of the State is the weakest vertex in this triangular base and must be strengthened in order to maintain a proper economic balance. Realizing it is always prudent to attempt to diversify the sources of income such that the failure of one area of production will not endanger the whole industry, the legislature finds that the condition of Hawaiian agriculture today, with its domination by two crops, sugar and pineapple, must be remedied. The legislature further recognizes the State's insular and isolated geographic position which requires the importation of many agricultural commodities, as well as feed and other agricultural supplies for the proper production of livestock and plant products. Ultimately, these importation costs affect the consumer through high food prices in locally grown foods making it impossible for local farm products to compete equitably with imported products. The legislature further recognizes that it is within their scope and responsibility to encourage diversification in crop production, innovation in production techniques, and other improvements and innovation to stimulate the industry.

The purpose of this Act is to effect practical research in the area of crop diversification and to explore new areas of crop development, thereby strengthening the agricultural base of the industry as well as creating further marketing areas for Hawaiian agriculture.

SECTION 2. Section 153-1, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 153-1. Definitions.** Whenever used in this chapter, unless the context otherwise requires:

- (1) ‘Board’ means the board of agriculture of the department of agriculture.
- (2) ‘Qualified agriculturalist’ means a person, or association of persons, actively engaged in a farm, agricultural produce processing, or agricultural product development activity.
- (3) ‘Committee’ means the advisory committee on agricultural products.”

SECTION 3. Section 153-3, Hawaii Revised Statutes, is hereby amended to read as follows:

**“Sec. 153-3. Hawaii agricultural products revolving fund.** There is hereby established the Hawaii agricultural products revolving fund into which shall be deposited all monies received as repayment of allowances and proceeds payments as provided for in this chapter. The revolving fund may be expended by the board of agriculture for the purposes of this chapter.”

SECTION 4. Section 153-4, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 153-4. Rules and regulations.** The board shall have the necessary powers to carry out the purposes of this chapter, including the following:

- (1) To receive, examine, and determine the acceptability of applications by qualified agriculturalists for allowances or grants to be limited to the development of new crops and agricultural products creating further marketing areas for Hawaiian agriculture.
- (2) To establish preferences in determining qualifications for allowances.
- (3) To make grants or allowances to a qualified agriculturalist based on the estimated costs of production of a new agricultural products enterprise.
- (4) To establish conditions, consistent with the purposes of this chapter, to the grant or to the continuance of a grant or an allowance.
- (5) To inspect, at reasonable hours, an agricultural products enterprise.
- (6) To require the submission of progress reports and final reports of agricultural products enterprises and to specify the information to be included in the reports.
- (7) To enter into or make any plan, agreement, or other arrangement for any grant or allowance monies as is necessary to carry out the purposes of this chapter.
- (8) To participate under a joint venture agreement or arrangement with any qualified agriculturalist in the proceeds derived from the sale of any development crop or product.
- (9) To reserve to the board for the purpose of repayment of an allowance a first priority after tax liens with respect to any capital gain resulting from the sale or other transfer of an agricultural products enterprise.
- (10) To administer the Hawaii agricultural products revolving fund and to deposit into the fund all monies received as repayment of allowances and proceeds payments.
- (11) To include in its budget for subsequent fiscal periods amounts necessary to effectuate the purposes of this chapter.
- (12) To adopt rules and regulations pursuant to chapter 91 with respect to the administration of all disbursements of funds under this chapter.”

SECTION 5. Chapter 153, Hawaii Revised Statutes, is hereby amended by adding a new section to be appropriately designated and to read as follows:

**“Sec. 153 . Advisory committee on agricultural products.** There is established within the department of agriculture for administrative purposes the advisory committee on agricultural products consisting of six members, the chairman of the board of agriculture or his designated representative, the director of planning and economic development or his designated representative,

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and the dean of the college of tropical agriculture or his designated representative, all of whom shall serve as ex officio voting members, and the remaining three members from the agricultural industry appointed by the governor as provided in section 26-34. The member from the department of agriculture shall be the chairman of the committee.

The department of agriculture shall recommend persons to be appointed by the governor as members of the advisory committee and shall take into consideration the wishes and advice of the members of the agricultural industry.

All members of the advisory committee shall serve without pay but shall be entitled to reimbursement for necessary expenses while attending meetings and while in the discharge of duties and responsibilities.

The duties of the advisory committee shall include consultation with the department on all matters pertaining to agricultural development crops and products as provided by this chapter.”

SECTION 6. Section 153-5, Hawaii Revised Statutes, is hereby amended to read as follows:

**“Sec. 153-5. Appropriation.** There is hereby appropriated all allowance repayments and proceeds payments deposited in the Hawaii agricultural products revolving fund to be expended by the board of agriculture for the purposes of this chapter.”

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary, to the agricultural products program revolving fund, for the purposes of this Act.

SECTION 8. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

SECTION 9. This Act shall take effect upon its approval.

(Approved June 21, 1971.)

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\* Edited accordingly.