#### THE SENATE TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

S.B. NO. 1758

JAN 2 4 2007

### A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS INCUBATOR PROGRAM.

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

1 SECTION 1. The legislature finds that agriculture is a culturally and community compatible industry that contributes to 2 Hawaii's diversified economy, rural economy and job 3 opportunities, food security, health, and natural aesthetic. In 4 the transition away from large commodity agriculture to 5 diversified agriculture, Hawaii's agriculture industry is now 6 characterized by a greater number of smaller, less business 7 savvy enterprises. The agribusiness incubator program was 8 created by a federal special grant to provide business 9 assistance to these agribusinesses in order to ensure viability 10 and success in these agribusinesses. 11

12 The legislature further finds that the agribusiness 13 incubator program improves the viability of new businesses and 14 increases the success rate of existing agribusiness expansion 15 through a comprehensive business consulting program. The 16 agribusiness incubator program provides intense, hands-on 17 assistance with the served agribusinesses (clients) and focuses



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1 on the business aspects related to running a successful agribusiness. The agribusiness incubator program meets 2 3 regularly with clients to ensure the successful implementation 4 of their business improvement, expansion, or startup initiatives. The agribusiness incubator program also 5 coordinates and leverages resources from private and public 6 organizations and utilizes project management and implementation 7 8 methodologies so that success is repeatable.

9 The agribusiness incubator program consultants come from 10 some of the world's largest consulting, accounting, finance, and 11 outsourcing firms, and apply their knowledge, experience, and 12 skills to address agribusiness management issues. They have 13 experience in the areas of accounting, finance, technology, 14 financial systems, process improvement, project management, 15 marketing, inventory, and distribution.

In just over two years of operation, the agribusiness incubator program has had a significant positive impact on assisted agribusinesses and supporting organizations statewide. For those clients with prior year statistics, the agribusiness incubator program has increased revenue by an average of one hundred twenty-one per cent, profits by ninety-eight per cent, and employee headcount by thirty-four per cent. This does not



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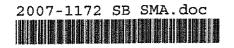
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include pure startup agribusinesses, which would inflate these 1 numbers further. 2 Additional significant metrics include: 3 Served thirty agribusinesses and related organizations 4 (1)located throughout the State; 5 (2)Served eight agribusinesses with direct native 6 Hawaiian benefit; 7 (3) Assisted with the startup of ten new agribusinesses; 8 Assisted with bringing three value-added product lines 9 (4) to market; and 10 Assisted seven agencies, programs, and organizations 11 (5) that serve the agricultural community. 12 Federal funding for this project has been eliminated as part of 13 a wider effort to limit earmark funding. 14 The agribusiness incubator program is currently entirely 15 dependent on a federal grant and will lose funding in September 16 of 2007. In order for this important statewide program to 17 continue to operate, the college of tropical agriculture and 18 human resources seeks additional funding to continue this 19 important program. In the meantime, federal grants and other 20 sources of funding will be aggressively pursued for future 21 22 operating budgets.

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The purpose of this Act is to appropriate funds to continue 1 the agribusiness incubator program until replacement federal 2 funding can be secured. 3 SECTION 2. There is appropriated out of the general 4 revenues of the State of Hawaii the sum of \$ , or so 5 much thereof as may be necessary for fiscal year 2007-2008, and 6 the same sum, or so much thereof as may be necessary for fiscal 7 year 2008-2009, to the college of tropical agriculture and human 8 9 resources to continue the agribusiness incubator program until replacement federal funding can be secured. 10 The sums appropriated shall be expended by the University 11 12 of Hawaii for the purposes of this Act. SECTION 3. This Act shall take effect on July 1, 2007. 13 14 INTRODUCED BY: Runees. Folly



#### Report Title:

Agribusiness Incubator Program; College of Tropical Agriculture and Human Resources; Appropriation

### Description:

Appropriates funds for the agribusiness incubator program to continue until replacement federal funding can be secured.

