

JAN 24 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
2 culturally and community compatible industry that contributes to
3 Hawaii's diversified economy, rural economy and job
4 opportunities, food security, health, and natural aesthetic. In
5 the transition away from large commodity agriculture to
6 diversified agriculture, Hawaii's agriculture industry is now
7 characterized by a greater number of smaller, less business
8 savvy enterprises. The agribusiness incubator program was
9 created by a federal special grant to provide business
10 assistance to these agribusinesses in order to ensure viability
11 and success in these agribusinesses.

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



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

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



1 include pure startup agribusinesses, which would inflate these
2 numbers further.

3 Additional significant metrics include:

4 (1) Served thirty agribusinesses and related organizations
5 located throughout the State;

6 (2) Served eight agribusinesses with direct native
7 Hawaiian benefit;

8 (3) Assisted with the startup of ten new agribusinesses;

9 (4) Assisted with bringing three value-added product lines
10 to market; and

11 (5) Assisted seven agencies, programs, and organizations
12 that serve the agricultural community.

13 Federal funding for this project has been eliminated as part of
14 a wider effort to limit earmark funding.

15 The agribusiness incubator program is currently entirely
16 dependent on a federal grant and will lose funding in September
17 of 2007. In order for this important statewide program to
18 continue to operate, the college of tropical agriculture and
19 human resources seeks additional funding to continue this
20 important program. In the meantime, federal grants and other
21 sources of funding will be aggressively pursued for future
22 operating budgets.



S.B. NO. 1758

1 The purpose of this Act is to appropriate funds to continue
2 the agribusiness incubator program until replacement federal
3 funding can be secured.

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$, or so
6 much thereof as may be necessary for fiscal year 2007-2008, and
7 the same sum, or so much thereof as may be necessary for fiscal
8 year 2008-2009, to the college of tropical agriculture and human
9 resources to continue the agribusiness incubator program until
10 replacement federal funding can be secured.

11 The sums appropriated shall be expended by the University
12 of Hawaii for the purposes of this Act.

13 SECTION 3. This Act shall take effect on July 1, 2007.

14

INTRODUCED BY: *Runees Kohli*



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.

