



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
House Committees on
Higher Education and Consumer Protection and Commerce
January 30, 2014 at 2:00 p.m.
by
John Morton
Vice President for Community Colleges, University of Hawai'i

HB 1996 – RELATING TO THE MAUI FOOD INNOVATION CENTER

Chairs Choy and McKelvey and Vice Chairs Ichiyama and Kawakami, and Members of the Committees:

The University of Hawai'i Community Colleges (UHCC) and University of Hawai'i Maui College (UHMC) support House Bill 1996, to fund up to \$2,700,000 for the construction and equipping of a food innovation center at the Kahului campus of UHMC.

The issues of food security, food safety, and Hawai'i's fragile agricultural community are well known. Hawai'i now imports 85-90% of its food, according to Hawai'i's Office of Planning.

UHMC believes that it is possible to reverse that statistic through a solution that has successfully addressed similar issues in other states: a food innovation center. This facility assists farmers and food entrepreneurs in developing, testing, and manufacturing food products that use culls and seconds that would otherwise go to waste, bolstering profitability for farmers, and meeting the needs of local residents for more local food options.

Food innovation centers also have the potential to connect local agriculture with schools, prisons, hospitals, and senior meal programs—providing the missing “link” of cost efficiency and food safety requirements that are such a barrier today. Local economies will expand with secondary businesses as well, including hospitality and tourism; transportation, shipping, and storage; and waste management/energy production.

To date UHMC has:

- Collaborated with Maui Farm Bureau and other local and regional organizations, state agencies, and national associations with resources and expertise in agriculture and food manufacture

- Engaged national food innovation expert Lou Cooperhouse to develop a USDA-funded feasibility study with community input:
 - Cooperhouse, President and CEO of Food Spectrum, is a leading national authority on food-related business and product development. He developed and served as Director of the Rutgers Food Innovation Center, which was awarded “Incubator of the Year” by the National Business Incubation Association (NBIA).
- Engaged architectural firm Design Partners, Inc., of Honolulu, to prepare a conceptual design
- Acquired federal funding (\$800,000 from a US DOL TAACCCT grant and \$50K from USDA Rural Development) to develop associated programs and services
- Currently exploring partnerships and collaborations with High Technology Development Corporation (HTDC), Hawai'i Strategic Development Corporation (HSDC), Pacific Business Center, The Kohala Center, Office of Hawaiian Affairs (OHA) and other public/non-profit organizations and private companies with an interest in food production in Hawai'i

This is not a community kitchen project. The Maui Food Innovation Center will meet the highest level of sanitation and certifications (FDA/USDA and GFSI, Global Food Safety Initiative, including Organic, Kosher, Gluten-free, etc.), allowing high-value and specialty products to be produced and sold to retail establishments, even exported internationally. This level of sanitation requires:

- Special plumbing, drains, and ventilation systems
- Insulated refrigerated rooms
- Waterproof floors, walls, and ceilings
- Special wash-down systems and equipment sanitizers

The food innovation center also includes specialized, high-speed processing equipment that would typically be found only in state-of-the-art food manufacturing plants, and would provide regional clients with the capacity to develop, test, and produce:

- Pasteurized and bottled soups, beverages, jams/jellies, sauces, stews
- Refrigerated/frozen and packaged salad dressings, spreads, salsas, and purees
- Cooked (steamed, fried, roasted grilled and chilled) meats, fruits, vegetables, and nuts
- Raw, chilled, and flash-frozen raw meats, and fresh-cut fruits, and vegetables
- Baked and/dehydrated breads, pastries, fruits and vegetables (including Gluten-free and Organic)
- Brined and fermented fruits and vegetables
- Candies, glazed/coated fruits and vegetables, and other novelty items

This center will serve not only small businesses and start-ups, but also medium and large-sized businesses that wish to experiment with new products or processes and target new markets.

Nothing like this exists on any island in the state of Hawai'i, and it will meet needs that are not currently met by any facility, program, or organization.

The cost of such a facility is high because of the demanding construction specifications and unique equipment. UHMC will work with the architects, vendors, and other organizations to develop this project as cost efficiently as possible, leveraging additional funds where possible.

Operations will be funded through self-generated income, grant funding, and partnerships—imitating successful models developed at campuses in New Jersey, Ohio, and Oregon, and in accordance with recommendations from the National Business Incubation Association. HTDC has already committed to provide business support services to clients of the center through its Innovate Hawai'i program. Additional grants are being sought for further planning and program implementation. UHMC has been conducting client research and outreach for two years; indeed, if the Maui Food Innovation Center opened its doors today, it would have businesses ready to start.

Finally, the Maui Food Innovation Center is not an isolated effort that benefits Maui alone. It will provide the University of Hawai'i system with a working model that can be further adapted to other campuses. Similar planning efforts are underway on Kaua'i and Big Island, and especially on O'ahu. By working together, the UHCC campuses can achieve cost and resource efficiencies that no single island effort—especially the neighbor islands—could support individually. Our long-term vision is to develop a statewide system of innovation centers that respond to Hawai'i's unique geographical challenges and strengths.

The University supports the intent of this bill provided it does not replace or adversely impact priorities as indicated in our Board of Regents Approved Budget.