

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC
DEVELOPMENT AND BUSINESS**

February 6, 2015
9:00 A.M.
ROOM 312

**HOUSE BILL NO. 506
RELATING TO AGRICULTURE**

Chairpersons Tsuji, and Kawakami and Members of the Committees:

Thank you for the opportunity to testify on House Bill No.506. This bill establishes a working group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agricultural products within state institutions. The Department supports increasing consumption of locally-grown agricultural products by state institutions but feels that creating a working group may not be necessary.

The Department has participated in a number of task forces and working groups surrounding this topic that reported to the Legislature including: a report to the 2012 Legislature resulting from House Concurrent Resolution 167 (2011) and a report to the 2010 Legislature per Senate Concurrent Resolution 121 (2009). The Department continues to be an advocate for increased consumption of local agricultural commodities and would point to recommendations from those task forces such as exempting local produce from the procurement code for state institutions, as action steps that can be taken.

Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR



KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/06/2015
Time: 09:00 AM
Location: 312
Committee: House Agriculture

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0506 RELATING TO AGRICULTURE.

Purpose of Bill: Establishes a working group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agricultural products within state institutions.

Department's Position:

The Department of Education supports H.B. 506 which establishes a working group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agricultural products within state institutions. However, we recommend that you amend this bill to change the Department of Education representative on the working group from the Chairperson of the Board of Education to the Superintendent of Education. This would then make the Department of Education's representative consistent with the University of Hawaii and the Department of Accounting and General Services. Thank you for the opportunity to testify on H.B. 506.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEES
ON
AGRICULTURE
AND
ECONOMIC DEVELOPMENT AND BUSINESS
FEBRUARY 6, 2015, 9:00 A.M.

HOUSE BILL 506
RELATING TO AGRICULTURE

Chair Tsuji and Chair Kawakami, Vice Chair Onishi and Vice Chair Kong, and members of the committees, thank you for the opportunity to submit comments on HB506, which establishes a Working Group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agriculture products within state institutions.

While the State Procurement Office (SPO) supports the intent and purpose of this measure, the SPO prefers the language found in the similar and related measure HB 1205. Accordingly, the SPO submits testimony in support with amendments.

The SPO welcomes the opportunity to participate on this Working Group and recognizes that Hawaii's food security must be a focused priority. As with any public procurement, the Procurement Code is the guiding beacon that ensures transparency, integrity of process, and open competition. The public procurement of food requires a top-level strategic plan to allow for the agile acquisition of local foods across state agencies. It involves several nuanced issues depending upon funding sources, federal and state regulations and the receiving institution. Taking these elements into account, the Working Group is charged with a responsibility to explore and research opportunities that can create flexibility and innovation within our Procurement Code in order to openly and effectively undertake increasing the consumption of locally-grown agricultural products within state institutions.

The SPO submits the following amendments:

On page 1, under Section 1(b)(6), "the chief procurement officer" is listed as a member. The SPO suggests any ambiguity be eliminated by specifically naming "the administrator of the state procurement office."

On page 2, under Section 1 (c)(1), the Working Group is charged with examining

“whether the purchases of agricultural products should be exempt from procurement requirements.”

The SPO suggests that the language of this subsection be broadened to examine

“various possible procurement methods which can achieve the goal of increasing locally-grown agricultural products within state institutions.”

Also, the SPO suggests that the membership of the Working Group in HB 506 be amended to mirror the broad-based, inclusive membership of the Task Force in HB 1205, on pages 3-4, in Section 2(c), which provides:

“Task force membership shall consist of at least one representative from each of the following:

- (1) The state procurement office;
- (2) The department of agriculture procurement office;
- (3) The department of education procurement and contracts branch;
- (4) The department of education food services branch;
- (5) The department of public safety procurement branch;
- (6) The department of human services procurement branch;
- (7) Any other interested departmental procurement branch;
- (8) Stakeholders from the farm-to-school movement;
- (9) The United States Department of Agriculture;
- (10) Hawaii Farm Bureau Federation;
- (11) Hawaii Farmer's Union;
- (12) The Hawaii State Teachers Association;
- (13) Local food distributors, including those from counties with a population of less than five hundred thousand;
- (14) Ulupono Initiative; and
- (15) The office of information management and technology.”

Thank you.



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February 6, 2015

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 506
RELATING TO AGRICULTURE

Room 312
9:00 AM

Aloha Chair Tsuji, Chair Kawakami, Vice Chair Onishi, Vice Chair Kong, and Members of the Committees:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFB). Organized since 1948, HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB supports HB 506 which establishes a working group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agricultural products within state institutions.

HFB strongly supports increased use of locally grown agricultural products, fruits, vegetables, meats, dairy and poultry products in our schools and other public institutions.

In 2009, the State enacted ACT 175 which gave Hawaii agricultural products a price preference and included Hawaii agricultural products under the State's procurement code. HFB believed that an agricultural producers' price preference for bidding presented a competitive advantage. This included enjoyment of the small business preference rule that permits an agency to identify certain contracts for competition among small businesses or requires a large business to subcontract with small businesses to provide the products. We believed that the preference helped cultivate a level playing field with out-of-state bidders and created additional market opportunities for Hawaii's farmers and small businesses

HFB suggested the changes because farmers and ranchers were having a difficult time entering into state supply contracts. During our involvement with this process, it became clear that education at all levels, not just within our group of farmers and ranchers, but even within the procurement offices, was needed. Although HFB attempted to move everyone in this direction, the training was never accomplished.

This session, there are measures that propose to remove the preference and ease the process required for governmental bodies to acquire local agricultural commodities by exempting Hawaii agricultural producers from the procurement code. This would change the current code back to where it was before HFB's requests to the Legislature modified the language, resulting in the current code.

In previous sessions, when bills were introduced that would revert back to exempting locally-grown agricultural products from the procurement code, HFB has requested clear metrics to help determine the success of the procurement code with the exemption.

The proposed Working Group can help determine which process will increase the purchase of more locally grown agricultural products, fruits, vegetables, meats, dairy and poultry products from State institutions.

HFB is committed to work with the Working Group to improve and implement a procurement program that will allow Hawaii farmers and ranchers to source more products to State institutions.



Email: communications@ulupono.com

HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC DEVELOPMENT & BUSINESS
Friday, February 6, 2015 — 9:00 a.m. — Room 312

Ulupono Initiative Supports the Intent of HB 506, Relating to Agriculture

Dear Chair Tsuji, Vice Chair Onishi, Chair Kawakami, Vice Chair Kong, and Members of the Committees:

My name is Brandon Lee and I am the Policy and Public-Private Partnership Associate of the Ulupono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase clean, renewable energy, and waste reduction. We believe that self-sufficiency is essential to our future prosperity, and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono supports the intent of HB 506, which establishes a working group to evaluate the procurement process with the goal of increasing the consumption of locally grown agricultural products within state institutions. Increased procurement of agricultural products by governmental institutions will help Hawai'i increase its food self-sufficiency. Since the government purchases large quantities of food, this can provide an additional market avenue for our local farmers to sell more products, thereby providing more income for farmers and increased employment. Furthermore, this will increase consumption of fresh, high-quality foods for our schools, hospitals, and prisons.

A task force is needed to bring stakeholders and experts together to identify recommendations for policies and procedures that can create more local food purchasing.

While we support the intent of HB 506, we prefer the task force structure and goals outlined in HB 1205. First, we would request the State Procurement Office, in particular the State Procurement Administrator Sarah Allen, whose expertise is in procurement rules, be the task force lead. A lot of the outstanding issues in local food procurement deal with the technical details about procurement processes and authorities of the various procurement officers across departments. Secondly, one of the key goals of the task force should include developing a framework for collecting, tracking, and analyzing procurement awards. This way over time we can figure out what policies and procedures and working, what needs to be fixed, and why.

We believe that by collaborating we can help produce more local food, support an

Investing in a Sustainable Hawai'i



economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Brandon Lee
Policy and Public-Private Partnership



**Testimony of Hawai'i Green Growth
In Support of HB506 Relating to Agriculture
House Committee on Agriculture
House Committee Economic Development & Business
6 February 2015, 9:00am, Room 312**

Audrey Newman
Hawai'i Green Growth
P.O. Box 535 Ho'olehua, Hawai'i 96729

Hawai'i Green Growth is a voluntary partnership of more than 70 state, county, federal, business, and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, and other sectors who have come together to support a shared statewide commitment and tangible actions toward sustainability and a model green economy.

Aloha Chairs Tsuji and Kawakami, Vice Chairs Onishi & Kong, and Members of the Committees:

Hawai'i Green Growth (HGG) supports HB506 which will establish a working group to evaluate the procurement process for agricultural products in order to increase the consumption of locally-grown agricultural products within state institutions.

HGG supports local food procurement by State programs & facilities by exempting locally grown foods from the Hawai'i Public Procurement Code. This would permit local food purchases and production at schools, hospitals, prisons, and other state-run entities (based on 2014 HB 1991). HB506 outlines next steps to work towards local food procurement and aims to remove a key barrier in Hawai'i's local food production goals.

HB506 will help advance action on the *Aloha+ Challenge's* local food production 2030 target: "At least double local food production - 20-30% of food consumed is grown locally." *The Aloha+ Challenge: A Culture of Sustainability – He Nohona 'Ae'ōia* is a joint leadership commitment to achieve six sustainability targets by 2030 in the areas of clean energy, local food production, natural resource management, solid waste reduction, smart growth and climate resilience, green jobs and education. The *Aloha+ Challenge* was unanimously endorsed by the 2014 Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs. It was also internationally recognized as a model of integrated sustainability at the UN Conference on Small Island Developing States in Samoa.

We respectfully urge your support for HB506 to help advance food security priorities in Hawai'i.

Mahalo nui for your consideration,

A handwritten signature in black ink that reads "Audrey Newman". The signature is written in a cursive style and is positioned above a light gray rectangular background.

Audrey Newman

Senior Advisor, Hawai'i Green Growth (HGG)

Bringing leaders together to achieve sustainability in Hawai'i & be a model for a green economy

<http://www.hawaiigreengrowth.org>

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2015 11:52 AM
To: AGRtestimony
Cc: sherry.campagna@kamakagreen.com
Subject: Submitted testimony for HB506 on Feb 6, 2015 09:00AM

HB506

Submitted on: 2/5/2015

Testimony for AGR/EDB on Feb 6, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Campagna	Individual	Support	No

Comments: Passing this would help local farmers survive and would increase local food production. This may also make it possible for DOE school children to have access to fresh, local produce instead of processed or mainland sourced food.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 10:43 AM
To: AGRtestimony
Cc: pennysfh@hawaii.rr.com
Subject: Submitted testimony for HB506 on Feb 6, 2015 09:00AM

HB506

Submitted on: 2/4/2015

Testimony for AGR/EDB on Feb 6, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
penny levin	Individual	Support	No

Comments: A body formed to address the process for increasing consumption of local foods in our schools and institutions needs to have representatives with broad farmer membership to gain an understanding of the capacity of farmers to connect with schools and to participate in the procurement process in an affordable manner. The landscape of farm membership and farm organizations has changed in the last ten years. It is essential to this task force that key member agencies and organizations can provide realistic farmer input , and be able to reach out to farmers as part of the solution. The Hawaii Farmers Union United is the fastest growing farmers organization in the state with hundreds of members, a number of whom are actively engaged in farm to school food sourcing. While the bill allows for the appointment of other organizations as needed; it is a clear omission to not name this organizations as an essential member of the body. Please add the Hawaii Farmers Union United to the list of named seats on this task force.

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onishi3 - Timothy

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 9:19 AM
To: AGRtestimony
Cc: carl.campagna@kamakagreen.com
Subject: *Submitted testimony for HB506 on Feb 6, 2015 09:00AM*

HB506

Submitted on: 2/6/2015

Testimony for AGR/EDB on Feb 6, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Carl	Individual	Support	No

Comments:

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