

JAN 21 2022

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# A BILL FOR AN ACT

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RELATING TO A FOOD HUB PILOT PROGRAM.

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

1       SECTION 1. The legislature finds that the State's food  
2 security may be strengthened by growing more food locally and  
3 increasing access to local food. This endeavor may be supported  
4 by establishing food hubs, which are centrally located  
5 facilities with a business management structure that facilitates  
6 aggregation, storage, processing, distribution, and marketing of  
7 locally produced food products. By actively coordinating these  
8 activities along the value chain, food hubs may provide wider  
9 access to institutional and retail markets for small to mid-  
10 sized producers, and increase consumers' access to fresh healthy  
11 food, including those consumers in underserved areas and "food  
12 deserts".

13       The legislature also finds that food hubs encounter  
14 financial obstacles when seeking to launch or expand their  
15 operations. Therefore, a funding source is needed to support  
16 the establishment and growth of food hubs on a scale that meets



1 demand by state institutions such as schools, hospitals, and  
2 correctional facilities.

3 Accordingly, the purpose of this Act is to establish a  
4 five-year food hub pilot program under the department of  
5 agriculture and appropriate funds for the program.

6 SECTION 2. (a) There is established a five-year food hub  
7 pilot program, which shall be administered by the department of  
8 agriculture.

9 (b) The pilot program shall:

10 (1) Adopt the United States Department of Agriculture's  
11 working definition of "food hub", which means "a  
12 centrally located facility with a business management  
13 structure facilitating the aggregation, storage,  
14 processing, distribution, and/or marketing of  
15 locally/regionally produced food products"; and

16 (2) Award grant funding to qualified applicants for the  
17 construction of critical infrastructure to establish  
18 and expand food hubs in each of the counties,  
19 including:

20 (A) Construction or improvement of facilities for  
21 aggregation, washing, minimal processing,



1 packaging, cold storage, and other value-  
2 additions; and

3 (B) Provision of technical assistance to develop in-  
4 state capacity to supply state institutions and  
5 other markets.

6 (c) The department of agriculture shall establish criteria  
7 for the award of initial start-up grant funding or subsequent  
8 expansion funding under the pilot program, including the  
9 following provisions:

10 (1) Priority shall be given to organizations having  
11 demonstrated experience in aggregation, washing,  
12 minimal processing, packaging, cold storage, and other  
13 value-additions for delivering local produce to local  
14 markets;

15 (2) Qualifying applicants shall include corporations,  
16 limited liability companies, partnerships, sole  
17 proprietorships, non-profit organizations, and  
18 agricultural cooperatives that meet necessary  
19 insurance requirements and provide a certificate of  
20 vendor compliance with Hawaii compliance express;



(3) Applicants seeking to establish a new food hub where none currently exist shall first secure a physical location for the food hub and draft a detailed plan for the food hub's operation, including activities in which the applicant intends to engage, such as serving as a marketplace for buying and selling or providing certified kitchen space in which multiple farmers may share use of facilities for value-added product development; and

(4) Applicants shall explain their intended actions to increase access to locally produced food.

(d) The department of agriculture shall adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the administration and operation of the pilot program.

SECTION 3. (a) The department of agriculture shall submit interim reports on:

(1) The department's progress in implementing this Act;

(2) Preliminary results of the food hub pilot program; and

(3) The department's findings and recommendations, including any proposed legislation,



1 to the legislature no later than twenty days prior to the  
2 convening of the regular sessions of 2023, 2024, 2025, and 2026.

3 (b) The department of agriculture shall submit a final  
4 report of its findings and recommendations, including any  
5 proposed legislation, to the legislature no later than twenty  
6 days prior to the convening of the regular session of 2027. The  
7 report shall include the results of the food hub pilot program  
8 and a recommendation as to whether the program should be made  
9 permanent, with or without modifications.

10 SECTION 4. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2022-2023 for  
13 the establishment of a five-year food hub pilot program,  
14 including the awarding of grant moneys to qualifying food hubs.

15 The sum appropriated shall be expended by the department of  
16 agriculture for the purposes of this Act.

17 SECTION 5. The director of finance is authorized to issue  
18 general obligation bonds in the sum of \$ or so much  
19 thereof as may be necessary and the same sum or so much thereof  
20 as may be necessary is appropriated for fiscal year 2022-2023  
21 for the purpose of completing critical infrastructure upgrades



1 to enable the Honalo marshalling yard to be developed as a food  
2 hub consistent with the purposes of this Act.

3 The sums appropriated for this capital improvement project  
4 shall be expended by the department of agriculture for the  
5 purposes of this Act.

6 SECTION 6. The appropriation made for the capital  
7 improvement project authorized by this Act shall not lapse at  
8 the end of the fiscal biennium for which the appropriation is  
9 made; provided that all moneys from the appropriation  
10 unencumbered as of June 30, 2025, shall lapse as of that date.

11 SECTION 7. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 2218

**Report Title:**

Department of Agriculture; Food Hub Pilot Program; Grant  
Funding; Honalo Marshalling Yard; Appropriation

**Description:**

Requires the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food. Provides for the award of grant funding to qualified applicants wishing to establish or expand a food hub. Authorizes the issuance of general obligation bonds for the Honalo Marshalling Yard. Requires reports to the Legislature. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

