**S.B. NO.** S.D. 1H.D. 1

C.D. 1

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# A BILL FOR AN ACT

RELATING TO A FOOD HUB PILOT PROGRAM.

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

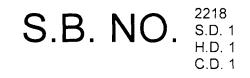
1 SECTION 1. The legislature finds that the State's food 2 security may be strengthened by growing more food locally and 3 increasing access to local food. This endeavor may be supported by establishing food hubs, which are centrally located 4 5 facilities having a business management structure that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

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 17 demand by state institutions such as schools, hospitals, and

18 correctional facilities.

2022-3242 SB2218 CD1 SMA.doc

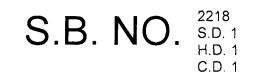
Page 2



1	Accordingly, the purpose of this Act is to establish a		
2	five-year food hub pilot program under the department of		
3	agriculture and appropriate funds for the program and upgrades		
4	to the Honalo marshalling yard to be developed as a food hub.		
5	SECT	ION 2. (a) There is established a five-year food hub	
6	pilot pro	gram, which shall be administered by the department of	
7	agricultu	re.	
8	(b)	The food hub pilot program shall:	
9	(1)	Adopt the United States Department of Agriculture's	
10		working definition of "food hub", which means "a	
11		centrally located facility with a business management	
12		structure facilitating the aggregation, storage,	
13		processing, distribution, and/or marketing of	
14		locally/regionally produced food products"; and	
15	(2)	Award grant funding to qualified applicants for the	
16		construction of critical infrastructure to establish	
17		and expand food hubs in each of the counties,	
18		including:	
19		(A) Construction or improvement of facilities for	
20		aggregation, washing, minimal processing,	

2022-3242 SB2218 CD1 SMA.doc

Page 3



1		packaging, cold storage, and other
2		value-additions; and
3		(B) Provision of technical assistance to develop
4		in-state capacity to supply state institutions
5		and other markets.
6	(c) [	The department of agriculture shall establish criteria
7	for the awa	ard of initial start-up grant funding or subsequent
8	expansion :	funding under the food hub pilot program, including
9	the follow:	ing provisions:
10	(1) ]	Priority shall be given to organizations having
11	C	demonstrated experience in aggregation, washing,
12	r	minimal processing, packaging, cold storage, and other
13	7	value-additions for delivering local produce to local
14	r	markets;
15	(2) (	Qualifying applicants shall include corporations,
16	:	limited liability companies, partnerships, sole
17	I	proprietorships, non-profit organizations, and
18	ä	agricultural cooperatives that meet necessary
19	:	insurance requirements and provide a certificate of
20		vendor compliance with Hawaii compliance express;

2022-3242 SB2218 CD1 SMA.doc

Page 4

### S.B. NO. <sup>2218</sup> S.D. 1 H.D. 1 C.D. 1

1 (3) Applicants seeking to establish a new food hub where 2 none currently exist shall first secure a physical 3 location for the food hub and draft a detailed plan 4 for the food hub's operation, including activities in 5 which the applicant intends to engage, such as serving 6 as a marketplace for buying and selling, or providing 7 certified kitchen space in which multiple farmers may 8 share use of facilities for value-added product 9 development; and

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

(d) The department of agriculture shall require that the receipt of grant funding pursuant to the food hub pilot program be conditioned upon the recipient's compliance with all applicable state and federal food safety laws, rules, and regulations, including the FDA Food Safety Modernization Act, P.L. 111-353, and that Act's provisions on supplier verification.

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

2022-3242 SB2218 CD1 SMA.doc 

## **S.B. NO.** <sup>2218</sup> S.D. 1 H.D. 1 C.D. 1

1 (f) The food hub pilot program under this section shall 2 terminate on June 30, 2027. 3 SECTION 3. (a) The department of agriculture shall submit 4 interim reports on: 5 (1)The department's progress in implementing this Act; 6 (2)Preliminary results of the food hub pilot program; and 7 (3) The department's findings and recommendations, 8 including any proposed legislation, 9 to the legislature no later than twenty days prior to the 10 convening of the regular sessions of 2023, 2024, 2025, and 2026. 11 (b) The department of agriculture shall submit a final report of its findings and recommendations, including any 12 proposed legislation, to the legislature no later than twenty 13 14 days prior to the convening of the regular session of 2027. The 15 report shall include the results of the food hub pilot program 16 and a recommendation as to whether the program should be made 17 permanent, with or without modifications. 18 SECTION 4. There is appropriated out of the general 19 revenues of the State of Hawaii the sum of \$750,000 or so much

thereof as may be necessary for fiscal year 2022-2023 for the

2022-3242 SB2218 CD1 SMA.doc

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Page 6



establishment of a five-year food hub pilot program, including
 the awarding of grant moneys to qualifying food hubs.

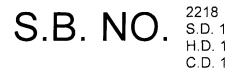
3 The sum appropriated shall be expended by the department of4 agriculture for the purposes of this Act.

5 SECTION 5. The director of finance is authorized to issue 6 general obligation bonds in the sum of \$750,000 or so much 7 thereof as may be necessary and the same sum or so much thereof 8 as may be necessary is appropriated for fiscal year 2022-2023 9 for the purpose of completing critical infrastructure upgrades 10 to enable the Honalo marshalling yard to be developed as a food 11 hub consistent with the purposes of this Act.

12 The sum appropriated for this capital improvement project 13 shall be expended by the department of agriculture for the 14 purposes of this Act.

SECTION 6. The appropriation made for the capital improvement project authorized by this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2024, shall lapse as of that date. SECTION 7. This Act shall take effect on July 1, 2022.

# 2022-3242 SB2218 CD1 SMA.doc



### 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 or provide certain technical assistance. Authorizes the issuance of general obligation bonds for the Honalo Marshalling Yard. Requires reports to the Legislature. Appropriates funds. (CD1)

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

