

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 23, 2022

2:30 P.M.

CONFERENCE ROOM 308 & VIA VIDEOCONFERENCE

HOUSE BILL NO. 1499 HD1
RELATING TO FOOD SAFETY

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1499 HD1. This measure requires the Department of Agriculture to partner with a Hawaii entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small- and medium-sized farms obtain the USDA Harmonized Good Agricultural Practices certification and appropriates funds for that purpose. The Department supports the intent of this measure and offers comments.

The Department of Agriculture (DOA) has a cooperative agreement with the United States Department of Agriculture (USDA) wherein DOA staff are licensed by USDA to conduct food safety audits for Hawaii farmers statewide, on a fee-for-service basis. Adding and consolidating GAP certification training for farmers to DOA's regulatory compliance responsibilities may create a potential conflict of interest if the training is also conducted by DOA staff involved in administering the USDA Harmonized



GAP certification program. Combining both the auditing and training programs in the DOA could compromise the independence and objectivity of the food safety certification program's audits. It is highly advisable that the educational functions of the program be segregated from the enforcement and auditing functions to mitigate the risk presented by arrangement. As such, we recommend that any appropriation for the educational functions be made into the budget for the DOA's Chairperson's office. This would separate funding for education from the funding for enforcement by the Quality Assurance Division.

The Department notes that UH-CTAHR Cooperative Extension Service has a food safety program to educate and train Hawaii farmers to comply with federal food safety regulations. Their Extension Agents work with farmers statewide and they have the GAP food safety technical expertise in training farmers.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1499, H.D. 1

February 23, 2022
2:30 p.m.
Room 308 and Videoconference

RELATING TO FOOD SAFETY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1499, H.D. 1, requires the Department of Agriculture to partner with a Hawai'i entity to establish and implement a pilot food safety certification and training program for the purpose of providing small to medium sized farms with direct assistance to obtain a U.S. Department of Agriculture Harmonized Good Agricultural Practices certification. This bill also appropriates an unspecified amount of general funds in FY 23 to establish and implement the program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Wednesday, February 23, 2022 — 2:30 p.m.

Ulupono Initiative supports HB 1499 HD 1, Relating to Food Safety.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports HB 1499 HD 1, which requires the Department of Agriculture to partner with a Hawai'i entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small- to medium-sized farms obtain the United States Department of Agriculture's Harmonized Good Agricultural Practices certification.

Ulupono supports food safety certification training across the State for small to medium sized famers. According to the 2017 USDA NASS Census of Agriculture, of Hawai'i's 7,328 farms statewide, 66%, or 4,868 farms, are between 1–9 acres and 78%, or 5,701 farms, produce less than \$25,000 in sales. Hawai'i's agricultural producer majority is small farmers. Many of these small farmers struggle to enter the marketplace that is heavily driven by food safety compliance. Working off of such tight profit margins, local farmers are in need of support to meet grocer and food distributor demands such as food safety. Measures such as this seek to provide local producers with an opportunity to earn the necessary certifications in order to provide communities with fresh, Hawai'i grown products.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 23, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB HB 1499, HD1
RELATING TO FOOD SAFETY

Conference Room 309 & Videoconference
2:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 1499, HD1, which requires the department of agriculture to partner with a Hawai'i entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small- and medium-sized farms obtain the United States Department of Agriculture's Harmonized Good Agricultural Practices certification.

HFB appreciates the support by the legislature in our past efforts to help Hawai'i's farmers achieve food safety certification required by businesses that purchase local produce. Foodborne illnesses can be serious, and we should seek ways to reduce risk. The many criteria associated with food safety certification should not be an impediment to safe food. Hawai'i cannot afford to further lose farmers as we strive to increase local food production. We want to incentivize our farmers' ability to continue their operations and provide Hawai'i with abundant safe food. This bill will assist Hawai'i's small farmers with the costs they will incur to become food safety compliant.

USDA GroupGAP is gaining momentum across the nation as a resource for smaller-sized operations that need food safety certification and is the perfect mechanism for Hawai'i's small farmers because it provides a system of shared costs and a supportive network within a group of producers seeking certification. In Hawai'i, many small and mid-scale producers can use food safety certification to gain market access but are still hindered by challenges including individual audit costs and staff to manage the operation's food safety practices, writing a food safety plan, etc. GroupGAP alleviates those burdens by providing technical assistance, in essence, a food safety manager to guide practices and assist

with documentation, and because producers share the costs of auditing across all farms in the group.

We support funding to provide training and support for a USDA GroupGAP program to increase the number of food safety certified farmers.

Thank you for the opportunity to testify on this measure.



COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

HB1499 HD1
Relating to Food Safety

Wednesday, February 23, 2022, 2:30 PM
VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Yamashita, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports HB1499 HD1** to require the department of agriculture to partner with a Hawaii entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small- and medium-sized farms obtain the United States Department of Agriculture's Harmonized Good Agricultural Practices certification.

Achieving food safety certification is an important aspect for sustaining Hawaii's ability to provide local food. We support this assistance to producers with the costs associated with becoming food safety compliant.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





67-332 Kaiea Pl.
Waialua, HI 96791-9501
808-383-4481
www.NSEVP.org

February 22, 2022

House Committees on Finance
Wednesday February 23, 2022, 2:30 pm

SUBJECT: Support for HB 1499 – RELATING TO FOOD SAFETY

Dear Chair Luke, Vice-Chairs Yamashita, and Members of the Committee:

On behalf of the North Shore Economic Vitality Partnership (North Shore EVP), I would like to extend our full **support of HB 1499**, which would require the Department of Agriculture to partner with a Hawai'i entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small and medium-sized farms obtain their United States Department of Agriculture's (USDA) Harmonized Good Agricultural Practices (GAP) certification.

North Shore EVP was formed in 2015 as a result of a comprehensive, community-based economic analysis that identified the need for a mid-scale regional food hub to fill serious gaps in the food supply chain and maintain agriculture as one of the pillars of the economy of the region. Our research coupled with the implementation of the FDA's Food Safety & Modernization Act (FSMA) indicated that new commercial and institutional markets for aggregated food would require FSMA compliance and/or USDA food safety certification.

Unfortunately, the vast majority of the 5,826 farms growing crops in Hawai'i are not food safety certified. Most of these farms are smaller than 10 acres and because of low volume and inconsistent production, they choose to sell directly to consumers at farmers' markets, roadside stands, or through CSA programs. Many farms do not plant all of the land they have under lease because of this limited market access.

Moreover, during the pandemic, Hawai'i lost millions of dollars of direct food aid due to the lack of food safety certification required by suppliers in USDA funded food and nutrition programs. Even with federal incentives, access to larger, more consistent markets is a significant challenge for many small farms.

North Shore EVP received USDA approval for its Hawai'i GroupGAP food safety certification program in June 2018. USDA GroupGAP reduces the cost of food safety certification by spreading the training, technical assistance, and auditing costs between all farms in the group. Ours is the only GroupGAP program in Hawai'i and one of only 15 nationwide. **It is the only farm food safety training program in Hawai'i that results in USDA Harmonized GAP certification**, the most common standard required by larger commercial and institutional buyers. Hawai'i farmers now have the opportunity to economically attain their USDA Harmonized GAP certification through Hawai'i GroupGAP.

Hawai'i GroupGAP's 2021 USDA audit certified seven (7) new farms and an additional two (2) will be certified upon completion of corrective actions. This increases the number of Harmonized GAP farms in the state to seventeen (17), an increase of 138%! **Hawai'i GroupGAP**

is now responsible for 65% of all Harmonized GAP certified farms and 23% of all GAP certified farms in the state! But we still have a long way to go to certify enough farms to meet the growing commercial and institutional market demands for locally grown produce.

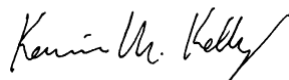
Central to the expansion of farmer food safety training and certification is ensuring the success of the state's small farms by making them eligible to access new, larger, and more stable institutional and commercial markets that require food safety certification. The latest analysis from DBEDT suggests that replacing just 10% of the food currently imported into Hawai'i (Hawai'i imports over 90% of its fresh produce) would amount to an economic impact of approximately \$313 million. **Local production adds resilience to a fragile food chain** that will likely be disrupted again by hurricanes, tsunamis, or other public emergencies. In addition to import substitution opportunities, substantial shifts in state policy in 2021 will spur increases in institutional purchasing of local produce by the state and nonprofit businesses. Act 175 (2021) requires the Hawai'i Department of Education to source 30% of food served in public schools from local producers by 2030, and Act 176 mandates local purchasing goals for all state departments, aiming for 50% local sourcing by 2050. These measures pave the way for market solutions to facilitate local purchasing by all state institutions. Collectively, these actions open new market opportunities for small producers assuming they can meet the food safety criteria that may be required by these institutional buyers.

I agree with the Department of Agriculture (HDOA) Chairperson Phyllis Shimabukuro-Geiser's prior comments that HDOA has an internal conflict of interest in conducting both the internal audits required by GroupGAP and the contracted external audits required by USDA. In addition, the Dean of CTAHR, Nick Comerford, has indicated that providing certification is outside the mission of his unit and might compromise the trust relationships that CTAHR extension agents have with farmers if they are, even erroneously, seen as enforcement agents of the government.

Hawai'i GroupGAP is a turnkey, scalable, and highly effective **program that gets farmers trained and certified**. The program was developed and implemented over four years and almost \$1M in grant and private funds. Although the cost to farmers has risen slightly, the program has introduced new technology that reduces the overall certification costs by reducing the administrative burden placed on the farmer. But Hawai'i GroupGAP cannot continue to expand across the state without other avenues of support. Creating a pilot program with an external vendor and managed by HDOA is a low-risk, high impact investment for the state that will lead to increases in farm output as farms become certified and begin entering new markets.

North Shore EVP is committed to increasing the number of certified farms in Hawai'i and assisting Hawai'i's small and medium producers access new commercial and institutional market opportunities. We strongly urge you to support this bill.

Thank you for the opportunity to testify on this legislation.



Kevin M Kelly, President



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

Charlie Gustafson, Tamura Super Market, *Chair*
Eddie Asato, Pint Size Hawaii, *Vice Chair*
Gary Okimoto, Safeway, *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
John Schliff, Rainbow Sales and Marketing, *Advisor*
Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 23, 2022
TIME: 2:30pm
PLACE: Via Videoconference

RE: HB1499 HD1 Relating to Food Safety

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure for the Department of Agriculture to partner with a Hawaii entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small- and medium-sized farms obtain the United States Department of Agriculture's Harmonized Good Agricultural Practices certification.

Increasing local food production is a goal we all share. Hawaii's farmers and ranchers face a range of challenges and the economic down turn caused by COVID-19 hit many of our small local farms hard. The financial and administrative burden of meeting state and federal regulations can be a deterrent for those who want to start farming in Hawaii and can make it harder for existing small farms to stay in business. Providing Hawaii farms with the support they need to comply with the U.S. Department of Agriculture Good Agricultural Practices Certification will help alleviate that burden.

Many of our member retailers require the farms they buy from to have USDA GAP Certification because it confirms that a farm is committed to the highest standard of produce safety and freshness. GAP Certification is also an important first step towards full compliance with the Food Service Modernization Act (FSMA). This bill will help make Hawaii farms and Hawaii agriculture more viable. We encourage you to vote yes on this measure and we thank you for the opportunity to testify.



Hawaii Foodservice Alliance LLC, 2720 Waiwai Loop, Honolulu, HI 96819
Tel: 808.839.2004 ~ Fax: 808.839.2033 ~ HFA@HFAHawaii.com

February 9, 2022

TO: Committee on Finance
Chair Luke & Vice Chair Yamashita

FROM: Chad Buck
CEO
Hawaii Foodservice Alliance LLC
Hawaii Secure Foods LLC

RE: **Support for HB 1499** relating to food safety

Aloha,

Hawaii Foodservice Alliance (HFA) is the largest local supplier of perishable foods and logistics to Hawai'i's grocer, retail and club chains. HFA serves all islands and locations daily. **We fully support HB1499 Relating to Food Safety** that would require the Department of Agriculture to partner with a Hawai'i entity to establish a pilot USDA Harmonized GAP food safety training and certification program to help small and medium-sized farms obtain their United States Department of Agriculture's (USDA) Harmonized Good Agricultural Practices (GAP) certification.

HFA continues to seek reliable sources of locally grown produce that is food safety certified. Our entire supply chain is built on full compliance with all state and federal food safety regulations, including the FDA's Food Safety & Modernization Act (FSMA). I and many of our customers often require this certification.

Sincerely,

A handwritten signature in black ink, appearing to be "Chad Buck", is written over a faint, light-colored signature line.

Chad Buck
Hawaii Foodservice Alliance LLC

HB-1499-HD-1

Submitted on: 2/22/2022 3:56:14 PM

Testimony for FIN on 2/23/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ethan West	Piko Provisions	Support	No

Comments:

Food safety is critical in the work that we do to provide the most delicate and discerning amongst us with high quality, healthy, local food. Through the support and implementation of a more equitable and accessible group GAP certification program we will be able to support even more farmers across the state through our sourcing programs and further deliver on our promise to families across Hawaii.

HB-1499-HD-1

Submitted on: 2/22/2022 3:04:51 PM

Testimony for FIN on 2/23/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark Phillipson	Individual	Support	No

Comments:

Aloha Chair Luke and Committee Members,

Increasing food security (growing more here), only makes very common sense to make sure that food is safe to eat from health safety measures. If your constituents are like me they want to see and buy more locally sourced foodstuffs, so supported this bill is the right step forward.

Best,

Mark Phillipson

Testimony Presented to
House Committee on Finance

February 23, 2:30pm Conference Room 308

by

Francesca Scola, Food Safety Specialist, North Shore EVP

SUBJECT: Support for HB1499 – RELATING TO FOOD SAFETY

Chair Sylvia Luke, Vice Chair Kyle T. Yamashita, and members of the Finance Committee:

My name is Francesca Scola and I am the Food Safety Specialist at North Shore EVP. I strongly support HB1499 relating to the establishment of a GroupGAP Pilot Program and appropriating funding for its administration.

I have been working at North Shore EVP since the summer of 2020 and have been able to see first-hand the success of our GroupGAP program in helping small to mid-sized producers statewide attain food safety certification through the USDA. To date, the North Shore EVP GroupGAP program has certified 12 producers in USDA GAP & HGAP food safety certification across the state opening access to new markets and opportunities.

The most common refrain around food safety that I hear from farmers is that it is too difficult, too expensive, and that as often only 1 or 2-person family run operations they simply don't have the bandwidth to achieve it. However, even with these limitations in mind, more and more small operations are choosing to work towards food safety certification as they see the value and market opportunities in becoming certified. The GroupGAP model has so far shown to be a realistic and successful model for these farmers. The need for assistance is growing, and more support from the State is needed to ensure equitable access to this program and the assistance it provides to producers on all islands. In short, the program cannot continue to grow solely through the support provided by grants and donations.

Making food safety certification more accessible to all of the State's producers should be a measurable goal for our revitalized agriculture sector and would pave the way for local producers to provide safely grown, harvested, and transported food to the market state wide

I strongly support HB1499 related to the establishment of a GroupGAP Pilot program and appropriation of funding. Thank you for the opportunity to testify on this measure.

Respectfully,

Francesca Scola

NSEVP Food Safety Specialist

HB-1499-HD-1

Submitted on: 2/22/2022 1:12:43 PM

Testimony for FIN on 2/23/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lucas McKinnon	Individual	Support	No

Comments:

This measure, if passed, will provide more access to producers across the state to receive one on one assistance in food safety practice implementation and USDA HGAP certification.

NSEVP has been working diligently since 2017 to create a USDA GroupGAP program in Hawai'i. We are now about to begin working with our 6th cohort of farmers; last year we helped 8 operations achieve or maintain USDA HGAP certification. While USDA GAP certification is voluntary, it is also desired, and often required, by most retail buyers and wholesalers. For our local producers, this certification can open the door to markets that previously were inaccessible to them.

We have found successful ways to assist our local operations and deliver that certification across the islands, but we now need the consistent funding and support that the State can provide to continue this work. We have largely run this program through grants and donations, but the need for our work is greater than can be sustained in this way. Additionally, it is important that our local producers have access to this program at the same time that the State is beginning to require more locally grown food in it's own departments and institutions.

HB-1499-HD-1

Submitted on: 2/23/2022 10:58:40 AM

Testimony for FIN on 2/23/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leo Obaldo	Hawaii Dept of Agriculture	Comments	Yes

Comments:

I am available to answer questions on behalf of Hawaii Department of Agriculture