

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

DEPT. COMM. NO. 282
MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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December 28, 2022

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the House of
Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report on Food Hub Pilot Program as required by Act 313, Session Laws of Hawaii 2022. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <https://hdoa.hawaii.gov/meetings-reports/legislative-reports/>.

Sincerely,

A handwritten signature in cursive script that reads "Phyllis Shimabukuro-Geiser".

Phyllis Shimabukuro-Geiser
Chairperson, Board of Agriculture

Enclosures



**REPORT TO THE THIRTY-SECOND
LEGISLATURE 2023 REGULAR SESSION
STATE OF HAWAII**

**IN RESPONSE TO ACT 313, SESSION LAWS OF HAWAII 2022
REQUIRING THE DEPARTMENT OF AGRICULTURE TO REPORT ANNUALLY ON
THE PROGRAM'S IMPLEMENTATION, PRELIMINARY RESULTS, FINDINGS, AND
RECOMMENDATIONS.**



Prepared by:

**THE STATE OF HAWAII
DEPARTMENT OF
AGRICULTURE
KA 'OIHANA MAHI'AI**

DECEMBER 2022

FOOD HUB PILOT PROGRAM

Annual Report to Legislature for Fiscal Year 2023

Background

In the Thirty-first State Legislature, Regular Session of 2022, Act 313 was passed which requires the Department of Agriculture to establish a five-year food hub pilot program and to submit an annual report to the legislature on the program's implementation, preliminary results, findings and recommendations. The following information is to be reported:

1. Department's progress on program's implementation;
2. Preliminary results on annual basis; and
3. Findings and recommendations;

Executive Summary

This report covers the period July 2022 to December 23, 2022. In addition to the above requirements, the Department is also required to adopt rules pursuant to Chapter 91, HRS, for the administration and operation of the food hub pilot program. Since the state executive budget was released in late August 2022, the HDOA has been working collaboratively with the Department of the Attorney General to draft rules of general applicability, and eligibility and selection process for the food hub program.

In November 2022, the Department completed its draft of Chapter 4-61, Hawaii Administrative Rules entitled "Food Hub Grant Program." This new chapter was then submitted to the Hawaii Board of Agriculture on November 29, 2022 to request for preliminary approval for adoption. It was approved unanimously.

Essentially, Chapter 4-61 has two sub-chapters. Collectively, they address (i) Rules of General Applicability; and (ii) Eligibility and Selection Process of the program.

Subchapter 1 includes four sections as follows:

1. Purpose;
2. Definitions;
3. Purpose of program; and
4. Grant purpose and use.

Subchapter 2 includes six sections as follows:

1. Eligibility requirements;
2. Application procedure;
3. Consideration and review of applications;

4. Preferences and priorities in making grants;
5. Maximum grant amount & disbursement; and
6. Acknowledgement.

In parallel work efforts with the rule drafting process, the Department had requested approval to release and allot funds pursuant to Act 313, SLH 2002. In early December, the Governor released \$1,350,000 for FY 2023. which reflected a 5% hard restriction and 5% contingency restriction imposed on discretionary general fund appropriations. The Department is currently working on a Request for Proposals (RFP) for this food hub program to be posted in the third quarter of FY 2023. Upon completion, the intent is to issue the RFP and to solicit bids from qualified bidders. Thereafter, awards granted will signify the implementation phase of the food hub pilot program.