



STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE
FEBRUARY 25, 2025, 2:00 pm

HOUSE BILL 1187, HD1
RELATING TO PROCUREMENT

Chair Yamashita, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit comments on House Bill 1187, HD1. The State Procurement Office (SPO) supports the intent of this bill to phase in a ban on state departments and administratively attached agencies from purchasing imported flowers and lei.

HB1187, HD1 provides a structured transition for state agencies to align purchasing policies with sustainability goals while supporting local businesses. By phasing in procurement requirements over time, the bill allows state agencies to plan for and integrate local sourcing into their procurement processes. This gradual shift ensures that agencies can comply with the new requirements efficiently while fostering partnerships with local suppliers. Additionally, prioritizing locally grown products enhances supply chain resilience, mitigates risks associated with external market disruptions, and contributes to the long-term economic stability of the state.

However, SPO acknowledges a **potential challenge** in ensuring compliance with this measure. State departments and agencies will need a clear and practical method to verify the origin of flowers and lei purchased under the procurement process. To address this, we recommend that vendors be required to include a label or certification indicating that the plant materials used in their products are locally grown. This labeling requirement would enhance transparency, simplify procurement decisions, and support agencies in meeting the bill's requirements.

Thank you for the opportunity to provide testimony in support of HB1187, HD1.



February 21, 2025

For RE: Written Testimony for HB1187

Aloha,

My name is Monty Pereira, General Manager and Sales and Marketing Director at Watanabe Floral, Inc. I am also the *Cut Flowers Director* for the Hawaii Floriculture & Nursery Association (HFNA). I would like to highly express my opposition to HB1187.

I completely understand the intent, to support our local floriculture, however, I do not believe you realize that maybe 10%-15% of the flowers and Lei used in this state is grown locally. As a leader in the floral industry, we would love to be able to get all our products locally, but there is simply nowhere near enough production to satisfy the demand. We understand the challenges of local growers, as we were growers from our inception in 1945 until 2008. But the lack of workers and international competition made continuing to grow impossible, at least profitably.

Importing flowers is a necessary part of running a floral operation here in Hawaii and not being able to bring anything in from outside the state would render all floral operations in the state in peril. Most wedding flowers, a part of our Tourism, are not locally grown. Local production of lei flowers are dwindling locally and are harder and harder to source. Some local floral growers have turned to tourism, over wholesaling their products, like the Waimanalo Sunflower farms and the Plumeria tours on the North Shore. Without the ability to import flowers/lei, prices locally will skyrocket and floral, which is such an important part of our culture, will suffer dramatically, as well as the consumer, who will find it very difficult and costly to buy flowers.

As a former grower, we appreciate the intent of this bill, to help our local growers, but this is not the way to do it. This ban would be catastrophic to our local floral industry and should not be implemented. I am happy to sit down and discuss with anyone willing to listen.

Warmest regards,

Monty Pereira
General Manager and Sales & Marketing Director
Watanabe Floral, Inc
Cut Flower Director (HFNA)



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 25, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 1187, HD1
RELATING TO PROCUREMENT**

Conference Room 308 & Videoconference
2:00 PM

Aloha Chair Yamashita, Vice-Chair Takenouchi, 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 1187, HD1, which phases in a ban on state departments and administratively attached agencies from purchasing imported flowers and lei. Encouraging the procurement of locally grown flowers and lei supports Hawai'i's farmers, strengthens the local floriculture industry, and promotes sustainability by reducing reliance on imports.

Hawai'i's floriculture industry is an important part of the state's agricultural sector, providing lei and flowers that are deeply embedded in Hawaiian culture and traditions. However, the industry has faced challenges due to competition from imported flowers, high production costs, and market fluctuations. Phasing in a requirement for state agencies to purchase locally grown flowers and lei will help provide a stable and predictable market for local producers, allowing them to reinvest in their operations and expand production.

While we support the intent of HB 1187, HD1, we recognize that increasing local production will be necessary to meet the growing demand created by this transition. Farmers need time to scale up their operations, invest in infrastructure, and address workforce challenges to ensure they can meet the benchmarks established in the bill.

Strengthening Hawaiʻi's floriculture industry will require a collaborative approach, including:

- **Providing resources and support for farmers** to increase production capacity, including access to land, water, and financial assistance.
- **Encouraging research and development** in floriculture to improve yields, pest management, and post-harvest handling.
- **Ensuring procurement practices** that make it easier for local flower growers to participate in state purchasing programs.

We encourage the Legislature to consider mechanisms to support local flower producers as this transition takes place, such as investment in agricultural infrastructure, increased funding for agricultural research and extension services, access to affordable land, water, and energy, access to capital, protection of agricultural lands from non-agricultural uses and development, expansion of workforce training programs, streamlined permitting processes that reduce regulatory barriers for farmers, and business development programs and technical assistance for floriculture farmers. With the right support, Hawaiʻi's floriculture industry can grow to meet the demand, ensuring that locally grown lei and flowers are available for state procurement while strengthening local agriculture.

Thank you for the opportunity to testify on this measure.

HB-1187-HD-1

Submitted on: 2/24/2025 7:33:20 PM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicholas Lee	CINDY'S LEI SHOPPE LLC	Oppose	Written Testimony Only

Comments:

Aloha. My name is Nicholas Lee and I am the controller for Cindy's Lei & Flower Shoppe. I have spent the majority of my life in Honolulu, spent half my childhood growing up in the lei shop and worked there as adult for more than 10 years. I have first-hand experience with the inventory, storage and merchandising of both domestic and imported floriculture - particularly lei, cut flowers and arranged floral work - along with beginner to intermediary experience with farming. On a daily basis I also work with brokers and vendors that have first-hand procurement experience with imported floriculture.

I do not support HB1187 and oppose it because I believe that if a phased ban is put into effect without demonstrating a recovery as well as a growth trend in domestic agriculture, especially for Honolulu County, this bill put into law would harm the lei + domestic floriculture industry without presenting a significant benefit / offset competition for domestic floral farms, merchandisers and designers.

At present, the demand for local floriculture in Honolulu County is saturated. Having had consistent and open communication with our domestic floral vendors (e.g. A&K Nursery, Inc., Uilani Farms, the Pretty Plumeria, homeowners that are Pikake and Ohai Ali'i growers, Tropical Cut Flower brokers, etc) and our diverse customer base, we assert that because of consumer tastes, imported lei and floriculture does not compete against local product, especially during 'graduation season' (roughly the last week of April thru mid-June). The demand of the lei industry is great enough to accommodate the supply of both the domestic market and import market (from Thailand, South America, etc). Moreover, the alleviation of price pressures from imported product as part of a bundle of goods sold to the consumer that is often event specific does provide savings to the local HNL County to Hawaii County resident.

Protectionism can be an effective strategy, but only within the context of a non-saturated market. In this case, a phased ban of imported lei and floriculture will be regressive to Hawaii's economy (GDP). The vast majority of commercial farms' and hobbyist growers' (that farm in a household yard setting) principals are above 60 years old without a succession plan, nor a steady supply of farmhands outside of their own household. Back in the 80s-90s when A&K Nursery, Inc. boasted roughly 200 farm hands that were dedicated to Orchid production, at that time a phased ban / limit on the import of Thailand Orchids (Dendrobium, Oncidium, Mokara, etc) would have been effective in protecting the domestic agriculture sector as well as its workforce. Without access to imported Orchid product, local agriculture would effectively be purchased at scale by larger domestic wholesale entities. The trickle-down effect of this would be inflationary due to a finite

domestic supply as well as the high cost of farming in the state of Hawaii (primarily due to high cost of real estate, transportation costs to Hawaii, high cost of utilities electric and water and the challenge of labor shortages in the agriculture sector across HNL County and Hawaii County).

I hope you will deeply consider the adverse consequences of passing HB1187 and that other action items can be created in the form of stimulus (e.g. grants, subsidies) to local growers, pest/plant disease management, good regulation and deregulation (simplification and expediting permitting processes), advocacy of sustainable growing (e.g. promoting water catchment, prevention of contaminant-filled runoff). Local growers must be supported without implementing regressive legislation that will do more harm than good.

Mahalo nui for your consideration.

HB-1187-HD-1

Submitted on: 2/23/2025 11:00:03 AM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jaye Kanaprach	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB 1187. While I understand the reasoning that we want to keep our flowers and lei local, we simply do not have enough supply or resources on island to be able to fulfill mass demand. Flowers- and lei especially- are already fairly expensive, and if this bill were to pass, the price of lei would shoot up to be entirely unaffordable. This would also affect retailers who rely on imported flowers/lei to fill their stock. Thank you for your time and I oppose this bill.

HB-1187-HD-1

Submitted on: 2/23/2025 3:01:28 PM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheyenne Joiner	Individual	Oppose	Written Testimony Only

Comments:

This would negatively impact my friend's father's business as well as anyone else who has business dealings in florals.

HB-1187-HD-1

Submitted on: 2/24/2025 1:53:49 PM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Frank Schultz	Individual	Support	Written Testimony Only

Comments:

Support