

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture
DEPT. COMM. NO. 240
DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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December 23, 2024

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura,
Speaker, and Members of the House
of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

For your information and consideration, I am transmitting a copy of the Annual Report on the Food Hub Pilot Program as required by Act 313, SLH 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 blue ink that reads "Sharon Hurd".

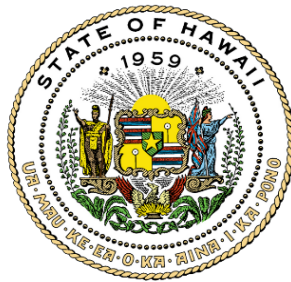
Sharon Hurd
Chairperson, Board of Agriculture

Attachments



**REPORT TO THE THIRTY-THIRD LEGISLATURE
2025 REGULAR SESSION**

FOOD HUB PILOT PROGRAM



Prepared by:

The Hawai'i Department of Agriculture

Pursuant to Act 313, Session Laws of Hawaii 2022

**Requiring the Board of Agriculture to Report
Annually on the Programs's Implementation,
Preliminary Results, Findings, and Recommendations**

December 2024

FOOD HUB PILOT PROGRAM

Annual Report to Legislature for Fiscal Year 2025

Background

In the Thirty-First State Legislature, Regular Session of 2022, Act 313 was passed, requiring 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.

This program established food hubs, which are centrally located facilities having a business management structure that facilitates aggregation, storage, processing, distribution, and marketing of locally produced food products. By actively coordinating these activities along the value chain, food hubs may provide wider access to institutional and retail markets for small- to mid-sized producers and increase consumer access to fresh healthy food, including those consumers in underserved areas and food deserts.

In December 2022, the Department requested approval from the State Governor to release and allot funds pursuant to Act 313, SLH 2002. The Governor released \$1.35 million for SFY 2023 and a Request for Proposals (RFP) for this food hub program was issued in March 2023.

Subsequently, a total of 27 proposals were submitted at the RFP's closing in May 2023. Six (6) awards totaling \$1.35 million were recommended for funding by the Evaluation Committee (EC), and the Chairperson concurred and approved them.

Executive Summary

The six (6) successful projects funded include Adaptations, Inc. (\$242,515.20); Alternative Structures International (\$201,104.00); Elepaio Social Services (250,000.00); Hawaii Institute of Pacific Agriculture (Kohala Food Hub) (\$203,213.46); Papa'aloa Country Store and Café Food Hub (\$203,213.46); and Sustainable Molokai (\$249,953.88). Individual contracts were issued at varying time intervals based on their readiness, resulting in different progress levels across the various projects.

January to November 2024 Reporting Period

Since the contracts were issued, projects have submitted progress reports detailing the advancements made toward completion within the agreed performance timeline. In one project, the food-hub successfully increased its vehicle capacity, enabling wider access to institutional and retail markets for small- to mid-sized producers. One

notable outcome of this effort was the enhanced consumer access to fresh, healthy food, particularly for individuals in underserved areas and food deserts on the Big Island.

Additionally, the same food hub successfully constructed essential infrastructure to establish and expand activities such as aggregation, cold storage, and other value-added services. These improvements further contribute to improving the consistency and reliability of cold storage distribution.

Finally, the food hub is progressing towards its goals of increasing annual sales to \$2.5 million, supporting 180 small and mid-sized farms, and generating \$1.2 million in payments to local producers within the project period.

Another project was delayed in the design and construction of a mobile market trailer. To maintain the project's timeline, a pre-modified van was purchased out of pocket, featuring existing modifications well-suited for use as a mobile market trailer. These features include a retractable awning, PV system on the roof, and small refrigerator/freezer powered by the PV system.

The project also established shared use of an impact tracking system and installed equipment and supplies for the shared-use, commercial kitchen. Additionally, the project team conducted training sessions for eight new producers utilizing the certified kitchen. Finally, the food hub is working with Department of Health's inspectors to secure its Food Establishment permit for the kitchen and processing activities.

Several other projects are at various stages of progress; however, detailed information is not yet available at the time of preparing this legislative report.