
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 residents' access to local food. This endeavor may
4 be supported by establishing food hubs, which are centrally
5 located facilities with a business management structure that
6 facilitates the aggregation, storage, processing, distribution,
7 and marketing of locally produced food products. By actively
8 coordinating these activities along the value chain, food hubs
9 may provide wider access to institutional and retail markets for
10 small to mid-sized producers, and increase consumers' access to
11 fresh healthy food, including those consumers in underserved
12 areas and "food deserts."

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



1 demand by state institutions such as schools, hospitals, and
2 correctional facilities.

3 Accordingly, the purpose of this Act is to establish a
4 five-year food hub pilot program under the department of
5 agriculture and appropriate funds for the program.

6 SECTION 2. (a) There is established a five-year food hub
7 pilot program, which shall be administered by the department of
8 agriculture.

9 (b) The pilot program shall:

10 (1) Adopt the United States Department of Agriculture's
11 working definition of "food hub," which means "a
12 centrally located facility with a business management
13 structure facilitating the aggregation, storage,
14 processing, distribution, and/or marketing of
15 locally/regionally produced food products;" and

16 (2) Award grant funding to qualified applicants for the
17 construction of critical infrastructure to establish
18 and expand food hubs in each of the counties,
19 including:

20 (A) Construction or improvement of facilities for
21 aggregation, washing, minimal processing,



1 packaging, cold storage, and other value-added
2 facilities; and

3 (B) Provision of technical assistance to develop in-
4 state capacity to supply state institutions and
5 other markets.

6 (c) The department of agriculture shall establish criteria
7 for the award of initial start-up grant funding or subsequent
8 expansion funding under the pilot program, including the
9 following provisions:

10 (1) Priority shall be given to organizations with
11 demonstrated experience in aggregation, washing,
12 minimal processing, packaging, cold storage, and other
13 value-additions for delivering local produce to local
14 markets;

15 (2) Qualifying applicants shall include corporations,
16 limited liability companies, partnerships, sole
17 proprietorships, non-profit organizations, and
18 agricultural cooperatives with requisite insurance
19 requirements and a certificate of vendor compliance
20 with Hawai'i compliance express;



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

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

12 (d) The department of agriculture shall adopt rules
13 pursuant to chapter 91, Hawaii Revised Statutes, for the
14 administration and operation of the pilot program.

15 SECTION 3. (a) The department of agriculture shall submit
16 interim reports on:

- 17 (1) The department's progress in implementing this Act;
18 (2) Preliminary results of the food hub pilot program; and
19 (3) The department's findings and recommendations,
20 including any proposed legislation,



1 to the legislature no later than twenty days prior to the
2 convening of the regular sessions of 2022, 2023, 2024, and 2025.

3 (b) The department of agriculture shall submit a final
4 report of its findings and recommendations, including any
5 proposed legislation, to the legislature no later than twenty
6 days prior to the convening of the regular session of 2026. The
7 report shall include the results of the food hub pilot program
8 and a recommendation as to whether the program should be made
9 permanent, with or without modifications.

10 SECTION 4. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$1,000,000 or so much
12 thereof as may be necessary for fiscal year 2021-2022 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2022-2023 for the establishment of a five-year food hub pilot
15 program, including the awarding of grant moneys to qualifying
16 food hubs.

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

19 SECTION 5. The director of finance is authorized to issue
20 general obligation bonds in the sum of \$1,500,000 or so much
21 thereof as may be necessary and the same sum or so much thereof



1 as may be necessary is appropriated for fiscal year 2021-2022
2 for the purpose of completing critical infrastructure upgrades
3 for the Honalo Marshalling Yard.

4 The sums appropriated for this capital improvement project
5 shall be expended by the department of agriculture for the
6 purposes of this Act.

7 SECTION 6. The appropriation made for the capital
8 improvement project authorized by this Act shall not lapse at
9 the end of the fiscal biennium for which the appropriation is
10 made; provided that all moneys from the appropriation
11 unencumbered as of June 30, 2024, shall lapse as of that date.

12 SECTION 7. This Act shall take effect on July 1, 2021.



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. Authorizes the issuance of general obligation bonds for the Honalo marshalling yard. Requires reports to the legislature. Makes an appropriation. (SD1)

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