

STAND. COM. REP. NO.

2498

Honolulu, Hawaii

FEB 11 2020

RE: S.B. No. 2722
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2722 entitled:

"A BILL FOR AN ACT RELATING TO A FOOD HUB PILOT PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to establish and appropriate funds for a five-year food hub pilot program under the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture; Surfrider Oahu; Malama Kaua'i; Farm Link Hawai'i; We Are One, Inc.; North Shore Economic Vitality Partnership; Hawaii Farmers Union United; Beyond Organic Consulting, Inc.; Hawaii Ulu Producers Cooperative; Hawaii Farmers Union United - Haleakala Chapter; Malamalama Farm and Center; A'a Li'i Farm; Hawaii Cattlemen's Council, Inc.; Kahumana Organic Farms and Cafe; Farmers Apprentice Mentoring Program; Pono Hawai'i Initiative; Jones Family Farm - Wai'anae; Hawaii Appleseed Center for Law and Economic Justice; Hawai'i Public Health Institute Hawai'i Farm to School Hui; The Collective Cycle LLC; GreenWheel Food Hub; Hawai'i Farm Bureau; Ulupono Initiative; Kokua Kalihi Valley; Ka Ohana O Na Pua; Farm Maui LLC; Maui Chamber of Commerce; and thirty-nine individuals.



Your Committee finds that farmers in Hawaii face many challenges in achieving economic sustainability, including the limited availability of reliable markets and food hubs, which are facilities used to secure food and process value-added products. A food hub pilot program will help lower costs for and increase revenue to farmers in the State, help farmers become or remain economically sustainable, and ensure public access to locally grown food and value-added products.

Your Committee has amended this measure by:

- (1) Updating section 1;
- (2) Clarifying that grant funding shall be awarded to qualified applicants for construction or improvement of value-added facilities for aggregation, washing, minimal processing, packaging, cold storage, and other value-added purposes;
- (3) Requiring the Department of Agriculture to establish criteria for the award of initial start-up grant funding or subsequent expansion funding, rather than both, under the pilot program;
- (4) Clarifying that priority for grant funding shall be given to organizations with demonstrated experience in aggregation, washing, minimal processing, packaging, cold storage, and other value-additions for delivering local produce to local markets;
- (5) Specifying that applicants for grant funding shall include corporations, limited liability companies, partnerships, sole proprietorships, non-profit organizations, and agricultural cooperatives with requisite insurance requirements and a certificate of vendor compliance with Hawai'i Compliance Express;
- (6) Clarifying that an applicant seeking to launch the new establishment of a food hub in an area where none currently exists shall have first secured a physical location for the food hub and drafted a detailed plan for the food hub's operation;



- (7) Specifying that the report to the Legislature shall include a recommendation as to whether the program should be made permanent, rather than expanded, with or without modifications; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2722, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 2722	Committee Referral: AEN, WAM	Date: .02/05/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
RHOADS, Karl	X			
THIELEN, Laura H.	X			
FEVELLA, Kurt				X
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes