
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 access to local food. This endeavor may be supported
4 by establishing food hubs, which are centrally located
5 facilities having a business management structure that
6 facilitates aggregation, storage, processing, distribution, and
7 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 consumer 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 and upgrades
6 to the Honalo marshalling yard to be developed as a food hub.

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

10 (b) The food hub pilot program shall:

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

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



1 (A) Construction or improvement of facilities for
2 aggregation, washing, minimal processing,
3 packaging, cold storage, and other
4 value-additions; and

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

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

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

17 (2) Qualifying applicants shall include corporations,
18 limited liability companies, partnerships, sole
19 proprietorships, non-profit organizations, and
20 agricultural cooperatives that meet necessary



1 insurance requirements and provide a certificate of
2 vendor compliance with Hawaii compliance express;

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

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

14 (d) The department of agriculture shall require that the
15 receipt of grant funding pursuant to the food hub pilot program
16 be conditioned upon the recipient's compliance with all
17 applicable state and federal food safety laws, rules, and
18 regulations, including the FDA Food Safety Modernization Act,
19 P.L. 111-353, and that Act's provisions on supplier
20 verification.



1 (e) The department of agriculture shall adopt rules
2 pursuant to chapter 91, Hawaii Revised Statutes, for the
3 administration and operation of the food hub pilot program.

4 (f) The food hub pilot program under this section shall
5 terminate on June 30, 2027.

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

8 (1) The department's progress in implementing this Act;
9 (2) Preliminary results of the food hub pilot program; and
10 (3) The department's findings and recommendations,
11 including any proposed legislation,
12 to the legislature no later than twenty days prior to the
13 convening of the regular sessions of 2023, 2024, 2025, and 2026.

14 (b) The department of agriculture shall submit a final
15 report of its findings and recommendations, including any
16 proposed legislation, to the legislature no later than twenty
17 days prior to the convening of the regular session of 2027. The
18 report shall include the results of the food hub pilot program
19 and a recommendation as to whether the program should be made
20 permanent, with or without modifications.



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2022-2023 for
4 the establishment of a five-year food hub pilot program,
5 including the awarding of grant moneys to qualifying food hubs.
6 The sum appropriated shall be expended by the department of
7 agriculture for the purposes of this Act.

8 SECTION 5. The director of finance is authorized to issue
9 general obligation bonds in the sum of \$ or so much
10 thereof as may be necessary and the same sum or so much thereof
11 as may be necessary is appropriated for fiscal year 2022-2023
12 for the purpose of completing critical infrastructure upgrades
13 to enable the Honalo marshalling yard to be developed as a food
14 hub consistent with the purposes of this Act.

15 The sum appropriated for this capital improvement project
16 shall be expended by the department of agriculture for the
17 purposes of this Act.

18 SECTION 6. The appropriation made for the capital
19 improvement project authorized by this Act shall not lapse at
20 the end of the fiscal biennium for which the appropriation is



- 1 made; provided that all moneys from the appropriation
- 2 unencumbered as of June 30, 2024, shall lapse as of that date.
- 3 SECTION 7. This Act shall take effect on July 1, 2050.



S.B. NO. 2218 S.D. 1 H.D. 1

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 or provide certain technical assistance. Authorizes the issuance of general obligation bonds for the Honalo marshalling yard. Requires reports to the legislature. Appropriates funds. Effective 7/1/2050. (HD1)

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