DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

### WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEE ON FINANCE ON SENATE BILL NO. 2218, S.D. 1, H.D. 1

# April 1, 2022 1:30 p.m. Room 308 and Videoconference

# RELATING TO A FOOD HUB PILOT PROGRAM

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2218, S.D. 1, H.D. 1, establishes a five-year food hub pilot program within the Department of Agriculture (DOA) to award grant funding to qualified applicants for the construction of critical infrastructure to establish and expand food hubs in each of the counties; requires the DOA to adopt rules pursuant to Chapter 91, HRS, to administer and operate the pilot program; requires the DOA to submit interim reports to the Legislature on the pilot program; appropriates an unspecified amount of general funds in FY 23 to effectuate the pilot program; and authorizes the Director of Finance to issue an unspecified amount of general obligation bond funds in FY 23 to finance infrastructure upgrades at the Honalo Marshalling Yard.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER Chairperson, Board of Agriculture

> MORRIS M. ATTA Deputy to the Chairperson

State of Hawaii **DEPARTMENT OF AGRICULTURE** 1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

# TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER CHAIRPERSON, BOARD OF AGRICULTURE

# BEFORE THE HOUSE COMMITTEE ON FINANCE

APRIL 1, 2022 1:30 P.M. VIA VIDEOCONFERENCE

# SENATE BILL NO. 2218 SD1 HD1 RELATING TO A FOOD HUB PILOT PROGRAM

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2218 SD1 HD1, which requires the Department of Agriculture to establish a five-year food hub program to increase access to local food. It provides for funding awards to qualified applicants wishing to establish or expand a food hub, authorizes the issuance of general obligation bonds for the Honalo Marshalling Yard in Kona, requires reports to the Legislature, and appropriates funds.

The Department supports the intent of this measure provided it does not adversely impact priorities in the Executive budget and offers comments.

Food hubs are centrally located facilities with a business management structure that facilitates the aggregation, storage, processing, distribution, and marketing of locally grown produce, and are an integral missing piece of agricultural infrastructure required to sustain the efforts to double local food production.

The Department agrees that food hubs are an important link in the supply chain to channel more local food to the consumers and institutions of the State. Food hubs can also serve as "back-up" infrastructure for food systems. This measure addresses the challenge of local small farmers to scale-up production by providing a pathway to the larger purchasers of safe and marginally processed, locally grown, fresh fruits and vegetables.

The Agribusiness Development Corporation's Whitmore Food Hub Master Plan illustrates the complexity of the food hub concept as it must support the scale and scope



of the farming operations it will serve. Timing is critical to ensure that production and processing/packaging support are developed in synchrony. Additionally, the Honalo Marshalling Yard needs critical infrastructure upgrades that would enable it to be developed as a food hub consistent with the purposes of this Act.

The Department acknowledges the Hawaii Good Food Alliance and the Hawaii Food Hub Hui two-year project, "A Statewide Partnership for Supply Chain Integration" and the award of nearly \$830,000 from the USDA Regional Food System Partnerships Program as well as \$200,000 from philanthropy to support food hubs that include food hubs on five islands:

- Malama Kauai's Moloaa Aina Center
- Sustainable Molokai's Mobile Market
- Kahumana Food Hub & Organic Farms
- Roots Cultural Café and Food Hub of Kokua Kalihi Valley
- Oahu Fresh
- Maui Hub
- Local Harvest
- OK Farms
- Adaptations
- Hawaii Ulu Cooperative
- Kohala Food Hub
- The Food Basket

The Department offers amendments to this measure:

(1) At Page 2, line 17, Page 3, line 9, Page 4 line 15, and Page 6 line 5, delete the word "grant". Grants require standards set forth in statute as established in Article VII, section 4, of the Hawaii State Constitution.

(2) Page. 5, line 1 - Change "shall" to "may" adopt rules

Regarding Section 5, the Honalo capital improvement (CIP) appropriation request, the Department supports the CIP appropriation provided it does not impact the projects identified in the Executive biennium budget request.

The Department agrees with the Committee amendments that specifies that 1) receipt of funding under this pilot program be conditioned upon the recipients' compliance with applicable state and federal laws governing food safety; and 2) the food hub pilot program shall terminate on June 30, 2027.

Finally, the Department respectfully comments that two additional full-time Economic Development Specialists may be needed for the five-year term to provide adequate support and oversight relating to procurement, fiscal management, bond issuance, quality/safety monitoring, and metric/reporting requirements should this pilot program be established.

Thank you for the opportunity to testify on this measure.

OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

# **CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 11<sup>th</sup> FLOOR • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • INTERNET: www.resilientoahu.org

RICK BLANGIARDI MAYOR



M ATTHEW GONSER, AICP, CFM EXECUTIVE DIRECTOR & CHIEF RESILIENCE OFFICER

FRIDAY, APRIL 1, 2022, 1:30 P.M.

STATE OF HAWAI'I HOUSE COMMITTEE ON FINANCE

# TESTIMONY ON SENATE BILL 2218, SD1 HD1 RELATING TO A FOOD HUB PILOT PROGRAM

ΒY,

# MATTHEW GONSER EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The City and County of Honolulu ("City") Office of Climate Change, Sustainability and Resiliency (CCSR) **supports SB2218, SD1 HD1** which requires the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food and provides for the award of grant funding to establish or expand a food hub.

The City's *Ola O'ahu Resilience Strategy*<sup>1</sup> notes Hawai'i's reliance on imported foods makes its food supply and communities vulnerable to shocks and stressors, while also driving up greenhouse gas emissions alongside costs of living. SB2218, SD1 HD1 represents a step forward in addressing these challenges by investing in our local food economy and promotes the statewide *Aloha+ Challenge* goal of doubling local food production by 2030,<sup>2</sup> as well as the City and state's statutory target of net-negative carbon emissions by 2045.

SB2218, SD1 HD1 is also essential to ongoing Coronavirus pandemic recovery efforts, complementing work being done at the City level to invest in local agriculture. Unlike other distributors, food hubs, as defined by the United States Department of Agriculture (USDA), facilitate the aggregation, storage, processing, distribution, and

City and County of Honolulu, Ola: Oʻahu Resilience Strategy, Action 10 Promote New Agricultural Models for Economic and Food Security, p.43, <u>https://resilientoahu.org/resilience-strategy</u>.
Hawaiʻi Green Growth, Aloha + Challenge, Local Food, <u>http://aloha-</u> challenge.hawaiigreengrowth.org/aloha-goals/local-food/.

Chair Luke and Vice Chair Yamashita SB2218, SD1, HD1 April 1, 2022 Page 2

marketing of locally or regionally produced food products.<sup>3</sup> Given that the majority of O'ahu's farms—707 out of 927 or about 76 percent—are between one and nine acres and the majority are family-owned,<sup>4</sup> investing in food hub infrastructure across O'ahu and the state will support the economic viability and market penetration of these small local farmers in helping to scale production while providing storage, aggregation, distribution, and marketing. The 11 food hubs in Hawai'i already support around 900 farmers, who make up a third of the farmers who produce food for local consumption.<sup>5</sup> Expansion of food hubs will add to the amount of local farmers Hawai'i is able to support.

Additionally, unlike more traditional models of outreach and marketing in the agricultural sector, food hubs provide a reliable and consistent source of income by paying a fair price to farmers. This further contributes to the economic security of agricultural producers hard hit by the pandemic and who are at risk of future economic and climate impacts. Food hubs also help backyard farmers or micro-producers derive additional sources of income from their products.

Finally, food hubs also play a role in making local, culturally significant, and native foods more affordable and accessible to local communities. This is especially true as three out of the four of O'ahu's existing food hubs accept Electronic Benefits Transfer (EBT) from food and income insecure families enrolled in the Supplemental Nutrition Assistance Program (SNAP) further lowering barriers to access to local, healthy food for low-income residents, while expanding the local food market customer base.

In supporting food hubs, SB2218, SD1 HD1 therefore also supports local job retention and growth while strengthening the local food economy and lowering food costs. Additionally, by increasing the State's food self-sufficiency, food hubs can help make our community more resilient to future shocks and stressors, including pandemics.

Thank you for the opportunity to testify in support of SB2218, SD1 HD1.

<sup>3</sup> Jim Barham. *Getting to Scale with Regional Food Hubs,* (2017), United States Department of Agriculture, https://www.usda.gov/media/blog/2010/12/14/getting-scale-regional-food-hubs 4 United States Department of Agriculture National Agricultural Statistics Service. (2017). 2017 Census of Agriculture County Profile, Honolulu County, Hawaii,

https://www.nass.usda.gov/Publications/AgCensus/2017/Online\_Resources/County\_Profiles/Hawaii/cp150\_03.pdf

<sup>5</sup> Saleh Azizi Fardkhales & Noa Kekuewa Lincoln (2021). *Journal of Agriculture, Food Systems, and Community Development,* "Food hubs play an essential role in the COVID-19 response in Hawai'i." <u>https://www.foodsystemsjournal.org/index.php/fsj/article/view/937/910</u>



Friday, April 1, 2022 at 1:30 PM Via Video Conference

# House Committee on Finance

- To: Representative Sylvia Luke, Chair Representative Kyle Yamashita, Vice Chair
- From: Michael Robinson Vice President, Government Relations & Community Affairs

#### Re: SB 2218, SD1, HD1 – Testimony In Support **Relating to a Food Hub Pilot Program**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers - Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

I am writing in SUPPORT of SB 2218, SD1, HD1 which would require the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food. The measure also provides for the award of grant funding to gualified application wishing to establish or expand a food hub.

The State's food security may be strengthened by growing more food locally and increasing access to local food. Establishing 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 may be a means by which to foster interest in locally grown foods and make them more available to consumers. The majority of the farms in Hawai'i are small operations that struggle to bring their products to market. Food hubs provide wider access to institutional and retail markets for small to mid-sized producers, and increase consumers' access to fresh healthy food, including those consumers in underserved areas.

HPH has a goal of sourcing 50% of its food purchases from local suppliers in an effort to support local food systems. Food hubs have the potential provide an alternative method to assure quality and assist purchasing with local agricultural producers. Providing greater access to local foods improves food security and strengthens our agricultural industry.

Thank you for the opportunity to testify.



Farmer owned, 'āina grown

# Testimony in Support of SB 2218 Relating to a Food Hub Pilot Program House Committee on Finance April 1st, 2022

**Testimony of Dana Shapiro General Manager** Hawai'i 'Ulu Producers Cooperative

Dear Chair Luke, Vice Chair Yamashita and members of the Committee,

The Hawai'i 'Ulu Producers Cooperative strongly supports SB 2218 Relating to a Food Hub Pilot Program. A food hub is an exclusively regional aggregation and distribution center that efficiently facilitates consumer access to local food. Most of Hawai'i's farmers are small scale and highly diversified. Food hubs allow small farmers the time they need on the 'āina by providing the infrastructure of aggregation, processing, marketing and distribution; ultimately, they get local products to market so food producers can focus on growing their production. Food hubs also return a greater portion of each dollar of value, about 70%, to the farmer – far more than conventional distributors of imported food do.

The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience. The Hawai'i 'Ulu Cooperative is an existing food hub for producers of indigenous and local starches including 'ulu, kalo, 'uala, and pala'ai. We represent 116 farmers and counting on Hawai'i Island, Maui and O'ahu. To date, we have aggregated, processed and distributed nearly 1 million pounds of locally produced staple crops to Hawai'i communities.

Thanks to the legislature's 2019 appropriation of \$1.25 million via both CIP and GIA funds for infrastructure improvements at the Honalo facility, our flagship operation located in Kailua Kona, we are currently working in partnership with the Hawai'i Department of Agriculture to upgrade base infrastructure (e.g. wastewater, domestic water, electricity, etc.) in order to bring the facility up to Hawai'i County Code. A shortfall of about \$900,000 is still needed to complete the project – which will result in a 10x increase in operational capacity from 200,000 pounds to 2 million pounds of local staple crops per year. Please note that the 2019 appropriation would have been sufficient had the foundational infrastructure of building not required additional upgrades to comply with county planning and federal food safety regulations – which were not known at the time.

# 

# Hawai'i 'Ulu Producers Cooperative

79-1017 E Honalo Rd, Kailua-Kona, Hawaiʻi 96740 | 808-238-8869 | eatbreadfruit.com | info@eatbreadfruit.com

The general obligation bonds now requested through SB 2218 will enable this critical infrasturcture project to be completed and the benefits of the Honalo marshalling yard as a food hub to be fully realized among state producers and consumers.

Moreover, SB 2218 will provide other food hubs across the state with additional funding opportunities to help them grow and expand. The proposed five-year pilot program would allow enough time to measure the effectiveness of the pilot program and disseminate lessons learned to help accelerate these critical business endeavors. This bill's impact will resonate across our state and empower a more resilient, regenerative local food system.

We commend the legislature for this forward-thinking approach to supporting local food and local farmers, and urge the members of House Committee on Agriculture to support this critically important bill.

Sincerely,

Hanayhano

General Manager



#### <u>SB-2218-HD-1</u> Submitted on: 3/28/2022 8:10:23 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
"Phil" Augustus Acosta	Aloha Harvest	Support	Written Testimony Only

Comments:

Aloha Chair Luke, members of the House Finance and Agriculture Committees,

I am submitting this testimony in strong support of SB2218.

Aloha Harvest is the largest nonprofit organization in Hawaii dedicated to food rescue and sustainability. We have a vision of a resilient and sustainable Hawai'i working to eliminate hunger and food waste. We were founded over 22 years ago, and with the help of over 1,000 community partners, we have redistributed nearly 30 million pounds of food and have prevented that from going to our incinerator and landfill. We collaborate with local grocery stores, restaurants, farmers, distributors, various businesses, and food establishments to rescue quality food to nourish and strengthen our community. In 2021, we distributed 3.8M pounds of food, and out of that, 2,865,301 pounds is rescued excess food. That is the equivalent of 2.2 million meals served and \$8M dollars saved, just this past year alone!

Aloha Harvest works to address the cruel mismatch in the food system where people go hungry while we also waste an enormous amount of food. Our primary activity is to divert and rescue quality food from entering the waste stream, and to deliver it on the same day to nonprofit partners that feed the hungry. We provide these critical services seven (7) days a week, free of charge to the donors and recipient agencies. In the process, we also provide a boost to our local businesses and economy, while reducing the impact of food waste to the environment and climate change. Our work is closely aligned with the State and County's sustainability goals, as well as the United Nations' 2030 Agenda for Sustainable Development Goals (SDG 2030).

Currently, our operational model for vehicle-only pick-up and drop-off is a major limitation to expanding capacity to meet growing needs. Developing a Food Resilence Hub is critical to expanding our organizational capacity (dry/chill/frozen storage, wash/prep/sorting areas, kitchen/production areas, increased volunteer & community engagement, consolidated operations, etc.) and work with more partners to serve more people. We completed a Food Resilience Hub feasibility and expansion study in October 2021 with help from Ulupono Initiative and the Hawaii Alliance for Community-Based Economic Development (HACBED). A copy of the final report can be accessed here

(https://drive.google.com/file/d/1RDjKuA4A4mHX23\_DFci\_xE3pJW8uMjlZ/view?usp=sharing)

We are only capturing approximately 2% of potentially recoverable food on Oahu. While much progress has been made to connect, collect and distribute food, there is still so much more that can be done to expand capacity by creating the space to bring partners together to work cooperatively to serve more people (shared facilities, shared resources, lower operating expenses, lower risks, etc.). Transitioning from a current vehicle-only distribution model to a food hub will expand our capacity to collect more food and offer new services. In addition to core functions to aggregate and redistribute food, a food hub also provides opportunity to offer a range of social enterprise programs (training, value-added products, meal preparation etc.) to develop sustained revenue for long-term viability, and host complementary programs such as community composting.

We appreciate the opportunity to provide testimony on this measure and are grateful for your continued support. Mahalo.

-Phil Acosta

Executive Director, Aloha Harvest

phil@alohaharvest.org, (808) 208-4307

# <u>SB-2218-HD-1</u>

Submitted on: 3/29/2022 7:43:38 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ming Wei Koh	Center for Getting Things Started	Support	Written Testimony Only

Comments:

Center for Getting Things Started strongly supports SB2218.

Food Hubs have been crucial during the pandemic and will continue to be needed and expanded.

Mahalo nui.

Koh Ming Wei, PhD.

Executive Director/Ecoliteracy Educator

# SB-2218-HD-1

Submitted on: 3/29/2022 8:33:49 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Nancy Redfeather	Ka Ohana O Na Pua	Support	Written Testimony Only

Comments:

It is very important at this time for the Hawai'i State Legislature to continue their support for the Food Hub concept, which would provide regional aggregration of locally produced products and would aid in the implementation of many State programs including the State's Farm to School Program. Also, SB2218 SD1 HD1 would provide critical resouces for the Hawai'i Ulu Coop's Honalo facility that is continuing to "prove concept" in this improved system for increasing locally grown products into all markets. Mahalo for your continued support for our farmers and increasing food security pathways for all of Hawai'i.

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 8:38:32 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Colehour Bondera	Kanalani Ohana Farm	Support	Written Testimony Only

Comments:

Aloha Chair and Members:

Please support this legislation, with the goal of increasing local food accessibility and distribution throughout the Hawaii.

Yours,

Colehour Bondera

KANALANI OHANA FARM

Honaunau, HI

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 9:09:57 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Vince Kana`i Dodge	`Ai Pohaku	Support	Written Testimony Only

Comments:

Aloha legislators!

We write in strong support of SB2218 SD1 HD1 as this bill strongly supports local food security.

Please pass this bill.

Aloha Nui!

Vince Kanai Dodge



Farmer owned, 'āina grown

**Testimony in Support of SB 2218 Relating to a Food Hub Pilot Program** House Committee on Finance April 1st, 2022

Testimony of Werner Thie Board of Directors Hawai'i 'Ulu Producers Cooperative

Dear Chair Luke, Vice Chair Yamashita and members of the Committee,

I am testifying in strong support of SB 2218 Relating to a Food Hub Pilot Program. Currently serving on the Board of Directors of the Hawai'i 'Ulu Cooperative's, I write on behalf of our 116 farmer-members on Hawai'i Island, Maui and O'ahu to share the importance of the proposed food hub pilot program and Honalo Marshaling Yard improvements included in SB 2218. The majority of our members and Hawai'i farmers at large are small scale and highly diversified. Food hubs allow small farmers the time they need on the 'āina by providing the infrastructure of aggregation, processing, marketing and distribution so food producers can focus on growing their production. Food hubs also return a greater portion of each dollar of value, about 70%, to the farmer – far more than conventional distributors of imported food do.

The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience. The Hawai'i 'Ulu Cooperative is an existing food hub for producers of indigenous and local starches including 'ulu, kalo, 'uala, and pala'ai. To date, we have aggregated, processed and distributed nearly 1 million pounds of locally produced staple crops to Hawai'i communities.

Thanks to the legislature's 2019 appropriation of \$1.25 million via both CIP and GIA funds for infrastructure improvements at the Honalo facility, our flagship operation located in Kailua Kona, we are currently working in partnership with the Hawai'i Department of Agriculture to upgrade base infrastructure (e.g. wastewater, domestic water, electricity, etc.) in order to bring the facility up to Hawai'i County Code. A shortfall of about \$900,000 is still needed to complete the project – which will result in a 10x increase in operational capacity from 200,000 pounds to 2 million pounds of local staple crops per year. *Please note that the 2019 appropriation would have been sufficient had the foundational infrastructure of building not* 

# 

required additional upgrades to comply with county planning and federal food safety regulations – which were not known at the time.

The general obligation bonds now requested through SB 2218 will enable this critical infrastructure project to be completed and the benefits of the Honalo Marshalling Yard as a food hub to be fully realized among state producers and consumers.

Moreover, SB 2218 will provide other food hubs across the state with additional funding opportunities to help them grow and expand. The proposed five-year pilot program would allow enough time to measure the effectiveness of the pilot program and disseminate lessons learned to help accelerate these critical business endeavors. This bill's impact will resonate across our state and empower a more resilient, regenerative local food system.

We commend the legislature for this forward-thinking approach to supporting local food and local farmers and urge members of the House Committee on Agriculture to support this critically important bill.

Sincerely,

# Werner Thie

Board of Directors



# SB-2218-HD-1

Submitted on: 3/29/2022 1:01:08 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
laurel brier	Kauai women's caucus	Support	Written Testimony Only

Comments:

Food hubs can assistant local farmers with marketing and helps the community gain access to locally grown food. More nutrious, fresher foods, supporting the local economy and reducing our GHG with less transportation and packaging



Farmer owned, 'āina grown

**Testimony in Support of SB 2218 SD1 Relating to a Food Hub Pilot Program** House Committee on Finance March 30rd, 2022

Testimony of Kyle Datta President Board of Directors Hawai'i 'Ulu Producers Cooperative

Dear Chair Luke, Vice Chair Cullen and members of the Committee,

I am the President of the Hawai'i Ulu Producers Cooperative, one of the largest food hubs in the state. We supply local starches, Ulu, Kalo, Ulua to the public and private schools, food banks, local restaurants, hotels and supermarkets.

I am testifying in strong support of SB 2218\_SD1 Relating to a Food Hub Pilot Program. Currently serving on the President of the Board of Directors of the Hawai'i 'Ulu Cooperative's, I write on behalf of our 116 farmer-members on Hawai'i Island, Maui and O'ahu to share the importance of the proposed food hub pilot program and Honalo Marshaling Yard improvements included in SB 2218SD1 . The majority of our members and Hawai'i farmers at large are small scale and highly diversified. Food hubs allow small farmers the time they need on the 'āina by providing the infrastructure of aggregation, processing, marketing and distribution so food producers can focus on growing their production. Food hubs also return a greater portion of each dollar of value, about 70%, to the farmer – far more than conventional distributors of imported food do.

The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience. The Hawai'i 'Ulu Cooperative is an existing food hub for producers of indigenous and local starches including 'ulu, kalo, 'uala, and pala'ai. To date, we have aggregated, processed and distributed nearly 1 million pounds of locally produced staple crops to Hawai'i communities.

Thanks to the legislature's 2019 appropriation of \$1.25 million via both CIP and GIA funds for infrastructure improvements at the Honalo facility, our flagship operation located in Kailua Kona, we are currently working in partnership with the Hawai'i Department of Agriculture to upgrade base infrastructure (e.g. wastewater, domestic water, electricity, etc.) in order to

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#### Hawai'i 'Ulu Producers Cooperative

79-1017 E Honalo Rd, Kailua-Kona, Hawaiʻi 96740 | 808-238-8869 | eatbreadfruit.com | info@eatbreadfruit.com

bring the facility up to Hawai'i County Code. A shortfall of about \$900,000 is still needed to complete the project – which will result in a 10x increase in operational capacity from 200,000 pounds to 2 million pounds of local staple crops per year. *Please note that the 2019 appropriation would have been sufficient had the foundational infrastructure of building not required additional upgrades to comply with county planning and federal food safety regulations – which were not known at the time.* 

The CIP funds now requested through SB 2218\_SD1 will enable this critical infrasturcture project to be completed and the benefits of the Honalo Marshalling Yard as a food hub to be fully realized among state producers and consumers.

Moreover, SB 2218 will provide other food hubs across the state with additional funding opportunities to help them grow and expand. The proposed five-year pilot program would allow enough time to measure the effectiveness of the pilot program and disseminate lessons learned to help accelerate these critical business endeavors. This bill's impact will resonate across our state and empower a more resilient, regenerative local food system.

We observe that a wide number of stakeholders, from HFUU, HFB, Ulupono, and LURF all support this bill because it fundamentally addresses the critical manufacturing bottleneck that prevent more of our local grown food from reaching Hawaiian consumers.

We commend the House Committee on Finance for its forward-thinking approach to supporting local food and local farmers, and urge the members of Committee to support this critically important bill. We humbly mahalo the Legislature for its support of local food and local farmers for local people.

Sincerely,

E Kyl Datto

Kyle Datta President Board of Directors

#### SB-2218-HD-1

Submitted on: 3/29/2022 3:18:49 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Casey	The Cozy Cottage Home Bakery LLC	Support	Written Testimony Only

Comments:

I, Casey Santos, owner of The Cozy Cottage Home Bakery LLC, based in Hawaiian Paradise Park on Hawai'i island, approve of bill SB 2218. The manufacture of 'ulu flour would propel Hawai'i to becoming more sustainable, now more important than ever. Being able to offer what my home bakery creates with all local ingredients would be the ultimate goal. Please move forward with this as soon as possible. Mahalo!

~Casey Santos

#### SB-2218-HD-1

Submitted on: 3/29/2022 5:12:25 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jeannette Gurung	WOCAN	Support	Written Testimony Only

Comments:

Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

April 1, 2022

# HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE

# TESTIMONY ON SB 2218, SD1, HD1 RELATING TO A FOOD HUB PILOT PROGRAM

Room 308 & Videoconference 1:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, 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 SB 2218, SD1, HD1, which requires the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food and provides for the award of grant funding to qualified applicants wishing to establish or expand a food hub or provide certain technical assistance. It also authorizes the issuance of general obligation bonds for the Honalo Marshalling yard.

Small farmers typically do not have access to facilities and infrastructure to aggregate, process, and distribute products to local consumers. The challenge to small growers is also complicated by stringent regulations of the Food Safety Modernization Act (FSMA), jeopardizing the ongoing viability of many small growers due to the costs of compliance.

In Hawai'i, additional challenges to small farmers include high costs in land, labor, and energy, as well as limited access to water supply for irrigation. Food hubs are an important subset of food value chains. Many farmers and ranchers, especially small-sized operations, often lack the capacity to access retail, institutional, and commercial foodservice markets on their own, and consequently miss out on the fastest-growing segment of the local food market. By offering a combination of aggregation, distribution, and marketing services at an affordable price, food hubs make it possible for many producers to gain entry into new larger-volume markets that boost their income and provide them with opportunities for scaling up production.

The Hawai'i 'Ulu Cooperative provides an important service to Hawai'i farmers by aggregating, processing, and marketing 'ulu and associated co-crops grown in diversified farming systems. The Honalō Marshaling Yard facility is owned by the State of Hawai'i and was developed over 25 years ago to support these very activities. The facility is now in gross need of public investment to enable increased production and the scaling of local food industries that have demonstrated the potential for both economic development and long-term food security and sustainability.

By 2025, the Hawai'i 'Ulu Cooperative anticipates handling nearly 2 million pounds per year of 'ulu and associated co-crops based on existing members' production figures, for an overall farm gate value of over \$6.5 million paid out directly to local farmers. Investing in the Honalō facility today is a worthwhile and vital investment in the capacity of Hawai'i's agricultural sector and in the ability of our islands to not only feed ourselves nutritious food but to export high-value dense crops and processed agricultural products for revenue growth and job creation.

Thank you for this opportunity to testify on this important subject.



# Testimony to the House Committee on Finance Friday, April 1, 2022; 1:30 p.m. State Capitol, Conference Room 308 Via Videoconference

# RE: SENATE BILL NO. 2218, HOUSE DRAFT 1, RELATING TO A FOOD HUB PILOT PROGRAM.

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA <u>SUPPORTS</u> Senate Bill No. 2218, House Draft 1, RELATING TO A FOOD HUB PILOT PROGRAM.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would establish a five-year food hub pilot program (Program), to be administered by the Department of Agriculture to award grant funding to qualified applicants for the construction of critical infrastructure to establish and expand food hubs in each county. In addition, this bill would appropriate:

- (1) An unspecified amount of general funds for fiscal year 2022-2023 to establish the Program and award grant moneys to qualifying food hubs; provided that the recipient meet all applicable state and federal food safety laws, rules, and regulations, including the FDA Food Safety Modernization Act, P.L. 111-353; and
- (2) An unspecified amount of general obligation bonds for fiscal year 2022-2023 to complete critical infrastructure upgrades to enable the Honalo Marshalling Yard to be developed as a food hub.

### Testimony on Senate Bill No. 2218, House Draft 1 Friday, April 1, 2022; 1:30 p.m. Page 2

The bill also clarifies that the appropriation not lapse at the end of the fiscal biennium for which the appropriation is made, but that all moneys unencumbered lapse on June 30, 2024, and would take effect on July 1, 2050.

The COVID-19 pandemic has severely threatened the health and welfare of our citizens, especially Hawaii's underprivileged and rural communities. With so many people unemployed, entire families are struggling to put food on the table on a consistent basis. All one needs to do is visit one of our member FQHC's food distribution events and see the line of cars stretch for miles and people wait for hours to receive some surplus food.

The COVID-19 pandemic has greatly exacerbated the need for a program like this. Our overreliance on tourism has weakened our ability to bounce back from COVID's dire economic realities.

The only way for us to protect ourselves from this and future global pandemics is for Hawaii to diversify its economic base and become more self-sufficient. And for us to do that, we need to grow more food.

# We urge your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

#### SB-2218-HD-1

Submitted on: 3/30/2022 8:50:33 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ethan West	Punahele Provisions, PBC DBA Piko Provisions	Support	Written Testimony Only

Comments:

Aloha Esteemed Representatives,

Thank you for your time and consideration on this important matter. I am here to submit testimony in strong support for SB2218. This bill is a large step towards increased food system resiliency and food sovereignty for Hawaii. Our company, Piko Provisions, has grown over the past couple of years to now be able to support over 150 farmers through our baby food products sold in over 130 locations statewide. The passing of this bill will allow us to increase our direct farmer sourcing, establish new markets for Hawaii grown products such as ulu flour and help decrease our islands dependence on imported goods. This bill will also decrease the cost for families across Hawaii to eat locally grown food and support the stewards of the land.

We urge you to lend your vote towards approving this matter and in turn we pledge our support towards the success of this pilot program through the strength of our entire organization including direct product sourcing, product development, innovation, sales and marketing and open knowledge sharing.

Thank you again for your time and consideration and all you do to support Hawaii's food systems.

Ethan West



# House Committee on Finance

Friday, April 1st, 2022, 1:30p.m. Conference Room 308

# Hawai'i Alliance for Progressive Action (HAPA) <u>Supports</u>: SB2218 SD2 HD1

Aloha Chair Luke, Vice Chair Yamashita and Members of the Committee,

HAPA strongly supports SB2218 SD2 HD1 to establish a five-year food hub pilot program to increase access to local food. We believe that this measure will help to grow our local food production and economy.

Food hubs provide necessary aggregation of produce from small local farmers to help bring produce to market while promoting local production of culturally appropriate nutritious food and promoting the local economy. Food hubs can be thought of as helpful middlemen that connect producers (farmers and ranchers) with institutional buyers (restaurants, hospitals, schools, etc) and directly to consumers<sup>1</sup>.

Often finding access to distribution into mainstream markets and stores is challenging for local, small-scale producers. Food hubs can also help overcome this challenge by helping producers to market their products<sup>2</sup>.

Food hubs do not replace farmers markets, which still provide a direct outlet for farmers and a unique opportunity for producers to have direct contact with their customers. Food hubs are beneficial for producers who do not have the time or personal interest to sell at farmers markets. They also provide continual available access to local food sources for those that can not make it to the farmers market<sup>1</sup>.

The functions and structure of a food hub vary, but often include the following:

- Market access for local producers
- Information sharing

<sup>&</sup>lt;sup>1</sup> Sustainable America: Rogers, Nicole (2013) *What is a Food Hubs* <u>https://sustainableamerica.org/blog/what-is-a-food-hub/</u>

<sup>&</sup>lt;sup>2</sup> SDSU Extension Community Vitality Field Specialist: Blachford, Sierra under direction of O'Neill, Kari & Zdorovtsov, Chris; *The Benefits of Food Hubs* <u>https://extension.sdstate.edu/benefits-food-hubs</u>

- Transportations and distribution
- Brokerage services
- Product bundling and aggregation
- Season extension
- Maintaining producer-consumer connections
- Producer-oriented technical assistance

Food hubs are also believed to assist with the development of resilient and equitable local food systems which provide greater food system equity, taking better care of those in "food desserts", where people have limited access to a variety of healthful foods<sup>3</sup>.

Research has indicated that consumers are willing to pay a premium if they know the origins of their local and regional foods<sup>2</sup>. Making access easy and convenient in the form of online hubs or physical locations makes access more possible while taking the burden off the farmer allowing them to focus on expanding and growing more food. Food hubs therefore play a critical role in expanding local food production.

SB2218 SD2 HD1, and the support of food hubs, will actively help to better prepare us for situations of food scarcity. During this past year we have been reminded of the priceless value of food security and self sufficiency as the COVID-19 pandemic has forced us to look around and question the long term viability of our current food supply system. We have seen what happens in emergency situations, such as the recent overwhelming conditions in stores and on supply, especially during the initial months of the pandemic.

The more we support local food production, aggregation and consumption the more we decrease our carbon footprint associated with incoming shipping costs while growing our food security.

Please support SB2218 SD2 HD1 and food hubs throughout the islands as part of the solution to help grow our local food economy.

Thank you for your consideration.

Respectfully,

Anne Frederick Executive Director

<sup>&</sup>lt;sup>3</sup> MSU Center for Regional Food Systems: Weiss, Andrea (2020) *Equity and collaboration for resilient local food systems across the U.S.* <u>https://www.canr.msu.edu/news/equity-and-collaboration-for-resilient-local-food-systems-across-the-us</u>



#### COMMITTEE ON FINANCE Rep. Sylvia Luke, Chair Rep. Kyle T. Yamashita, Vice Chair

#### SB2218 SD1 HD1 RELATING TO A FOOD HUB PILOT PROGRAM

Friday, April 1, 2022, 1:30 PM VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Yamashita, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports SB2218 SD1 HD1** to establish a five-year food hub pilot program to increase access to local food. Food hubs are effective tools for allowing smaller agricultural operations to aggregate their products and sell locally. The benefit of a hub is that agricultural operations can gain access to cold storage, equipment, distribution, and marketing that they may not have been able to afford on their own. We appreciate the opportunity to testify.

Nicole Galase Hawaii Cattlemen's Council Managing Director



P.O. Box 934 • Hilo, HI 96721 • (808) 333-6755 • www.hicattle.org • office@hicattle.org



March 28, 2022

Representative Sylvia Luke, Chair Representative Kyle T. Yamashita, Vice Chair House Committee on Finance

Support of SB 2218, S.D.1, H.D.1 Relating to a Food Hub Pilot Program (Requires the department of agriculture [DOA] 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 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.)

Friday, April 1, 2022, at 1:30 p.m.; Conference Room 308 Via Videoconference

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of SB 2218**, **S.D.1**, **H.D.1** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands in Hawaii. The bill demonstrates the need for, and benefit of collaboration amongst different sectors of the community - business, government, and agricultural stakeholders - and the importance of them working together cooperatively to improve the economic viability of the State's agricultural industry.

**<u>SB 2218, S.D.1, H.D.1</u>**. This purpose of this measure is to establish a five-year food hub pilot program under the DOA to increase access to local food, and to appropriate funds for the program.

House Committee on Finance March 28, 2022 Page 2

**LURF's Position.** Food hubs are facilities that assist with the aggregation, storage, processing, distribution, and marketing of locally grown produce. LURF understands that food hubs represent hundreds of small to mid-sized farms and generate over \$2.5 million in income annually in local food sales. These food hubs help local farmers and producers who do not have the resources and are therefore unable, on their own, to effectively distribute, store, process, and promote their locally grown foods. Management, technology, and marketing assistance provided by food hubs is necessary and in turn, food hubs require funding assistance from the State in order to support establishment and growth on a scale that can meet the demand of state institutions such as schools, hospitals, and correctional facilities.

LURF members include farmers, ranchers, and landowners who own, maintain, and engage in agricultural enterprises, and who consider programs such as that proposed by this bill significant to the conduct of their operations and to help sustain their businesses, as well as to increase local food self-sufficiency and significantly heighten local food production in this State.

Agricultural stakeholders believe SB 2218, S.D.1, H.D.1 will greatly assist in the effort to achieve long-term sustainability of Hawaii's food supply and economic growth.

The purpose of this bill is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes, Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, "to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

By recognizing the significance of and need to assist the local agriculture industry and implement measures which help to support the growth and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

For the reasons stated above, LURF is in **support of SB 2218, S.D.1, H.D.1**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony regarding this matter.



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# **Executive Officers**

Charlie Gustafson, Tamura Super Market, Chair Eddie Asato, Pint Size Hawaii, Vice Chair Gary Okimoto, Safeway, Secretary/Treas. Lauren Zirbel, HFIA, Executive Director John Schliff, Rainbow Sales and Marketing, Advisor Stan Brown, Acosta Sales & Marketing, Advisor Paul Kosasa, ABC Stores, Advisor Derek Kurisu, KTA Superstores, Advisor Toby Taniguchi, KTA Superstores, Advisor Joe Carter, Coca-Cola Bottling of Hawaii, Immediate Past Chair

TO: Committee on Finance Rep. Sylvia Luke, Chair Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

DATE: April 1, 2022 TIME: 1:30pm PLACE: Via Videoconference

RE: SB2218 HD1 Relating to a Food Hub Pilot Program

**Position: Support** 

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure for the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food. Increasing local food production is a goal we all share. Existing food hubs in the state have enabled our local farmers to successfully bring a variety of products to market. The vast majority of the farms in our state are small farms, and they face a range of challenges brining their products to market and remaining financially viable. Investing in food hubs is an important way for the state to support local farms and local agriculture. We encourage you to vote yes on this measure and we thank you for the opportunity to testify.



Email: <a href="mailto:communications@ulupono.com">communications@ulupono.com</a>

#### HOUSE COMMITTEE ON FINANCE Friday, April 1, 2022 — 1:30 p.m.

#### Ulupono Initiative <u>supports</u> SB 2218 SD 1 HD 1, Relating to a Food Hub Pilot Program.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

**Ulupono** <u>supports</u> SB 2218 SD 1 HD 1, which requires the Department of Agriculture to establish a five-year food hub pilot program to increase access to local food and provides for the award of grant funding to qualified applicants wishing to establish or expand a food hub or provide certain technical assistance. This bill also authorizes the issuance of general obligation bonds for the Honalo Marshalling Yard.

Ulupono supports the efforts of food hubs statewide as they serve as critical aggregation, food processing, and distribution for small farmers to access local markets. By increasing local market accessibility, small farmers will be able to provide a fresh, healthy product for consumers statewide. According to the 2017 USDA NASS Census of Agriculture, of Hawai'i's 7,328 farms statewide, 66%, or 4,868 farms, are between 1–9 acres and 78%, or 5,701 farms, produce less than \$25,000 in sales. Hawai'i's agricultural producer majority is small farmers. State supported food hubs may give Hawai'i's producers the opportunity to compete with local markets while also remaining financially viable. We hope that this support for local agriculture can be considered as we look to continue our State's economic recovery and diversification.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

#### Investing in a Sustainable Hawai'i

999 Bishop Street, Suite 1202 | Honolulu, Hawai'i 96813 🕿 808.544.8960 🗏 808.432.9695 | www.ulupono.com

#### SB-2218-HD-1

Submitted on: 3/31/2022 7:52:26 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
James Crum	Tinyville Farm	Support	Written Testimony Only

Comments:

Aloha my friends,

In order to survive and thrive in this very remote place in the world, we need to focus on food sovereignty and food security as priorities. This requires a strong and reliable food supply from Hawai'i ag producers and needed infrastructure for distribution. In order to make it simpler and accessible for the consumers, local food hubs are a critical piece of infrastructure. We have already seen this to be true, so we just need to expand and optimize this important strategy.

Please move forward with this initiative (and any initiatives like this) as soon as possible in order to ensure our healthy and 'onaha-centric lifestyle in this beautiful and sacred place on the planet.

Mahalo,

-Jim Crum, Owner Tinyville Farm and Geeks for Good


April 1, 2022

Rep. Sylvia Luke, Chair Rep. Kyle T. Yamashita, Vice Chair Committee on Finance

### RE: Testimony in support of SB2218, Relating to a Food Hub Pilot Program

Dear Chair Luke, Vice Chair Yamashita, and Committee Members,

On behalf of Hawaii Foodbank, I am writing in support of SB2218, which would establish a fiveyear food hub pilot to increase access to local food. Food security is a critical issue in Hawai'i, where one in six residents lacks comprehensive access to healthy, nutritious food.

At Hawaii Foodbank, we have partnered successfully with food hubs to provide fresh, healthy, local produce and proteins to those we serve. We support SB2218's intention to increase local food production, support small farmers, and increase our residents' access to local food.

Mahalo for your consideration.

With aloha,

n roc

Amy Marvin President and CEO, Hawaii Foodbank



House Committee on Finance

Date: April 1, 2022 Time: 1:30 p.m. Where: Conference Room 308

### TESTIMONY By Kā'eo Duarte Vice President, Community & 'Āina Resiliency Group

### RE: SB 2218, SD1, HD1 – Relating to a food hub pilot program

Aloha e ka Luna Hoʻomalu Luke, ka Hope Luna Hoʻomalu Yamashita, a me nā lālā o ke Kōmike.

Kamehameha Schools <u>supports</u> SB 2218, SD1, HD1, which requires the Department of Agriculture to establish a 5-year food hub pilot program to increase access to local food and provides for the award of grant funding to qualified applicants wishing to establish or expand a food hub.

We believe that our educational mission is best achieved in a society that supports and enables the success and well-being of our learners. One significant component of such a society is a sustainable, local food system.

Hawai'i can strengthen our local food system by increasing the amount of and access to locally grown food. Food hubs contribute to these outcomes by aggregating, storing, processing, distributing, and marketing local food products. These services give producers wider access to institutional and retail markets, which is particularly valuable in Hawai'i where most producers are small farms. Food hubs also increase consumers' access to locally produced food, including for those in underserved areas.

We believe that establishing a food hub pilot program will further expand the positive benefits that these organizations provide to our community. In recognizing these benefits, Kamehameha Schools has also invested in two local food hubs, Farm Link Hawai'i and Hawai'i 'Ulu Producers Cooperative. We believe these operations will contribute to the State's Aloha+ Challenge goal of doubling local food production by 2030.

For these reasons, we urge the Committee to pass SB2218, SD1, HD1. Mahalo for your consideration.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

Hānai i ke keiki; ola ka lāhui. (Nurture the child and the people thrive.)

## <u>SB-2218-HD-1</u>

Submitted on: 3/31/2022 11:46:33 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ted Bohlen	Climate Protectors Hawaiʻi	Support	Written Testimony Only

Comments:

To: The Honorable Sylvia Luke, Chair, The Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Climate Protectors Hawai'i (by Ted Bohlen)

# Re: Hearing HB2218 SD1 HD1 RELATING TO A FOOD HUB PILOT PROGRAM.

Hearing: Friday, April 1, 2022, 1:30 p.m., CR 308 and by videoconference

Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS HB2218 SD1 HD1!** 

This bill would help Hawai'i farmers get local food to market at a fair price. This would not only help local farmers, but would also increase access to healthy local food for Hawaii residents and help mitigate the climate emergency by reducing the need to import food from great distances.

Please pass this bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



Officers Vincent Mina State President

Anabella Bruch Vice-President

Maureen Datta Secretary

Reba Lopez Treasurer

### **Chapter Presidents**

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> Kaipo Kekona Lahaina, Maui

Brynn Foster North Shore, Oahu

Christian Zuckerman Wai'anae, Oahu

Vincent Kimura Waimanalo, Oahu

Anabella Bruch Kauai Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Finance Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. This bill will provide support for the network of food hubs across the state to expand their work, and in doing so increase farmer incomes and consumer food access. For these reasons **HFUU strongly supports SB2218**.

In 2017, the Legislature awarded the Hawaii Farmers Union Foundation a Grant in Aid project to Strengthen Regional Food Hubs in Hawai'i. As part of that project, the coordinator, Dr. Saleh Azizi facilitated a focus group, composed of the majority of Hawai'i's food hubs, to understand the resources needed for food hubs to respond to statewide local food purchasing goals. The focus group findings resulted in a 2020 Food Hub Pilot program bill to support existing and new food hubs in all of Hawaii's counties.

Food hubs play a critical role in our food system by connecting small farmers with diverse markets. In decades past, farmer cooperatives were a strong tool for smallholders to get to

market. Food hubs are a modern approach to revitalize farmer cooperation and expand market access. Support of this bill will expand the critical work of food hubs and build a stronger local food economy.

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF

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31 March 2022

To: Chair Sylvia Luke, Vice Chair Kyle Yamashita, and the House Committee on Finance

# Re: SB2218, RELATING TO FOOD HUB PILOT PROGRAM

I, <u>Kahealani Acosta</u>, testify **IN SUPPORT with Amendments** of **SB2218**, relating to a food hub pilot program.

The global pandemic made evident the weaknesses of Hawai'i's local food system, in which reliance on Hawai'i's tourism industry has proven the misplacement of food system and security priorities. The main resiliency factor of our food system is emphasized in the success of our food hubs to provide food for the many hungry families that lost their jobs and could not afford a basic meal during this unprecedented time. The economic impacts of the pandemic continue to burden our working class families, and it is our due diligence to consider shifting to a sustainable and resilient food system model for the future of our island community.

Azizi and Lincoln (2021) [1] conducted a study on the success of food hubs as a pandemic response to food distribution in Hawai'i, and highlighted their key performance indicators before and during the global pandemic, in which annual revenue and number of jobs significantly increased by 197% and ~115%, respectively (table 1).

	Before March 2020	After June 2020	Change (%)
Annual revenue	USD\$3.28M	USD\$9.75M	197%
No. part-time jobs	42	93	121%
No. full-time jobs	25	53	112%
No. Suppliers	664	900	36%

Table 1: Key performance indicators of the 11 food hubs surveyed that represent their operations prior to March 2020 and After June 2020, *adapted with permission from Azizi and Lincoln (2021)*.

Additionally, Azizi and Lincoln showed the significant increase in direct to consumer sales through CSA (Community Supported Agriculture) (figure 1), which exemplifies an opportunity to

**The Food+ Policy internship** develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

provide organic, locally-sourced, and nutrient-rich foods to our local families; communities. Given the safety concerns of the pandemic, we see a sharp decrease in the institutional purchases of our local foods, however Hawai'i's local food hub distribution channels possess the opportunity to increase local food access for these institutions, as investment into food hub models would support the requirements of a certified food establishment, i.e. food safety certification.



Figure 1: Shifts in total sales outlets (including standard error bars) for 7 food hubs that contributed their sales data, adapted with permission from Azizi and Lincoln (2021).

Prior to the establishment of a food hub program as a means for local food processing and distribution, the criteria for this bill should define what a small to mid-sized farm is to ensure equitable access to the local agricultural market and economy. Small farms may lack the agronomic resources to access this opportunity of enhancing local food production, even though small farms typically produce 70-80% of the world's food crops [2]. I urge the committee to consider an amendment to SB2218 to include a definition of "small to mid-sized farm" to ensure agronomic equity for local producers.

If the pandemic has proven anything, it has made clear that we are unprepared for major economic disruptions and must seek local solutions to complex issues of food security. Food hubs allow farmers of all scales to engage in Hawai'i's economy with equal access and opportunity to the agricultural market, while also producing jobs to further enhance our economy. Food hubs across Hawai'i have proven their resiliency in response to an



unprecedented time in history, in which the investment into this avenue of food processing and distribution elicit significant gains to Hawai'i's agricultural and overall economy. It is our kuleana (*responsibility*) to ensure the prosperity of our predecessors and future generations through access to locally-sourced and nutritionally abundant foods.

As a graduate student of indigenous cropping systems, a budding farmer, and advocate for sustainable and resilient food systems, I urge the committee to pass SB2218. On behalf of the Hawai'i Food+ Policy Internship, I would like to thank Chair Sylvia Luke, Vice Chair Kyle Yamashita, and the House Committee on Finance, for considering the comments and amendment recommendations made herein.

Me ka mahalo nui (with deep gratitude), Kahealani & the Food+ Interns #fixourfoodsystem

### References

[1] Azizi Fardkhales, S., & Lincoln, N. K. (2021). Food hubs play an essential role in the COVID-19 response in Hawai'i. Journal of Agriculture, Food Systems, and Community Development.

[2] Ricciardi, V., Ramankutty, N., Mehrabi, Z., Jarvis, L., & Chookolingo, B. (2018). How much of the world's food do smallholders produce?. *Global food security*, *17*, 64-72.

**The Food+ Policy internship** develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 8:20:37 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Cindy Evans	Individual	Support	Written Testimony Only

Comments:

Critical bill for local food production and local food security

Submitted on: 3/29/2022 8:50:03 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Carol Covington	Individual	Support	Written Testimony Only

Comments:

Aloha

My name is Carol Covington and I have a small farm in Pepeekeo in the Hamakua district of Hawaii. I am a strong believer in food sustainability for Hawaii but it is often difficult for small growers to find production and distribution for the crops they produce. We have been encouraged by the support offered by the Hawaii Ulu Coop which leases the Honalu Marshalling Yard (owned by the state). They are helping small growers in all phases of production from acquiring trees, pruning, fertilizer (their bulk purchase allows small farmers access to discounted prices), marketing and distribution. They are also a valuable resource through their knowledgeable staff. They have plans to expand to other foodstuffs. The concept of Food Hubs give efficiencies of scale that are out of reach of most small farmers. Please pass this bill and support agriculture in Hawaii.

Carol Covington

Submitted on: 3/29/2022 9:04:02 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
VINCENT KIMURA	Individual	Support	Written Testimony Only

Comments:

Foodhubs play a vital role in lower the cost for cold storage, allowing especially smaller growers to grow more and the logistics piece of moving food. This has been well documented in the Wallace Center's National Good Food Network, National Food Hub Network. In my mind, this is a no-brainer for the state to support growers and reach food resiliency. A key component for food hubs is the ability of food hub owners to support smaller growers through economies of scale, supporting them in all aspects of food safety, packaging etc. For more information on several of Hawai'i's food hubs - https://www.youtube.com/watch?v=cs4wOoYznwY&t=626s

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 9:54:11 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Barbara Barry	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support this Bill! Mahalo for your support too!

Submitted on: 3/29/2022 10:52:13 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Julie Ziemelis	Individual	Support	Written Testimony Only

Comments:

I have been a member of a food hub, Adaptations, for three years to help support local farmers on Hawaii Island, to eat local food for my health and to share the knowledge of this CSA with my friends and neighbors. Whatever we can do to help expand these gems of food access on the islands is a VERY good thing to do for the future of food security on the islands.

This bill will provide support for the network of food hubs across the state to expand their work, and in doing so increase farmer incomes and consumer food access. For these reasons I strongly support SB2218.

Submitted on: 3/29/2022 11:54:30 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Genasis Kalawe	Individual	Support	Written Testimony Only

Comments:

I support SB2218 that requires the department of Agriculture to establish a five-year food hub polot program to increase access to local food. This is important for my community because creates opportunities to support local farmers and rely on a local food system. Food hubs play a critical role in our food system by connecting small farmers with diverse markets. In decades past, farmer cooperatives were a strong tool for smallholders to get to market. Food hubs are a modern approach to revitalize farmer cooperation and expand market access. Support of this bill will expand the critical work of food hubs and build a stronger local food economy.

# <u>SB-2218-HD-1</u>

Submitted on: 3/29/2022 12:21:53 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Stanley Keolanui	Individual	Support	Written Testimony Only

Comments:

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. This bill will provide support for the network of food hubs across the state to expand their work, and in doing so increase farmer incomes and consumer food access. For these reasons we strongly support SB2218.

In 2017, the Legislature awarded the Hawaii Farmers Union Foundation a Grant in Aid project to Strengthen Regional Food Hubs in Hawai'i. As part of that project, the coordinator, Dr. Saleh Azizi facilitated a focus group, composed of the majority of Hawai'i's food hubs, to understand the resources needed for food hubs to respond to statewide local food purchasing goals. The focus group findings resulted in a 2020 Food Hub Pilot program bill to support existing and new food hubs in all of Hawaii's counties.

Food hubs play a critical role in our food system by connecting small farmers with diverse markets. In decades past, farmer cooperatives were a strong tool for smallholders to get to market. Food hubs are a modern approach to revitalize farmer cooperation and expand market access. Support of this bill will expand the critical work of food hubs and build a stronger local food economy. Mahalo for the opportunity to testify.

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 4:02:21 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Linda Burnham Larish	Individual	Support	Written Testimony Only

Comments:

I support SB2218 because I am a small farmer who will directly benefit from the enactment of this bill.



Farmer owned, 'āina grown

Testimony in Support of SB 2218 SD1 HD1 Relating to a Food Hub Pilot Program House Committee on Finance April 1st, 2022

Testimony of Tom Menezes Board of Directors Hawai'i 'Ulu Producers Cooperative

Dear Chair Luke, Vice Chair Yamashita and members of the Committee,

I am testifying in strong support of SB 2218 SD1 HD1 Relating to a Food Hub Pilot Program. Currently serving on the Board of Directors of the Hawai'i 'Ulu Cooperative, I write on behalf of our 116 farmer-members on Hawai'i Island, Maui and O'ahu to share the importance of the proposed food hub pilot program and Honalo Marshaling Yard improvements included in SB 2218. The majority of our members and Hawai'i farmers at large are small scale and highly diversified. Food hubs allow small farmers the time they need on the 'āina by providing the infrastructure of aggregation, processing, marketing and distribution so food producers can focus on growing their production. Food hubs also return a greater portion of each dollar of value, about 70%, to the farmer – far more than conventional distributors of imported food do.

The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience. The Hawai'i 'Ulu Cooperative is an existing food hub for producers of indigenous and local starches including 'ulu, kalo, 'uala, and pala'ai. To date, we have aggregated, processed and distributed nearly 1 million pounds of locally produced staple crops to Hawai'i communities.

Thanks to the legislature's 2019 appropriation of \$1.25 million via both CIP and GIA funds for infrastructure improvements at the Honalo facility, our flagship operation located in Kailua Kona, we are currently working in partnership with the Hawai'i Department of Agriculture to upgrade base infrastructure (e.g. wastewater, domestic water, electricity, etc.) in order to bring the facility up to Hawai'i County Code. A shortfall of about \$900,000 is still needed to complete the project – which will result in a 10x increase in operational capacity from 200,000 pounds to 2 million pounds of local staple crops per year. *Please note that the 2019 appropriation would have been sufficient had the foundational infrastructure of building not* 

# 

### Hawai'i 'Ulu Producers Cooperative

79-1017 E Honalo Rd, Kailua-Kona, Hawaiʻi 96740 | 808-238-8869 | eatbreadfruit.com | info@eatbreadfruit.com

required additional upgrades to comply with county planning and federal food safety regulations – which were not known at the time.

The general obligation bonds now requested through SB 2218 will enable this critical infrasturcture project to be completed and the benefits of the Honalo Marshalling Yard as a food hub to be fully realized among state producers and consumers.

Moreover, SB 2218 will provide other food hubs across the state with additional funding opportunities to help them grow and expand. The proposed five-year pilot program would allow enough time to measure the effectiveness of the pilot program and disseminate lessons learned to help accelerate these critical business endeavors. This bill's impact will resonate across our state and empower a more resilient, regenerative local food system.

We commend the legislature for this forward-thinking approach to supporting local food and local farmers and urge members of the House Committee on Agriculture to support this critically important bill.

Sincerely, Tom Menezes

**Board of Directors** 

Submitted on: 3/29/2022 4:50:27 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Millicent Cox	Individual	Support	Written Testimony Only

Comments:

Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 4:56:00 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
mary drayer	Individual	Support	Written Testimony Only

Comments:

supporting SB2218 SD1 HD1

<u>SB-2218-HD-1</u> Submitted on: 3/29/2022 5:23:39 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

Absolutely important to the wellbeing of Hawaii.

Submitted on: 3/29/2022 5:55:40 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
HANDS, E.J.	Individual	Support	Written Testimony Only

Comments:

I feel strongly that the Hawai'ian islands must shift from ingrained Colonial/Imperial models to self-sustainability, insofar as is practical and possible.

It pains me, personally, so see so much fresh produce at our local grocery store (a store which is now no longer local, since Foodland left Kapa'a and left us with only Safeway) almost all of which is imported. Likewise at Costco.

I have also noticed that what few locally produced fresh fruits and vegetables were once available there, e.g. mushrooms, no longer are. I assume that this is because it has not possible for people to earn a living farming mushrooms here in Hawai'i - but why? Mushrooms, especially, grow very well in many areas in the Hawai'ian islands and have many welldocumented health-benefits.

Whenever I eat out at a local restaurant, almost nothing locally grown is on the menu; no taro, no ulu pasta or baked goods, and no mushrooms. At most, maybe, a locally-sourced green salad. Tourists' tastes are being mass-catered to instead of re-educated with alternative options.

'Health fanatics' (residents as well as visitors) all over Hawai'i drink smoothies daily as a predominant part of their fitness-focused diets, which are currently mixed up from packets of vitamin-packed Healthy Green Stuff...sourced from elsewhere! This makes no sense at all.

Bottled water is big business everywhere in the world but here in Hawai'i, where we enjoy some of the best quality water in the world, it is a travesty that hundreds of thousands (if not, millions) of people are drinking imported water out of plastic bottles. But (to the best of my knowledge) no concerted initative currently exists to change this model.

Acres of land are devoted to raising 'grass fed beef' (translation: pasture for cows, for slaughter) which could and should be utilized for dairy (all our milk, butter and yoghurt, and even eggs are also imported - and what few eggs are locally sourced cost almost twice the price of imported eggs) or re-dedicated for growing fruit, vegetables, legumes, and protein-rich nuts.

Since moving to Hawai'i my diet comprises roughly half fresh produce, sourced from local Farmers' markets, and my health has visibly improved as a result.

By investing now, the future diet of Hawai'i could become characteristically healthy and predominantly (at least 70%) vegan or vegetarian. It really is long overdue to revolutionize the way food is viewed and consumed in Hawai'i, and this proposed bill is an important first step.

### <u>SB-2218-HD-1</u> Submitted on: 3/29/2022 6:01:01 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Janet L Pappas	Individual	Support	Written Testimony Only

Comments:

Dear FIN Chair and committee members,

Please pass this Food Hub bill.

I strongly support SB2218 to create a 5-year food hub pilot program to increase access to local food and assist farmers in getting their produce to markets.

Food hubs help connect farmers with customers. Part of planning a food hub is educating all parties as to what to expect; and assigning responsibilities will help operations run more smoothly. The end result should be a fiscally balanced system—not a one-way money sink. Although food hub relationships can take many forms, accountability should be expected, especially with limited state funds. I would like to echo some testifiers who stated that management and accountability are key elements in food hubs.

The COVID-19 pandemic has shown us how broken and unequal our current economic system is AND how important food is--to our health and well-being. With food hubs we have a chance to improve the growing, harvesting, processing and sale of a farmer's produce. Food hubs can help immensely with food preparation, storage and distribution, bringing jobs to a community and ensuring food security where there was none. For all these reasons, now is the time to initiate this program.

Right now, many farmers, especially small farmers, are producing food but have no outlet for their products. This bill can be the catalyst that shows them a way forward.

I work with a farmer who is growing beautiful fresh fruits and vegetables; he also has a second job. Every week, he sells part of his crop to local customers and restaurants, part of it goes to two or three local non-profits and, sadly, some goes back into the compost piles because he has little time to find or fill customer orders. A nearby food hub could help this farmer immensely. Please do what you can to help farmers get the tools and resources they need to farm efficiently and connect with other farmers, other small businesses and with marketers. These programs and partnerships are critical to bringing a sustainable food supply to Hawaii.

Thank you for your support of SB2218.

Sincerely,

Jan Pappas

Aiea, Hawaii

Submitted on: 3/29/2022 6:19:48 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.

Submitted on: 3/29/2022 7:43:50 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Robert Boudreaux	Individual	Support	Written Testimony Only

Comments:

Food hubs are critical entities for addressing the inequities in our food system. In the recent past, cooperatives were one of the primary vehicles for small farmers to get their goods to market. Today, food hubs provide a modern approach to the old farmer cooperation model. This bill will expand the work of food hubs and build a stronger local food economy. This bill will help increase farmer incomes and provide greater consumer food access.

Please pass this legislation. It is long overdue.

Mahalo

# <u>SB-2218-HD-1</u> Submitted on: 3/30/2022 7:00:34 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Randy Ching	Individual	Support	Written Testimony Only

Comments:

Aloha Finance Committee. Please sipport SB2218 SD1. We desperately need to increase local food production. Our sources of imported food are being hammered by climate change, war and political instability.

An example of this is California's Central Valley. Most of our produce comes from there. It is currently experiencing a megadrought, the worst in 1200 years. The 2 largesr reservoirs in the U.S., from which California gets most of its ag water, are at the lowest level ever recorded. This means we aren't going to be importing our produce from there much longer.

This bill will provide support for the network of food hubs across the state to expand their work, and in doing so increase farmer incomes and consumer food access. For these reasons we strongly support SB2218.

In 2017, the Legislature awarded the Hawaii Farmers Union Foundation a Grant in Aid project to Strengthen Regional Food Hubs in Hawai'i. As part of that project, the coordinator, Dr. Saleh Azizi facilitated a focus group, composed of the majority of Hawai'i's food hubs, to understand the resources needed for food hubs to respond to statewide local food purchasing goals. The focus group findings resulted in a 2020 Food Hub Pilot program bill to support existing and new food hubs in all of Hawaii's counties.

Food hubs play a critical role in our food system by connecting small farmers with diverse markets. In decades past, farmer cooperatives were a strong tool for smallholders to get to market. Food hubs are a modern approach to revitalize farmer cooperation and expand market access. Support of this bill will expand the critical work of food hubs and build a stronger local food economy. Mahalo for the opportunity to testify.

Randy Ching

Honolulu

# <u>SB-2218-HD-1</u>

Submitted on: 3/30/2022 7:06:44 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
carol lee kamekona	Individual	Support	Written Testimony Only

Comments:

Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.

During the pandemic, Maui established a food hub that is growing exponentially and providing the much needed help our Local farmers needed to provide and sustain their own livelihoods. I would recommend Maui's food hub be used as a model for this pilot Program.

Submitted on: 3/30/2022 7:51:19 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Yoshito L'Hote	Individual	Oppose	Written Testimony Only

Comments:

Because we are at the very center of the implementation of our food system, I oppose that the state focuses its attention and funding on the buzzword "food hubs " as one's definition varies so greatly. We have not defined what a food hub really is and how it functions. But I know that it cannot function without production level way bigger than the ones existing currently in the state. If you are a producer you do not have the problem of distributing your crop but rather never have enough product to sell, other factors like labor, housing, infrastructure are the current bottle necks.

Support agriculturalists before non profits as they are the ones that will increase the output of ag for the state. What the ag sector needs is more support on the infrastructure side, wash and pack, refrigeration, slaughter, etc... rather than this notion that we need an other middle man in the ag system.

Submitted on: 3/30/2022 9:19:00 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
James Stolte	Individual	Support	Written Testimony Only

Comments:

n 2017, the Legislature awarded the Hawaii Farmers Union Foundation a Grant in Aid project to Strengthen Regional Food Hubs in Hawai'i. As part of that project, the coordinator, Dr. Saleh Azizi facilitated a focus group, composed of the majority of Hawai'i's food hubs, to understand the resources needed for food hubs to respond to statewide local food purchasing goals. The focus group findings resulted in a 2020 Food Hub Pilot program bill to support existing and new food hubs in all of Hawaii's counties.

Food hubs play a critical role in our food system by connecting small farmers with diverse markets. In decades past, farmer cooperatives were a strong tool for smallholders to get to market. Food hubs are a modern approach to revitalize farmer cooperation and expand market access. Support of this bill will expand the critical work of food hubs and build a stronger local food economy. Mahalo for the opportunity to testify.

James Stolte

Farmer, Hana, HI

# <u>SB-2218-HD-1</u> Submitted on: 3/30/2022 9:22:12 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Howard Ling	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Howard Ling, I am a resident of Honaunau, in South Kona and I am in SUPPORT of SB2218 to increase access to local food through food hubs. Food hubs play a critical role in our food system by connecting small farmers with diverse markets. The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience.

I am a local small farm that the Hawai'i 'Ulu Cooperative has supported through its use and sharing of the food hub at the Honalo Marshaling Yard.

Mahalo for your dedication to local food and the health of our communities and 'āina.

Signed,

Howard Ling

<u>SB-2218-HD-1</u> Submitted on: 3/30/2022 10:26:27 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ken Stover	Individual	Support	Written Testimony Only

Comments:

Please pass the five-year food hub pilot program to give access to local food. Mahalo

<u>SB-2218-HD-1</u> Submitted on: 3/30/2022 10:39:12 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Lindsey A Drayer	Individual	Support	Written Testimony Only

Comments:

I suport this. Thank you

Submitted on: 3/30/2022 10:48:02 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Morgan Tooch	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Morgan Tooch, I am a resident of Captain Cook in House District: 5, Senate District 3 and I am in SUPPORT of SB2218 to increase access to local food through food hubs. Food hubs play a critical role in our food system by connecting small farmers with diverse markets. The Honalo Marshaling Yard, owned by the State of Hawai'i and leased to the Hawai'i 'Ulu Cooperative, is an example of vital food infrastructure that requires capital improvements to support local farms and strengthen the islands' food system resilience.

As a small scale organic female farmer I have first hand experience with the hardships of getting sustainably farmed fruits and vegetables to the general public. It is critical that we develop more food hubs to support our local community by providing more opportunities for local farmers to sell their produce.

Mahalo for your dedication to local food and the health of our communities and 'āina.

Signed,

Morgan Tooch

Submitted on: 3/30/2022 10:57:00 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Diane Ware	Individual	Support	Written Testimony Only

Comments:

Dear Chair and Committee Members,

I support this bill because Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.

Furthermore I rely on small local farmers for much of my food and would like to see this increase.

Respectfully,

Diane Ware,99-7815 Kapoha Pl, Volcano Hi,96785

Submitted on: 3/30/2022 11:01:41 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Rourk Reagan	Individual	Support	Written Testimony Only

Comments:

What a wonderful way to expand and promote our agricultural goods. I live in Ka'ū on the Big Island, having a local hub would allow more access to food for people who live here. It would also increase revenue for local agriculture businesses. Please support this bill.

Mahalo,

Rourk Reagan
Submitted on: 3/30/2022 11:09:28 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
pamela burrell	Individual	Support	Written Testimony Only

Comments:

aloha Senators,

Food Hubs. What a fantastic idea!

Most farmers do not want to spend their time "off" standing at a farmers market....when the food can be distributed to existing stores, schools, hospitals and resturants where and when needed.

I toally support this measure to give our hard working farmers and varoius institutions a gathering place.

regards,

Pamela Burrell

Kilauea, Kaua'i

<u>SB-2218-HD-1</u> Submitted on: 3/30/2022 11:31:29 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Laura Caverly	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please suport this bill. Having more viable local agriculture is very good for the island's economy. I love ulu, and gluten free flour is very popular these days.

Thank you,

Laura Caverly

Submitted on: 3/30/2022 11:35:48 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Wendy Arbeit	Individual	Support	Written Testimony Only

Comments:

What a great idea! I have been wanting to consume more local produce but don't know how to access hubs or find their access inconvenient. This bill will help farmers diversify distribution of their crops, which will help their bottom line and help the public (and me) to support them and have access to really fresh food.

Kindly ote for this bill.

Submitted on: 3/30/2022 11:58:25 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
tlaloc tokuda	Individual	Support	Written Testimony Only

Comments:

Aloha FIN Chair, Vice Chair and Committee,

I support Bill SB2218 because Food Hubs (Community Supported Agriculture) are a very good model for leveling the growing field (excuse the pun) for farmers and consumers. Direct marketing is a model that is alive and well when incorporated with social media can be even more effective and efficient. Food Hubs/CSA are growing as smaller-scale producers are connecting with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value to products (giving greater profits to the farmer) and often provide delivery and pick-up options. Please support this good initiative.

Mahalo for your consideration,

Tlaloc Tokuda

Kailua Kona HI 96740

<u>SB-2218-HD-1</u> Submitted on: 3/30/2022 4:01:46 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

Theresa Thompson

Submitted on: 3/30/2022 8:43:12 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Harrinette Holt-Hansen	Individual	Support	Written Testimony Only

Comments:

I support SB2218 SD1 HD1. Hopeful for Hawaii ro develop and maintain a more sustainable living, I am ind full support of our farmers and Hawaii's agriculture sector. It is imperative to help align with them and help provide an infrastructure. This is one additional means to help them and help Hawaii get out of the stranglehold we face having to depend on shipping and produce coming from places outside of Hawaii when we can and should be able to produce and bring costs down for our people and farmers.

Mahalo,

H. Holt-Hansen

<u>SB-2218-HD-1</u> Submitted on: 3/30/2022 8:55:02 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Lisa DeSantis	Individual	Support	Written Testimony Only

Comments:

I am in support of SB2218 SD1 HD1. Mahalo for your time.

Submitted on: 3/31/2022 6:30:12 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

My name is Nanea Lo. I come from Papakōlea, Oʻahu. I'm a Kanaka Maoli born and raised in the Hawaiian Kingdom. I'm writing in full support of SB2218 SD1 HD1.

Food hubs provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods. Food hubs level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food. Food hubs aggregate produce and added value products and often provide delivery and pick-up options.

Support SB2218 SD1 HD1.

me ke aloha 'āina,

Nanea Lo

<u>SB-2218-HD-1</u> Submitted on: 3/31/2022 7:47:03 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Lisa Seikai Darcy	Individual	Support	Written Testimony Only

Comments:

Please support SB 2218 Food Hubs,

Mahalo,

Lisa Darcy

Maui County

<u>SB-2218-HD-1</u> Submitted on: 3/31/2022 9:29:46 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Dennis F Lokmer	Individual	Support	Written Testimony Only

Comments:

I urge strong support for this bill.

Submitted on: 3/31/2022 9:53:23 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kelsey Carlos-Keli?ikipi	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please pass this Food Hub bill.

Bill SB2218 will significantly change Hawai'i's food sustainability issues. By creating a 5year food hub pilot program to increase access to local food and assist farmers in getting their produce to markets, this bill will make sure to connect small farmers and food producers with the resources they need. It is important for the local economy to have access to local food.

Mahalo for the opportunity to testify.

Kelsey Carlos-Keliikipi

## <u>SB-2218-HD-1</u>

Submitted on: 3/31/2022 11:21:33 AM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am testifying in favor of SB2218 SD1 HD1. This bill establishes a five-year food hub pilot program to increase access to local food, and provides for the award of grant funding to qualified applicants wishing to establish or expand a food hub.

Food hubs are an essential element for local sustainable agriculture. Some of the reasons are:

1) They provide markets for small farmers and food producers to sell their produce and food products. It can be challenging for small farmers and food producers to find retail outlets and markets for their goods;

2) level the playing field for smaller-scale producers by connecting them with customers who want to support local and sustainably grown food; and

3) aggregate produce and added value products and often provide delivery and pick-up options.

4) Some areas in our state are rural and far from areas to purchase and sell agricultural products. The more food hubs we have, the better it is for everyone.

Mahalo for taking the time to listen to my views and for your hard work in incentivizing our local agricultural economy.

Submitted on: 3/31/2022 12:20:24 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Sherry Pollack	Individual	Support	Written Testimony Only

Comments:

I support SB2218 SD1 HD1. Food Hubs are a great way to build our food security resilience by supporting local farmers and increasing our access to local food. Hawaii imports 90% of our food. This makes us extremely vulnerable to disaster, particularly with the growing impacts of climate change. Please pass this important measure. Mahalo.

Email: nmilne@kohalacenter.org

### HOUSE COMMITTEE ON FINANCE Friday, April 1, 2022 – 1:30 p.m.

### Nicole Milne, personal testimony, in strong support of SB 2218 SD1 HD1, Relating to Agriculture.

Dear Chair Luke, Vice Chair Yamashita, and Members of the Committee:

Thank you for the opportunity to provide my personal testimony in <u>strong support</u> of SB 2218 SD1 HD1 which creates a Food Hub Pilot Program to support local food production, aggregation, and distribution.

My name is Nicole Milne and I am the Vice President of Food and Agriculture Initiatives at The Kohala Center (TKC). TKC is a non-profit, statewide organization for research, education, and 'āina stewardship that has supported the growth and development of Hawai'i's producers and community food systems since 2011, serving as Hawai'i's only cooperative development center, specializing in financial capitalization for agricultural and food businesses.

Through work with Hawai'i's cooperatives and rural businesses since 2006 I have seen firsthand the challenges experienced by businesses that are founded upon principles *beyond profit*. When a business considers themselves a for-benefit enterprise, working to further the well-being of their members or a social good such as the environment, creative financing is often necessary in order to succeed economically. Many food hubs fit this definition, working to provide, for example, greater financial returns to co-op member producers and suppliers (e.g., Hawai'i 'Ulu Co-op), increased access to locally produced food in food insecure geographies (e.g., Kahumana Food Hub), and access to markets for minority producers or those following agroecological/organic production practices (e.g., Adaptations).

Access to traditional sources of capital is a tremendous challenge for food hubs as they operate on thin margins for many of the reasons noted above. Moreover, for a business registered as a cooperative, oftentimes the coop manager has to apply for financing which can make accessing capital difficult. Aggregators operating out of state-owned facilities, such as the Kamuela Vacuum Cooling Co-op and Hawai'i 'Ulu Co-op, can access capital via state programs such as CIP, however food aggregators located on private or County lands have greater obstacles accessing affordable capital. Capital support via federal Farm Bill programs and philanthropic organizations across Hawai'i Food Hub Hui indicate that the demand for affordable financing and capital by these enterprises far outweighs the current supply.

I strongly support the State's efforts to broaden investment pathways available for Hawai'i's food aggregators and distributors. The state Department of Agriculture (DOA) is Hawai'i's lead agency charged with supporting an industry that is critical to the resiliency of our island communities and rural economies. Given recent cuts to DOA's budget, this initiative would increase their capacity to support Hawai'i's producers, the majority of which are operating on less than 20 acres and rely on the availability of regional food hubs to access local markets and feed local residents.

I respectfully request your support of SB 2218 SD1 HD1. Thank you for the opportunity to testify.

Sincerely,

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Nicole Milne, Vice President, The Kohala Center Personal Testimony

Submitted on: 3/31/2022 1:31:50 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Maureen Datta	Individual	Support	Written Testimony Only

### Comments:

I am in strong support for this bill. We need to strengthen our locally grown food system and food hubs are innovative business models emerging more and more across the country. They bring farmers and suppliers together, with 81 percent of food hubs focusing on increasing opportunities for local farms and allowing smaller producers to pool their products and fulfill larger contracts. Ninety-one percent of food hubs are near cities, connecting rural farmers to larger suburban and urban communities. Seventy-six percent of food hubs work almost exclusively with small-to-mid-sized growers. Without that support, many of these farmers would not have enough capital to own their own trucks, refrigeration units or warehouse space. By working together through the food hubs, they support each other while building their business. It's a recipe for financial success that helps sustain the local community in a major way. For many food hub participants, there's an understanding that the growth of their business can be tied to the improving health of their local community. And they take the opportunity to put that belief into practice. For example, 75 percent donate food to hunger relief organizations and food banks. Forty-seven percent offer cooking and nutrition education within the community. And 52 percent believe that supporting area farmers is their primary mission. They also contribute to their state's economic bottom line, returning 55 to 95 percent of their spending locally through bank services, employee benefits, supplies and utilities. Food hubs are helping producers of all sizes grow and thrive, which in turn supports the economic health and well-being of our diverse local communities. As the average age of the American farmer increases, we need more new folks on the farm. Local and regional markets help these new farmers – who include returning veterans, immigrants and more women than ever before – get started and sell their product.

Submitted on: 3/31/2022 4:06:42 PM Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Tierra Bartolotti	Individual	Support	Remotely Via Zoom

Comments:

Aloha Hawai'i State House Committee on Finance,

Local food hubs across the State of Hawai'i are becoming increasingly integral in their role of supporting both growers & producers, while establishing consistent local supply of food networks to consumers. Additionally, producers who specifically purchase source-ingredients through the food hub's local resources, and then sell through the hub -- double up the impact on a local food economy. As a student researcher, I have been in direct communication with multiple food hub organizers across the state to identify what some of the barriers are to increasing value-added food production in Hawai'i. In my research, I have found that by strengthening & supporting local food hubs, these organizations can directly help alleviate many of the following persistent challenges that local farmers face such as: access and proximity to FSMA certified kitchens, access to new markets, and understanding the moving targets around processing compliances. These persistent challenges continue to limit the economic viability for small, local producers to access new markets.

Kohala Food Hub currently allows farmers within their network access to a walk-in chiller, where they can store their goods at the Food Hub. Hilo Food Hub has a community based vision as well and plans on expanding to service 15-20 value added producers within the general Hilo/Puna area. Waipa's commercial community kitchen model in Hanalei has been very successful. Moloa'a is arguably the largest farming cluster on Kaua'i with ~70 farmers across 600 acres of ag land. Through collaborative efforts such as Food Hubs, we can significantly improve food distribution, food access, food acquisition, and ultimately create a more equitable food system for farmers, producers, & consumers.

I therefore stand in strong support for SB2982.