

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'AINA O KA MOKU'AINA 'O HAWAII

DEPT. COMM. NO. 110
KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File:

December 29, 2023

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-second State Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker
And Members of the House of
Representatives
Thirty-second State Legislature
State Capitol, Room 431
Honolulu, HI 96813

Aloha President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information, I am transmitting a copy of the following report.

Benchmarks For Certain Percentages of The Produce Purchased By That Department Is Fresh
Local Agricultural Products And Local Value-Added, Processed, Agricultural, Or Food Products,
2023

Pursuant to section 93-16, Hawaii Revised Statutes, this report may be viewed online at:

<https://health.hawaii.gov/opppd/departments-of-health-reports-to-2024-legislature/>

Sincerely,

Kenneth S. Fink, MD, MGA, MPH
Director of Health

Enclosures

C: Legislative Reference Bureau
Hawaii State Library System (2)
Hamilton Library

REPORT TO THE THIRTY-SECOND LEGISLATURE

STATE OF HAWAII

2024

PURSUANT TO ACT 176, SESSION LAWS OF HAWAII 2021, REQUESTING EACH PRINCIPAL DEPARTMENT OF THE STATE SHALL SUBMIT A REPORT TO THE LEGISLATURE NO LATER THAN TWENTY DAYS PRIOR TO THE CONVENING OF EACH REGULAR SESSION ON THAT DEPARTMENT'S PROGRESS TOWARD MEETING THE BENCHMARKS FOR CERTAIN PERCENTAGES OF THE PRODUCE PURCHASED BY THAT DEPARTMENT IS FRESH LOCAL AGRICULTURAL PRODUCTS AND LOCAL VALUE-ADDED, PROCESSED, AGRICULTURAL, OR FOOD PRODUCTS .

PREPARED BY:

STATE OF HAWAII DEPARTMENT OF HEALTH

DECEMBER 2023

Hawaii State Hospital

1. Calendar year 2022 total produce purchased: \$140,203
2. Calendar year 2022 total amount of fresh local agricultural products and local value-added, process, agricultural, or food products: \$49,430
3. Calendar year 2022 percentage of fresh local agricultural products and local value-added, processed, agricultural, or food products purchases: 35%

The Department of Health (DOH) experienced difficulties implementing Act 176, Session Laws of Hawaii (SLH) 2021 due to existing administrative rules governing state purchasing as promulgated by the State Procurement Office, specifically that bids are awarded to the lowest bidder. Vendors report that some of the local produce is sold at a premium price which makes it unaffordable.

Reconciliation with procurement rules is recommended, since asking vendors to provide the source of products on their invoice will increase the cost of the products, as well as unpredictable factors such as the weather, energy and shipping costs, pest outbreaks, etc. affects pricing.

Kalaupapa Settlement

The Hansen's Disease facility on Molokai is unable to report the amount of total produce purchased in the previous calendar year due to a lack of an accounting object code that identifies produce and "local" produce. There are currently only two object codes that are used for food supplies, 3310 which is Provisions (Not for Resale), and 8710 Store Purchases for Resale or Reissue (includes non-food items). This issue prevents the program's ability to record the amount and percentage of fresh local agricultural products and local value-added, processed, agricultural, or food products purchased by them during the previous calendar year.

There are eight (8) patients at Kalaupapa Settlement, with three (3) on Oahu receiving medical care or visiting family at any given time, which makes the quantification requested by Act 176, SLH 2021, impractical and its policy benefit extremely minor. Food is purchased from local wholesalers and retailers. Due to the small quantities purchased, only a very limited number of companies are willing to sell to Kalaupapa, thereby limiting their choices of where the food is sourced. There are also the additional challenges of being able to identify what items are grown locally versus shipped from out of state to the distributor or store. Many items are received unlabeled with the point of origin.