

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



State of Hawai'i
DEPARTMENT OF AGRICULTURE & BIOSECURITY
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SHARON HURD
Chairperson
Board of Agriculture & Biosecurity
DEAN M. MATSUKAWA
Deputy to the Chairperson

DEPT. COMM. NO. 127

December 17, 2025

The Honorable Ronald D. Kouchi,
President, and Members of the Senate
Thirty-Third Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura,
Speaker, and Members of the
House of Representatives
Thirty-Third Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear Senate President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report on the Food Hub Pilot Program as required by Act 313, SLH 2022.

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <https://dab.hawaii.gov/meetings-reports/legislative-reports/>.

Sincerely,

A handwritten signature in blue ink that reads "Sharon Hurd".

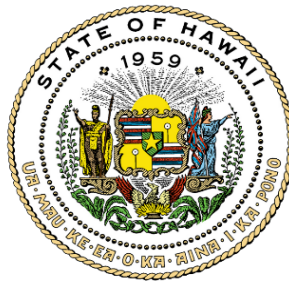
Sharon Hurd, Chairperson
Board of Agriculture and Biosecurity

Attachment



**REPORT TO THE THIRTY-THIRD LEGISLATURE
2026 REGULAR SESSION**

FOOD HUB PILOT PROGRAM



Prepared by:

Department of Agriculture and Biosecurity

Pursuant to Act 313, Session Laws of Hawaii 2022

Requiring the Board of Agriculture and Biosecurity to Report

Annually on the Programs's Implementation,

Preliminary Results, Findings, and Recommendations

December 2025

FOOD HUB PILOT PROGRAM

Annual Report to Legislature, 2026

Background

In the Thirty-First State Legislature, Regular Session of 2022, Act 313 was passed, requiring the Department of Agriculture and Biosecurity to establish a five-year food hub pilot program and to submit an annual report to the legislature on the implementation, preliminary results, findings, and recommendations. The following information is to be reported:

1. Department's progress on program's implementation;
2. Preliminary results on annual basis; and
3. Findings and recommendations.

This program established 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. By actively coordinating these activities along the value chain, food hubs may provide wider access to institutional and retail markets for small- to mid-sized producers and increase consumer access to fresh healthy food, including those consumers in underserved areas and food deserts.

In December 2022, the Department requested approval from the State Governor to release and allot funds pursuant to Act 313, SLH 2002. The Governor released \$1.35 million for SFY 2023 and a Request for Proposals (RFP) for this food hub program was issued in March 2023.

Subsequently, a total of 27 proposals were submitted at the RFP's closing in May 2023. Six (6) awards totaling \$1.35 million were recommended for funding by the Evaluation Committee (EC), and the Chairperson concurred and approved them.

Executive Summary

The six (6) successful projects funded include Adaptations, Inc. (\$242,515.20); Alternative Structures International (\$201,104.00); Elepaio Social Services (250,000.00); Hawai'i Institute of Pacific Agriculture (Kohala Food Hub) (\$203,213.46); Papa'aloa Country Store and Café Food Hub (\$203,213.46); and Sustainable Molokai (\$249,953.88). Individual contracts were issued at varying time intervals based on their readiness, resulting in different progress levels across the various projects. So far, two projects have successfully concluded with significant impacts to their regional communities. Two other projects are advancing quickly and expected to meet their scheduled timelines.

Reporting Period: January to November 2025

Since the last report, two projects have been successfully completed. Adaptations, Inc., a USDA certified organic farm and regional food hub on Hawai‘i Island was able to scale up its operations to increase aggregation and distribution capacity to sales and market share. The funding from the Food Hub Pilot Program enabled it to increase its essential, refrigeration vehicle capacity to provide reliable, consistent, and personnel support to provide wider access to institutional and retail markets for small- to mid-sized producers. One notable outcome of this effort was the enhanced consumer access to fresh, healthy food, particularly for individuals in underserved areas and food deserts on Hawai‘i Island.

By the end of the project, Adaptations increased its sales to \$2.5 million annually and sourced local produce and value-added local food production from 233 small and mid-sized farms, generating \$1.7 million in payments to producers during the performance period. These sales and purchases numbers statistics reflect the 30% average mark to cover overhead and the return of 70 cents on each dollar to the food producer. This is a key performance indicator for all food hubs and Adaptations has shortened its value chain to strengthen Hawai‘i’s food security and sovereignty.

Finally, Adaptations successfully constructed essential infrastructure to establish and expand food hub activities for aggregation, cold storage, and other value-added services. These improvements further contribute to improving the consistency and reliability of cold storage distribution across Hawai‘i Island.

The Hawai‘i Institute of Pacific Agriculture (Kohala Food Hub) also completed its project with favorable results. Situated in a rural area where community access to fresh, locally produced food is limited and local food producers’ operations are at a great distance from most markets, this food hub was able to grow its existing markets and create and sustain new markets for its producers’ network comprising 80+ growers and value-added producers during the funding period.

The food hub’s small and mid-scale producer network is growing crops whose current produced quantities exceed what it is currently able to sell or process with its existing infrastructure. The demand for locally produced food remains strong in the region and surrounding areas, and the food hub couldn’t meet market demand at the time of the project proposal. The Mobile Market and Certified Kitchen project has allowed the food hub to support its local producers more substantially, meet the rising demand for locally produced food, and increase that demand by increasing access to and education about our services through a series of coordinated growth activities.

Notable accomplishments achieved by the Kohala Food Hub includes the following:

1. Mobile Market launched and utilized regularly at 20 community events from 2024-2025. The food hub expanded its capacity to provide wider and diversified market access and distribution services for its existing 150+ small and mid-scale local food producers, increasing its purchasing power, revenue streams

and economic viability. Simultaneously, the mobile market has served more than 1,000 residents with greater access to fresh, healthy, locally grown and raised food, and has served as an outreach and engagement tool to connect those residents with our online market with Online SNAP/EBT payment options and Da Bux discounts for ongoing fresh local food access at a 50% discount for qualifying community members.

2. Commercial kitchen finalized, improved, and fully equipped. Serves 12 distinct producers with access to low cost space and equipment usage. The food hub also increased purchasing power with producer network for B-grade produce, increasing their revenue streams, while rescuing locally grown food that would have otherwise ended up in the waste stream.
3. Launched Kohala Food Hub Value-Added Product line, bringing nine distinct SKUs through DOH regulatory compliance and to market via our online platform. Increased purchasing power with producer network for B-grade produce, increasing their revenue streams, while rescuing locally grown food that would have otherwise ended up in the waste stream.
4. Launched commercial kitchen incubator program offering technical assistance free of charge to agricultural producers and aspiring food business entrepreneurs. It builds the local food economy by utilizing commercial kitchen space to provide education to over 30 unique participants from around the island to provide the tools and knowledge they need to successfully start and maintain a food business.

The food hub estimates the number of project beneficiaries at 5,000 plus. The project also expanded its CSA program, online market reach, free community food distribution programs, and wholesale accounts. All these activities led to exponentially increasing markets and opportunities for local food producers and community access to fresh, local food.

Since the project period started, the food hub has served 962 distinct households through its online market. If applying a conservative estimate of three (3) residents/household, that equals close to 3,000 residents. It expanded its producer network from 80+ producers to 150+ producers since the project's inception. Earned revenue from all sales channels has grown from \$215,245 in 2023 to \$487,441 in 2024, to \$756,852.64 in 2025, directly benefitting regional agricultural producers and its economy.

Two other projects are making good progress towards completion. The Elepaio Social Services (ESS) is closing in to 85% completion in expanding its network of local, socially disadvantaged and minority farmers on Waianae coast that supply to ESS and whose produce is sold directly to the residents of Waianae.

This ESS project encountered some challenges. Local produce availability fluctuated due to weather changes, pest issues, water access, and limited farm capacity. These factors made it difficult for farmers to maintain consistent yields, which affected our ability to reliably forecast and purchase produce for daily kupuna pantry distributions. Seasonal variations also influenced supply, creating gaps during certain times of the year.

Agricultural theft, including stolen crops, equipment, and supplies—posed a significant setback for several partner farmers. These incidents not only reduced available produce for purchase but also caused financial strain on farmers who were already operating with limited resources. Theft also created emotional stress, impacting farmers' morale and willingness to scale production.

Despite the challenges faced, ESS is pressing ahead and is expected to deliver final outcomes as follows:

1. Recruit 50 socially disadvantaged and/or beginning farmers on the Wai‘anae Coast, provide them with technical assistance, supply-chain coordination, and training in aggregation, food safety, and market readiness, and establish and maintain purchasing relationships between these farmers and institutional buyers such as the Wai‘anae Coast Comprehensive Health Center (WCCHC), schools, hospitals, and government programs.
2. Operate a 3,500 sq. ft. aggregation and distribution center at the Wai‘anae Mall—including storage, minimal processing, washing, packaging, and cold-chain management—while managing the daily intake of specialty crops in compliance with all safety and handling protocols, and coordinating transportation, inventory tracking, and distribution of produce to institutional partners and ESS programs.
3. Supply fresh produce to its Food as Medicine programs, including the Produce Prescription, Keiki Prescription, and ALICE household programs—while distributing specialty crops to 25,000 food-insecure households annually through kupuna pantries, community distributions, and partner sites, and providing culturally grounded nutrition education, food preservation training, and recipe development using locally grown produce.

The Sustainable Molokai Food Hub project is also moving forward with an estimated completion rate of over 80%. This project included activities such as opening a weekly farmers' market and installation of chill/frozen units, as well as developing dry storage space for customer orders and emergency food supply that ensure proper food handling/storage.

As the project was launched, Sustainable Molokai found the original site for storefront was neither suitable nor available. It then pivoted to an alternate location in Holomua.

It also faced additional challenges with staff turnover, including senior management officials.

Despite its earlier setback, the “Locavore” store is back on track to serve as location for a permanent sales point for locally produced goods on-island. Sustainable Molokai remains committed to fulfilling its work toward stated medium and long-term goal of building a centralized Food Hub on Molokai.

For the remainder of the project, the Food Hub will complete the activities as follows:

1. To partially cover for the salaries of the Food Sovereignty program staff to sustain our food hub work.
2. To continue to pay for the rent and utilities at its Holomua food aggregation and locavore-in-the-making storefront.
3. To cover advertising and capacity-building costs to expand the reach of its Food Hub to receive from and sell more value-added products to the community in Molokai.

The department is continuing to monitor the two remaining projects that are being worked on at this time to ensure satisfactory completion. Both projects have sufficient time remaining in their contracts to completion. Alternative Structures International (DBA Kahumana Farms) was working towards obtaining the stringent Group Gap food safety certification, particularly for its organic farm section. Finally, the Papa`aloe Country Store and Café Food Hub is awaiting its building permit from the County of Hawai‘i for planned construction to expand its food hub.

- End of Report -