JOSH GREEN, M.D. GOVERNOR OF HAWAI'I KE KIA'ĂINA O KA MOKU'ĂINA 'O HAWAI'I



KENNETH S. FINK, MD, MGA, MPH DIRECTOR OF HEALTH KA LUNA HO'OKELE

STATE OF HAWAI'I DEPARTMENT OF HEALTH KA 'OIHANA OLAKINO P. O. BOX 3378 HONOLULU, HI 96801-3378 doh.testimony@doh.hawaii.gov

In reply, please refer to: File:

#### Testimony in OPPOSITION to HB2144 RELATING TO VALUE-ADDED PRODUCTION

### REPRESENTATIVE CEDRIC ASUEGA GATES, CHAIR HOUSECOMMITTEE ON AGRICULTURE AND FOOD SYSTEMS Hearing Date: 2/7/2024 Room Number: 325 & VIDEO CONF

1 Fiscal Implications: This measure will impact the priorities identified in the Governor's

2 Executive Budget Request for the Department of Health's (Department) appropriations and

3 personnel priorities.

4 **Department Testimony:** The Department of Health OPPOSES this measure.

5 The department opposes this bill. The department already allows foods that do not require

6 temperature controls for safety (TCS) or non-potentially hazardous foods, to be made in a home

7 and sold directly to consumers. These are classified as "Homemade Food Operations" in HAR

8 Title 11, Chapter 50, Food Safety Code (HAR 11-50). These foods are already required to be

9 labeled properly indicating that they are not made in a DOH inspected facility. The operators of

10 these "homemade food operations" are also required by HAR 11-50 to have a basic Food

Handlers Certificate issued by the DOH or various third party vendors that the DOH recognizesas valid.

- 13 The department will oppose any attempt to expand "cottage foods" or "homemade foods" to
- 14 include foods that require temperature controls to prevent or eliminate the growth of pathogenic
- 15 bacteria that are known to cause food illnesses. Current HAR 11-50 adopted the 2013 Version of
- 16 the FDA model food code that does not allow home kitchens to be used for the commercial
- 17 preparation of food. These would include beef, pork, poultry, seafood, cooked starches including
- 18 cooked plant products which become TCS when cooked, fermented, pickled, canned, and or
- 19 dried products.

The measure allows the use of home kitchens to produce TCS foods, which would be dangerous to public health for the following reasons:

- 1) Home kitchen may contain persons with communicable diseases. Existing HAR requires
- 23 permitted food establishments (FE) owners and operators to restrict all persons with
- 24 gastrointestinal or other communicable diseases from the food establishment. This is not
- 25 likely to happen in an environment where infected occupants cannot be restricted from
- their homes.

1	2)	Private homes are not suitable for a FE as it cannot be inspected at all times during
2		operation as required by current law as a home is now potentially a 24/7/365 FE
3		operation.
4	3)	The FSB Food Safety Specialists (FSS) currently may enter any food establishment at
5		any time during their operating hours. Currently, it is very easy for the FSS to simply
6		walk up to any FE and identify themselves and are able to determine if they are open and
7		available for an unscheduled routine or complaint inspection.
8		It would be difficult if not impossible to conduct a routine, unannounced inspection at a
9		"cottage food" facility that is someone's private home.
10	4)	ALL routine food safety inspections are unannounced, unscheduled, and never re-
11		scheduled if the FE is open for business and conducting commerce.
12	5)	If the homeowner refuses inspection, the DOH would have to obtain a search warrant
13		from a judge which would not be timely and could delay food disease outbreak
14		investigations that may lead to serious illnesses or death.
15	6)	The Food Safety Branch (FSB) inspection staff and Supervisors are well over 50%
16		female and it would not be safe sending them into people's private homes. Nor would it
17		be wise to send my male food safety specialists into private homes. The FSB does not
18		have the requisite staffing to conduct inspections in pairs to prevent any inferences of
19		misconduct or to prevent harassment as inspections have become increasingly
20		confrontational with the current anti-government rhetoric, we now live with.
21	7)	Private homes typically will contain many household chemicals and cleaners not
22		approved for use in DOH permitted FE's, which also include prescription and OTC
23		medications that are never allowed in FE's and possibly illegal drugs which may
24		accidently adulterate whatever food product they are producing.
25	8)	Pets, birds, rodent pets, rodent not pets, illegal venomous animals in homes.
26	9)	Scope of inspection in a permitted FE means everything within the facility to check for
27		storage of illegal food sources supplements or ingredients, this would be very
28		problematic. FSS staff will open all cabinets, drawers, cupboards, and rooms, in a FE
29		during a routine inspection. Especially those under lock and key – raises eyebrows in a
30		food facility. All FE's do comply and willingly allow inspection protocol as a condition
31		of their FE permit to protect public health.
32	10)	The department ordinarily prefers that the no changes be made to existing sections of the
33		Hawaii Revised Statutes (HRS) when the department has already adopted a
34		comprehensive chapter of rules because the impact of the amendments to the statute
35		sometimes result in unanticipated consequences, including the creation of
36		inconsistencies. Much of the proposal is in direct conflict with existing HAR and HRS
37		designed to protect public health.
38	11)	The departments' FSB has a long history of working with industry and other community
39		members in utilizing the public hearings process in updating and changing rules to be

1	more progressive. The FSB codified the current allowance for foods that are not TCS to
2	be made at home and sold directly to the consumer back in 2014. We prefer that the
3	legislature allow us to continue this practice for any changes to HAR 11-50, but we will
4	not consider allowing private homes to produce TCS foods unless the above issues can be
5	standardized and addressed and the FDA adopts such a "Cottage Food" control measure
6	in the FDA Model Food Code, which the State of Hawaii uses primarily to regulate the
7	food industry in Hawaii.

- 8 Mahalo for allowing the department to testify on this measure.

**Offered Amendments:** None

SYLVIA LUKE Lt. Governor



SHARON HURD Chairperson, Board of Agriculture

**DEXTER KISHIDA** Deputy to the Chairperson

State of Hawai'i **DEPARTMENT OF AGRICULTURE** KA 'OIHANA MAHI'AI 1428 South King Street Honolulu, Hawai'i 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

#### TESTIMONY OF SHARON HURD CHAIRPERSON, BOARD OF AGRICULTURE

#### BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

WEDNESDAY, FEBRUARY 7, 2024 9:30 A.M. CONFERENCE ROOM 325

HOUSE BILL NO. 2144 RELATING TO VALUE-ADDED PRODUCTION

Chair Gates, Vice Chair Kahaloa, and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 2144. This bill establishes the Access to Local Value-Added Products Act to allow homemade food operations to sell homemade food products, under certain conditions, upon registering with and receiving a permit from the Department of Health (DOH). The Department provides the following comments.

The Department believes this proposed Act could incentivize certain households to engage in entrepreneurial activities to expand value-added food production, particularly in rural areas. These new activities could create more diverse local food products and market options to transform economic opportunities for various communities, allowing them to retain more of the value chain dollar.

The Department appreciates this legislative effort to help the development of the small-scale homemade food or "cottage food" industry in Hawaii. Lastly, we defer to the DOH with respect to proposed amendments needed in Chapter 328 to establish the proposed Act.

Thank you for the opportunity to testify on this measure.



SYLVIA LUKE Lt. Governor



WENDY L. GADY Executive Director

STATE OF HAWAI'I AGRIBUSINESS DEVELOPMENT CORPORATION 235 S. Beretania Street, Suite 205 Honolulu, HI 96813 Phone: (808) 586-0186 Fax: (808) 586-0189

#### TESTIMONY OF WENDY L. GADY EXECUTIVE DIRECTOR AGRIBUSINESS DEVELOPMENT CORPORATION

#### BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Wednesday, February 7, 2024 9:30 a.m. VIA VIDEO CONFERENCING Conference Room 325

### HOUSE BILL NO. 2144 RELATING TO VALUE-ADDED PRODUCTION

Chairperson Gates, Vice Chair Kahaloa, and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill No. 2144, which establishes the Access to Local Value-Added Products Act to allow homemade food operations to sell homemade food products, under certain conditions, and upon registering with and receiving a permit from the Department of Health.

One of the biggest hurdles for entrepreneurs and start-ups is access to equipment and facilities. This measure provides a path forward for start-ups and entrepreneurs to use their home's kitchen for the preparation, packaging, storage, or handling locally made food products. ADC believes this measure will foster the development of emerging value-added businesses across the state. However, we will defer to Hawaii Department of Health regarding food safety protocols and ensuring that the value-added products are prepared and handled in a safe manner.

Thank you for your consideration of our testimony.

Submitted on: 2/5/2024 11:57:48 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
ken love	hawaii tropical fruit growers	Support	Written Testimony Only

#### Comments:

I find it hard to believe that we are still in the process of approving a food preservation system that have been in practice for 5000 years since Sumeria. The Ancient Greeks perfected many of the food preservation systems still used today. They understood FAT TOM, to keep oxygen and moisture out of the food they were saving for the future. In fact, they did it so well that archeologists found 2800-year-old figs and pomegranates still intact.

The concerns raised in the past about a cottage industry in Hawaii are not justified and not scientifically sound given existing rules and regulations. It is essential that we as growers and producers in Hawaii be given and even playing field to compete with imported products. Continued training through Hawaii Master Food Preservers, Maui Food Innovation Center, UH Culinary schools and other new programs will guarantee products made in a home kitchen are as safe as any made in a certified kitchen. A certified kitchen does not insure a safe product any more than a home kitchen a bad product. Only proper education which Hawaii has an abundance of will assure safe products for consumers that can be sent worldwide.

Please consider these remarks and other testimony in support of SB2106 as passing of this bill will benefit a plethora of farmers and producers around the state, those who will be able to sell home produced products and consumers far and wide who will finally have that daily taste of Hawaii.

Submitted on: 2/5/2024 3:43:23 PM Testimony for AGR on 2/7/2024 9:30:00 AM

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

Comments:

Aloha Chair and Committee Members:

Please accept this as support for HB2144.

As a long-time small-scale farmer in Kona, the option to sell designated processed products from our farm directly to customers at farmers markets has long been vital to the success of our operation.

Having this done at the State level and through the Department of Health is very appropriate and would ensure that small-scale operators around Hawaii can make use of their production in healthy ways.

Thanks for your support of this legislation.

Sincerely,

Colehour Bondera

KANALANI OHANA FARM

colemel2@gmail.com



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

February 7, 2024

# HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

**TESTIMONY ON HB 2144** RELATING TO VALUE-ADDED PRODUCTION

Conference Room 325 & Videoconference 9:30 AM

Aloha Chair Gates, Vice-Chair Kahaloa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai<sup>c</sup>i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai<sup>c</sup>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 HB 2144**, which establishes the Access to Local Value-Added Products Act to allow homemade food operations to sell homemade food products, under certain conditions, upon registering with and receiving a permit from the Department of Health.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. One way farmers can do this is by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

The Access to Local Value-Added Products Food Act can provide benefits to our local agricultural sector by encouraging farmers to diversify their farming operations to incorporate value-added products as another avenue for revenue as well as increase sales of locally grown products to Homemade Food businesses. Communities will also benefit from greater access to locally produced foods.

We are concerned that potentially hazardous cottage food products are included as part of the Access to Local Value-Added Products Food Act. We support non-potentially hazardous cottage food products as part of the Local Value-Added Products Food Acts and defer to the Department of Health regarding potentially hazardous homemade food products.

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

#### Aloha Committee Chairs,

Thank you for the opportunity to submit testimony on HB#2144 Relating to Local Value Added Production Act. I am submitting as a representative of Hawaii Master Food Preservers, Inc., an institution focused on educating the larger community, farmers and entrepreneurs in producing food safe and shelf stable value added products.

Our mission is to bring education and the science on basic food safety of preserved foods to our Hawaiian islands where we have an abundance of varied produce as well as exotic tropical species. For the past 10 years plus, with limited funding, HMFP has embarked on this ideal taking traditional preserved products and educating the broader public as to how to ensure they are in compliance with Food Safety regulations – acidity, water content, water activity, temperature, altitude differences to name a few. We are aware that there are specific diseases endemic to our island we need to be vigilant against such as Rat lungworm. We are also aware that many "old" habits have to change as was done with sanitization with regard to Covid-19. This is only part of our mission.

While many of you have heard of the "farm-to-table" movement, our objective is a "farm-to shelf" movement. In our agricultural community, small farmers may not have the time to produce value added products. However, there are many interested entrepreneurs, artisans, and craftspeople who are and want to connect with these farmers. Many of these artisans have come through our classes. Often times, there is immense enthusiasm and ideals at the onset of our 8 day training course. At the end, not only has that enthusiasm increased exponentially particularly since we teach the science behind preserving but they feel empowered them with tools to ensure they are producing quality, food safe and shelf stable value added products.

Many of you might think of preserving as putting things in a jar and sterilizing it – canning. Yes, that is a part of it. But think of it in this way – if you are not eating it fresh or prepared in a meal, then you are preserving, e.g. refrigeration or freezing or drying. Although these are everyday occurrences, not everyone knows of the food safe practices which should be followed in each method. How long can you keep an open jar of homemade marina in the refrigerator, how long can you keep frozen fish in the freezer, why do you not re-freeze something that says "previously frozen" and if you are drying, how dry is dry to be shelf stable. Besides these methods, we teach 5 more preserving methods, all accessible to the homemade food operator.

We understand that there are food safety issues involving TCS or Time, Temperature Control for Safety. We are not asking to change or ignore those conditions. We are advocating that certain items can be considered "non-potentially hazardous" if the process in producing them are within the Food Safety guidelines stipulated by the National Center for Home Food Preparations. Since the last revision of the Cottage Food Industry rules, technology has advanced significantly where the home food operator can purchase equipment once cost prohibitive or relegated to the Food Science world only. To measure acidity, we have pH paper and meters. To measure moisture content, we have manual calculations, hygrometers and water activity meters. We have standardized vinegar solutions and ratios for pickling. We have SOPs (Standard Operating Procedures) each producer should construct to ensure their product or products are food safe – from where they purchased the product, visual inspection, sanitization, sterilization and so on.

Many who come to the Hawaii Master Food Preservers, Maui Innovation Center, UH Palamanui, UH Leeward and other organizations/facilities are the would-be entrepreneurs. The majority are already artisans in their respective areas – bread, jam, dried goods, pickles – and they take pride in their products. They want to take the next step and by engaging in these institutions, they have made a commitment. They are committed to be socially responsible producers; to mitigate any foodborne illness from their products and to source as much as possible locally grown raw produce. They are conscientious producers understanding and living the motto "Buy Local, it Matters" and proud of "Made in Hawaii – made in a home kitchen not routinely inspected by the Department of Health". Homemade Food Operators are no longer the grandmas, tutus on our island. They are young, full of energy and enthusiasm and believe strongly in helping to make Hawaii agriculturally and economically sustainable while offering artisanal products affordable to our communities (not just visitors).

HMFP is much more than just an education tool. We seek to educate, inspire and encourage advocates for the "farm to shelf" movement. We act as a bridge to homemade operations to island wide/nation wide operations. The changes being proposed in the bill will open up new avenues for "made in Hawaii" products and will allow existing entrepreneurs to take the next step of building their business with less of a financial burden. We hope you will support the current changes to the Value Added Act and open up these new paths for our next generation.

Thank you again for enabling us to submit testimony in support of HB#2144.

Jane Tai Vice-President Hawaii Master Food Preservers, inc.

#### Aloha Committee Chairs,

Thank you for the opportunity to submit testimony in support of HB#2144. We endorse and are asking you to support the Access to Local Value Added Products Act, Hawaii House Bill #2144 submitted January 2024. This bill is vital to our local economy and would be a huge boost to local businesses that make and sell value added products like pastries, jams, dried fruit and many more home produced goods made from local products. Known as cottage industry, homemade foods have a long tradition in Hawai'i. Unfortunately, the current regulations make it cost and access prohibitive for many residents of Hawai'i.

Currently, only a few items are allowed to be made in a Home Kitchen such as jams, dried fruit, poi and some baked goods. They can only be sold at such places as Farmers markets and events where the item is directly sold to the consumer from the home cook. In this world of technology and being an Island, these homemade goods are not allowed to be sold on the internet, mailed to other islands or the mainland nor wholesaled to local stores. The only way to go about this is to get HAACP permits and use a commercial kitchen. At a rate of \$25-\$50/hr for a kitchen, this is cost prohibitive and makes many of these items too expensive for local consumers and visitors. Some of us have been told by the county to drive to the other side of the island to use a kitchen. Spending \$150 on gas to make \$100's worth of jelly doesn't make economic sense.

Nor does it make sense for those of us who are in the dehydrating "business" and do not own a certified kitchen. Requiring the dehydrator to be operated in a certified kitchen already closes the door to that entrepreneur. Having to spend \$50 x 12 hours of dehydration WITHOUT adding other costs is not feasible. Additionally, there are not enough commercial kitchens on the islands, especially in rural areas. Rather than encouraging agricultural reliance, we are discouraging being economically self sufficient and building Hawaii's brand of premium Fruit/Vegetable products.

This bill is still food safety orientated where the home cook still has to have a Food Safety Card, GE Tax number, a permit and other measures such as a certificate from the Hawaii Master Food Preservers and/or lab testing. This bill opens so many doors for residents that want to have a small business. It keeps money here and will bring in more revenue with general excise tax. It allows for many more items to be made in the home kitchen and sold to the public.

Thank you for supporting small farm producers and Hawaii's cottage industries.

Jane Tai	Hawaiian.goodness.kona@gmail.com
Sadie Vaughan	<u>Sadie_vaughan@yahoo.com</u>
Craig Thompson	<u>crtrumi@gmail.com</u>
Nick Vaughan	vaughannick992@yahoo.com
Randy Cook	randygrachi@gmail.com
Elizabeth Whitney	elizabethwhit92@gmail.com

Submitted on: 2/6/2024 6:56:48 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Elizabeth Tranquilli	Makani Mills, LLC	Support	Written Testimony Only

Comments:

Aloha,

I am writing in support of SB2106 "Relating to Value Added Food Production."

My mission as a cottage food producer on Hawai'i Island has always been to provide affordable quality food to my community that supports local agriculture by sourcing as many local ingredients as possible. And that is the essence of what cottage food producers all over the country do- support and provide quality food access and food sustainability for local communities. For us in Hawai'i cottage food producers are also an important link to further food sovereignty.

I would argue that nowhere is this mission more vital than in Hawai'i. Two recent eventsthe Covid-19 pandemic and the Maui Fires --have illustrated the need for both improved local food access for the people by the people and a more varied economy for Hawai'i citizens beyond tourism. This bill provides opportunity for both.

Most cottage food producers are women. Many represent older demographics. Many cottage food producers on our islands live in and serve our rural communities. And at present, the restrictions of what and where homemade products can be sold is unnecessarily stifling to our economic prospects.

While arguments will be made in opposition to this bill regarding ensuring food safety, let me assure you that every cottage food producer has a vested interest in making sure the food we supply our neighbors with is safe. We want to be partners with health authorities in this process in a way that empowers us through education to take proper food safety measures. The measures this bill takes to allow for our education in doing so creates a clear avenue for partnership and empowerment. Multiple states have enacted similar laws, many going even further than this law does to provide food freedom, and the data from these states over years have proven that cottage food production is safe. It is safe to sell through third parties. It is safe to sell through the internet. It is safe to ship.

While Hawai'i would not be the first to pass such a law in support of the cottage food industry, doing so would still position us as a leader across the nation about what is possible when governments support small business and local agriculture through such laws. It is an area of leadership that is sorely needed by all citizens of Hawai'i as we navigate ways to support ourselves and each other while utilizing the abundance of unique agriculture that has sustained the people here for centuries.

With no food support there is no Hawai'i. There is no culture. There is no hula. There is no surfing. There are no Hawaiian people. It is only through food security that our efforts, intentions and collective strengths can be put towards these aspects of our identity as a people. I humbly mahalo our leaders in the legislature for recognizing the role cottage food producers play in who we are and might become here in Hawai'i by introducing this bill. It is my greatest hope that full support be given to passing this measure.

# **GRASSROOT** INSTITUTE OF HAWAI

1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

**Removing barriers to Hawaii's prosperity** 

Feb. 7, 2024, 9:30 a.m. Hawaii State Capitol Conference Room 415 and Videoconference

To: House Committee on Agriculture and Food Systems Cedric Gates, Chair Kirstin Kahaloa, Vice-Chair

From: Grassroot Institute of Hawaii Ted Kefalas, Director of Strategic Campaigns

RE: COMMENTS IN SUPPORT OF HB2144 — RELATING TO VALUE-ADDED PRODUCTION

Aloha Chair Gates, Vice-Chair Kahaloa and Committee Members,

The Grassroot Institute of Hawaii would like to offer its support for <u>HB2144</u>, which would enact the "Access to Local Value-Added Products Act."

This bill would allow local entrepreneurs to make and sell certain homemade food products without having to comply with burdensome and unnecessary regulations, such as the requirement that some of the foods be prepared in a commercial kitchen.

Last year, in the West Hawaii Today newspaper, one of our researchers highlighted the absurdity of this rule.

"Imagine you have an auntie in Ka'u who wants to start selling her famous lilikoi jam," wrote Grassroot policy researcher Jonathan Helton. "She's an excellent cook, and the neighbors often compliment her jams and jellies when she gives them as gifts.

"One of her neighbors tells a cousin on Maui how amazing the jams are, and this cousin gets in touch with your auntie to buy a few jars through the mail.

"But stop right there," Helton said. "State law prohibits homemade foods from being sold through the mail unless they were made in a commercial kitchen."<sup>1</sup>

As pointed out in a Honolulu Star-Advertiser commentary by Rourk Reagan, who operates Pukana La Farms in Waiohinu, Hawaii, commercial kitchens can cost upward of \$20 an hour to rent.<sup>2</sup> So this can comprise a major barrier to local residents who want to turn their family recipes into a bit of extra cash but aren't interested in running a full-fledged food business.

Almost a decade ago, a report from the Kohala Center recommended allowing sales through the mail and sales through certain third parties.<sup>3</sup> The state now has the opportunity to turn that recommendation into law.

Regarding concerns that homemade or cottage foods can endanger public health, there is little evidence to suggest this is the case.

The Hawaii Department of Health has stated that no foodborne illnesses have been linked to cottage food operations since the department first took steps to legalize such foods in 2015.<sup>4</sup>

Likewise, a survey of state health departments across seven states with scaled-back cottage food laws found that no foodborne illnesses had been confirmed to be linked to cottage foods; only two mild cases were even suspected to be caused by cottage foods.<sup>5</sup>

Considering that foodborne illnesses are frequently linked to restaurant-prepared foods, cottage foods have a stellar track record on food safety.

Overall, removing unnecessary barriers to mom and pop food entrepreneurs through SB2106 would pay big dividends in the state. The bill would also further Hawaii's goal of producing more food in the state and boosting its food sovereignty.

Thank you for the opportunity to testify.

Ted Kefalas Director of Strategic Campaigns Grassroot Institute of Hawaii

<sup>&</sup>lt;sup>1</sup> Jonathan Helton, <u>"Relax rules on 'cottage food' entrepreneurs,"</u> West Hawaii Today, Nov. 4, 2023.

<sup>&</sup>lt;sup>2</sup> Rourk Reagan, <u>"Column: Hawaii farmers and home cooks deserve a chance to grow,"</u> Honolulu Star-Advertiser, Sept. 28, 2023.

<sup>&</sup>lt;sup>3</sup> <u>"Hawai'i Cottage Food Business Working Group Report, 2014,"</u> The Kohala Center, Jan. 13, 2015, pp. 12-13.

<sup>&</sup>lt;sup>4</sup> <u>Correspondence with the Department of Health under the Uniform Information Practices Act</u>, Oct. 20, 2023; and

<sup>&</sup>lt;sup>5</sup> Erica Smith Ewing and Jennifer McDonald, <u>"New Data Show Homemade Food for Sale is Incredibly Safe,"</u> Institute for Justice, Sept. 6, 2023.



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

#### **Executive Officers**

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TO: Committee on Agriculture and Food Systems

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

DATE: February 7, 2024 TIME: 9:30am PLACE: Room 325

RE: SB2144 Relating to Value-Added Production

Position: Support

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

Chair Gates, Vice Chair Kahaloa, and Members of the Committee,

HFIA is in support of this measure. For 30 years HFIA has proudly produced the Made in Hawaii Festival. We know first hand the tremendous potential of our local food manufacturers.

We believe that the state should encourage innovation and entrepreneurship in this area. Allowing home manufactured foods to be safely made and sold to customers is a way to help the next generation of Hawaii food manufacturers get their start. This bill is a step in the right direction. We urge the Committee to vote yes on this measure and we thank you for the opportunity to testify.





INSTITUTE FOR JUSTICE

#### **Testimony in Support of House Bill 2144**

February 6, 2024

Dear Chair Gates and Members of the House Committee on Agriculture and Food Systems:

Thank you for the opportunity to submit testimony in support of House Bill 2144. I am an attorney at the Institute for Justice. We are a nonprofit organization that has helped cottage food producers reform restrictive laws that prevent them from earning a living. We support this bill because it will expand economic opportunity while increasing access to local food.

Cottage food businesses are a way for people with big dreams but little capital to start small in their own homes without having to spend thousands of dollars on professional equipment and commercial kitchen space. Nearly every state across the country recognizes these businesses as job creators and revenue generators, but Hawaii's regulatory approach is pushing this business model out of reach for many in the state.

At the Institute for Justice, we have studied the effects of cottage food businesses on local economies and communities and researched food safety. We have consulted experts, reviewed CDC data, and followed up with health departments in states that have expanded their cottage food laws in ways that are similar to the approach this bill takes. Our research confirms that cottage food is inherently safe for producers and consumers and that cottage food businesses help bolster local economies and stimulate economic growth in their communities.<sup>1</sup>

This bill brings much needed reform for the state's cottage food producers. Unlike the majority of states that have cottage food laws, Hawaii's current regulatory framework has been set by rule, and these rules are quite restrictive compared to the laws in other states. This bill strikes the right balance between expanding economic opportunity for cottage food producers and protecting food safety. It ensures cottage food producers receive food safety training specific to the types of food they sell and broadens the varieties of food that can be sold and where producers can sell them. Lastly, it ensures that consumers have the information they need to make informed decisions about whether to purchase and consume cottage food.

Seven states—California, Iowa, Montana, North Dakota, Oklahoma, Utah, and Wyoming—have enacted similar laws to support the local production of homemade food, including allowing the sale of perishable food. Notably, in these states, there has not been

<sup>&</sup>lt;sup>1</sup> Jeffrey K. O'Hara, Marcelo Castillo, Dawn Thilmany McFadden, Do Cottage Food Laws Reduce Barriers to Entry for Food Manufacturers?, Applied Economic Perspectives and Policy (2020), volume 00, number 00, pp. 1-17, <u>https://foodsystems.colostate.edu/wp-content/uploads/2020/07/aepp.13047.pdf</u>.



one confirmed case of foodborne illness tied to cottage food sales.<sup>2</sup> Wyoming has the oldest law. It has broadly allowed a wide variety of cottage food sales for nearly nine years with no cases of foodborne illness. Wyoming's law has received national recognition for safely increasing access to local food and opportunity.<sup>3</sup>

In conclusion, this bill pragmatically expands opportunities for cottage food producers and consumers without compromising food safety. We encourage the committee to support these important reforms.

Sincerely,

Meagan Forbes Senior Legislative Counsel Institute for Justice Email: <u>mforbes@ij.org</u>

<sup>&</sup>lt;sup>2</sup> Erica Smith Ewing, Jennifer McDonald, New Data Show Homemade Food For Sale Is Incredibly Safe, Sept. 6, 2023, <u>https://ij.org/report/new-data-show-homemade-food-for-sale-is-incredibly-safe/#:~:text=New%20data%20from%20the%20Institute%20for%20Justice%20show%20that%20buying, made%20in%20a%20home%20kitchen.</u>

<sup>&</sup>lt;sup>3</sup>CBS This Morning, State law makes locally-sourced food more accessible than ever for Wyoming residents, Aug. 15, 2020, <u>https://youtu.be/iQnI8iuy2XE.</u>

HB-2144 Submitted on: 2/5/2024 10:24:02 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

support

#### HB-2144 Submitted on: 2/6/2024 5:24:12 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
rebecca hanna	Individual	Support	Written Testimony Only

Comments:

It is time for Hawai'i to catch up with the other states on allowing the sale of food products made in a home kitchen.

Food is aloha. As a shopper, I value foods that are made by my neighbors. As a fruit and tea grower, I would appreciate the opportunity to receive some money from value-added products, which will ultimately support the 'āina in my care.

As we look toward a financial future that is not as dependent on tourism, homemade value added goods can step in. Perhaps some of these seedling businesses, given a chance to take root, become big employers. They will certainly allow many people to make ends meet.

I would prefer to live in a Hawai'i that allows a vibrant diversity of offerings from the hands and hearts of the people who live here.

Title: Empowering Local Economies: The Imperative of the Access to Local Value-Added Products Act in Hawaii

# Introduction

In the idyllic archipelago of Hawaii, where vibrant landscapes meet diverse cultures, the heartbeat of the local economy resonates through the hands of homemade food producers and consumers alike. The Access to Local Value-Added Products Act, encapsulated in Hawaii Senate Bill #2106 and House Bill #2144, stands as a beacon of opportunity for the islands. This essay aims to elucidate the significance of this legislation and argue for its unequivocal support from both full-time and part-time residents of Hawaii, regardless of their roles as producers or consumers of homemade food products.

1. The Essence of Local Value-Added Products

At the heart of the Hawaiian way of life lies a deep connection to the land and its bounty. The islands boast an abundance of locally grown produce, from tropical fruits to unique herbs. The proposed legislation seeks to unlock the full potential of these resources by supporting and promoting value-added products. These encompass an array of homemade goods such as pastries, jams, dried fruit, salsa, and more – crafted by local businesses utilizing the rich tapestry of Hawaiian ingredients.

Value-added products not only celebrate the unique flavors of Hawaii but also contribute to the preservation of cultural heritage. Passed down through generations, traditional recipes and methods find a modern expression in these locally made delicacies. By facilitating the creation and sale of these products, the bill aims to invigorate a vibrant ecosystem of small-scale enterprises, weaving the fabric of Hawaii's identity into the very sustenance of its people.

2. Economic Implications for Hawaii

The economic implications of the Access to Local Value-Added Products Act extend far beyond individual kitchens and storefronts. The bill serves as a catalyst for economic growth, fostering a resilient and self-sufficient local economy. For too long, the islands have been dependent on imported goods, diluting the economic benefits that could be reaped from their own resources.

The legislation empowers local businesses, enabling them to thrive and expand. As these enterprises flourish, they create jobs, invigorate local markets, and contribute to

the overall economic prosperity of the islands. This is not merely about pastries and jams; it is about cultivating an environment where entrepreneurship can flourish, breathing life into the entrepreneurial spirit that defines the Hawaiian people.

Moreover, the bill promotes tourism by showcasing the unique and authentic flavors of Hawaii. Visitors, too, will have the opportunity to take a piece of the islands home with them, fostering a sustainable cycle of economic growth driven by both residents and visitors alike.

3. Nurturing Sustainable Practices

Embedded within the fabric of the proposed legislation is a commitment to sustainability. Hawaii's delicate ecosystems require careful stewardship, and the bill acknowledges this imperative by encouraging practices that are both environmentally and economically sustainable. Local producers, intimately connected to their surroundings, are well-positioned to adopt and champion sustainable methods, contributing to the islands' resilience in the face of global challenges.

By promoting the use of local ingredients, the bill reduces the carbon footprint associated with transportation and encourages responsible farming practices. This not only aligns with global efforts towards sustainability but also positions Hawaii as a leader in conscious consumerism. In essence, the legislation not only supports economic growth but does so in a manner that harmonizes with the unique environmental ethos of the islands.

4. Fostering Community Connection

At its core, the Access to Local Value-Added Products Act seeks to strengthen the bonds within Hawaiian communities. By empowering local producers, the legislation fosters a sense of communal pride and solidarity. As consumers, residents play an integral role in this narrative by actively supporting their neighbors and friends who are engaged in the production of value-added goods.

This communal connection is not merely transactional; it extends to the very identity of Hawaii. The act of sharing homemade products becomes a celebration of culture, fostering a sense of belonging and shared heritage. In a world where globalization often erodes local identities, this legislation emerges as a powerful tool for the preservation and promotion of what makes Hawaii truly unique.

5. Overcoming Challenges and Opposition

As with any transformative legislation, the Access to Local Value-Added Products Act faces challenges and opposition. Critics may argue that the bill could lead to unregulated practices, compromising food safety. However, it is essential to highlight that the proposed legislation includes provisions for stringent quality controls and certifications, ensuring that products meet the highest standards of safety.

Moreover, opponents may express concerns about market saturation, fearing that an influx of homemade products could stifle larger businesses. Yet, the evidence suggests that local businesses engaged in value-added production often complement, rather than compete with, larger enterprises. The bill is structured to strike a balance, fostering an ecosystem where both small and large businesses coexist and contribute to the overall economic tapestry.

### Conclusion

The Access to Local Value-Added Products Act encapsulates the aspirations and dreams of the Hawaiian people – a vision of a thriving, self-sufficient, and sustainable local economy. Its impact is not confined to the boardrooms of legislators but resonates in the kitchens of homemade food producers and the homes of consumers across the islands. As residents, whether full-time or part-time, producers or consumers, the imperative is clear – to rally behind this legislation that promises to transform the way Hawaii views, produces, and consumes its homegrown treasures.

To let this bill be defeated would be to forfeit an opportunity to redefine the economic landscape of Hawaii, to stifle the potential of local businesses, and to turn away from the rich cultural heritage embedded in homemade products. It is a call to action for all Hawaiians to unite, recognizing the symbiotic relationship between producers and consumers, and to propel the islands into a future where the taste of Hawaii is not just a memory but a daily reality for all.

Submitted on: 2/6/2024 7:11:09 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kimo McEwen	Individual	Support	Written Testimony Only

#### Comments:

The ability to make value added products in a home kitchen and be able to sell them to the public would greatly empower many individuals, and families within Hawaii and increase the availibility and sustainability of local agriculture and small businesses. The ability for families to generate an income from a small in home business would increase the financial resilience of our communities, and every time a citizen of Hawaii or a tourist purchases a Hawaii made Value Added product, we are reducing our dependence on imported goods.

In my life I lived for 6 years in Maine and have seen first hand the effect that this sort of law can have on a state. In 2011, the town of Sedgwick became the first in the United States to pass a Food Sovereignty Ordinance. This ordinance recognizes the rights of individuals and communities to produce, sell, and consume locally produced foods without interference from state or federal regulations. This quickly spread to the whole state. You could buy local home and farm made products in EVERY grocery store. Raw milk, jams , jellies, cookies, sauces. So many businesses have flourished with Food Soverignty, this kept more money in the local economy and benefited many citizens. I hope that Hawaii will look at allowing our citizens these rights.

Submitted on: 2/6/2024 8:14:50 AM Testimony for AGR on 2/7/2024 9:30:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Matt Binder	Individual	Support	Written Testimony Only

Comments:

I support HB2144 as it is critical to the growth of local food production in Hawai'i and to build a sustainable economy in a predominantly agricultural state. By opening up channels to local businesses which make value added products we create entrepreneurs and unleash creativity. The bill does not neglect food safety. It ensures that all food is shelf stable. Hawai'i Master Food Preservers supports this legislation and I trust their experience. Please support this bill and let our economy grow as we support our farmers and other food producers.

Aloha House Committee,

It has come to my attention that a very important decision is being made by the state regarding the support of local food production by the local people that reside in this state. Hawaii has a rich history of food production. Decentralizing food supply and allowing small farmers to grow food and residents to make value added products safely is vital for our need to provide sustainable local food. Farming on these island is challenging and farmers and the local community need to be able to produce value added shelf stable products from locally grown food for our community food resources.

I support HB2144 as it is critical to the growth of local food production in Hawaii and building a sustainable economy in a predominantly agricultural state. By opening up channels to local businesses which make value added products we create entrepreneurs and unleash creativity. The current bill will continue to emphasize Food Safety procedures and ensure that products are shelf stable.

I attended the course through Hawaii Master Food Preservers and appreciated their science emphasis behind food production. I have been using food preservation techniques in my home for my family and friends for decades and found the classes to be excellent and very specific to the Hawaii food 2/6/2024

procedures. Please support this bill and let our economy grow.

I am a trained physician and have taught University courses in Nutrition, Food Science and Environmental Health. Local food production and value added food preservation by small businesses has the opportunity to support good nutrition, and address global environmental issues by reducing the globalization of food production and shipping of those products.

Thank you for taking the time to address the nutritional needs of the residents and the health of the 'aina of this state.

A hui hou. Joanne Jenner ND

# Dear Committee Chairs,

I specialize in homemade jams made from our local fruits that I and other farmers here on the Big Island grow. I am glad that I currently can cook jam at home. However, for me to grow my business and make a decent living (I am struggling to get by right now) I need to sell online, be able to ship and wholesale to local stores like the coffee shop down the street. I am prohibited on doing that with the current guidelines for cottage industry. I'm not even permitted to ship my products to other Islands. Likewise, I am only allowed to do Jams and I would like to expand into BBQ sauces, Salsa and relishes. I recently received my permit to use a commercial kitchen from the Health Dept. I am allowed to make 8 out of my 35 flavors. For those initial 8 flavors the cost was initially \$1500.- for lab testing and an additional \$617./ a month for time testing, that was only for 8 flavors. The commercial kitchen is costing me \$25. an hour with very limited availability. The current hours of availability are late in the evening from 7pm-2am, and 4 am-11:30am in the morning, it takes good 6-8 hours to make a batch of jam and sauces depending on the flavor. I may have to go to another kitchen in Kona or Hilo for more hours which is an hour and half away at \$50.- an hour. If I could continue to cook at home, I could use some of that money to hire someone. I would have more hours not driving or the half hour just bringing pots, pans and supplies to the kitchen. I would be saving on gas and making my carbon footprint smaller. For those with children, they could be at home more and not have to figure out childcare to drive to a kitchen. I do not want to raise my prices. The additional costs are pricing me out of the market and will make wholesale impossible. I believe in keeping our money here and growing local businesses that are sustainable.

Food safety is a top priority for people in the cottage food industry. If someone got sick form my product, I would feel terrible, and it would also ruin my business. I have taken the Hawaii Master Food Preservers (HMFP) course that teaches the science and art of preserving locally grown foods and I have a certificate from them. I have my Hawaii State Food Handlers license and I pay my GE tax. I am glad that this bill addresses concerns for food safety and helps to create a path for people who make food products from home that are safe. Please support this bill Thank you and for helping small business owners and farmers. Sincerely,

Rourk Reagan <u>Wai'ōhinu, HI</u>

Submitted on: 2/6/2024 11:24:09 AM Testimony for AGR on 2/7/2024 9:30:00 AM

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

#### Comments:

Mr. Chair, Thank you for the opportunity to testify today in support of this important bill. It isn't a secret that Hawaii has been said to be the worst state in the U.S. to do business. The high costs of commercial real estate and rent has moved countless businesses off island orto shut their doors completely. Yet home businesses across the U.S. have soared since the pandemic. I am the founder and small business value-added food entrepreneur of products made from locally grown kalo and 'ulu. I started my small business in my home kitchen based on a cookiemade from poi my great-grandmother gave me as a child. That cookie was my first introduction to my Kanaka Maoli culture through this food that was made from taro. Most cottage foods are made by women and cultural in their foundation. This was also my story. I am in support of the Access to Local Value-Added Products Act since value-added foods are in the middle of this broken food system and the imbalance I am highlighting predominantlyi mpacts rural and indigenous communities. Food sovereignty and environmental justice intersect. People in Hawai'i have been asking for more sustainability, to be more self-reliant, and to expand our economy away from tourism.Local food production is integral to the state's economic development and food security, and as the state recovers from the Maui fires and the pandemic, enacting a Value-Added and cottage food law will help create jobs, support small businesses, increase health and boostl ocal economies, especially in rural areas and small towns. Food security is one of the key social determinants of health.

Please help increase access to local food in my community and support cottage food producers across Hawai'i by voting yes on the Access to Local Value-Added Products Act this legislative session. I am happy to answer any questions the committee may have.

Thank you, Brynn Foster

Submitted on: 2/6/2024 8:28:18 PM Testimony for AGR on 2/7/2024 9:30:00 AM

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

Comments:

Please pass this bill. Living on a small farm and being able to sell value added products from my own kitchen would help my family tremendously. The nearest certified kitchen is not close . gas is so expensive i don't make or sell value added products because I can't afford the gas , the time it would take me to get there and conflict with my children's school pick up schedules or the certified kitchen . Please pass this to help local people that actually live here and are trying to survive can make a little income.