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Aloha Chair Nakashima, Vice Chair Sayama, and Members of the House Consumer Protection & Commerce 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. **HFUU supports HB520.**

The Access to Local Food Act will provide much needed support to small farmers in Hawaii and enable them to produce and sell value-added products. Cottage food operations are an important part of the local agricultural economy and this bill would ensure that they're appropriately regulated. It will also make sure that local farmers can bring their products to market and contribute to the state's economy.

With this bill, Hawaii will be able to take advantage of the opportunities that local agriculture offers and create value-added jobs on small farms. The Hawaii Farmers Union United therefore wholeheartedly supports this bill and encourages its passage.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



INSTITUTE FOR JUSTICE

Testimony in Support of House Bill 520

February 14, 2023

Dear Chair Nakashima and Members of the House Committee on Consumer Protection and Commerce:

Thank you for the opportunity to submit written testimony in support of House Bill 520. 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.¹

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.

Six states—Iowa, Montana, North Dakota, Oklahoma, Utah, and Wyoming—have enacted similar laws to support the local production of homemade food and to give cottage food producers and consumers the greatest ability to sell and buy the homemade food of their choice. In Wyoming, the state has broadly allowed a wide variety of cottage

¹ Jeffrey K. O'Hara, Marcelo Castillo, Dawn Thilmann 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, <https://foodsystems.colostate.edu/wp-content/uploads/2020/07/acpp.13047.pdf>.



INSTITUTE FOR JUSTICE

food sales for several years, and to date there have been no reported outbreaks of foodborne illness related to cottage food in the state.² Wyoming's law has received national recognition for safely increasing access to local food and opportunity.³

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: mforbes@ij.org

² There have also been no reported outbreaks of foodborne illness in Utah and North Dakota.

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



February 15, 2023

2 p.m.

VIA VIDEOCONFERENCE

Conference Room 329

To: House Committee on Consumer Protection & Commerce

Rep. Mark M. Nakashima, Chair

Rep. Jackson D. Sayama, Vice Chair

From: Grassroot Institute of Hawaii

Jonathan Helton, Policy Researcher

RE: HB520 HD1 — RELATING TO ECONOMIC DEVELOPMENT

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB520 HD1](#), which would allow cottage food operations to sell cottage food with a permit from the state Department of Health.

We commend the Legislature for examining ways to reduce unnecessary regulation and provide new opportunities for local businesses. Expanding access to cottage food is a smart, relevant way to help small businesses and local food producers.

In the past several years, Hawaii lawmakers, farmers and the general public have taken an increased interest in local agriculture and food production. Many express the desire to make Hawaii more self-reliant and sustainable.

The state Department of Agriculture and various other state agencies have invested significant resources in Hawaii's food-production capabilities. This bill augments those efforts by reducing red tape on selling locally produced food. Moreover, the bill's provisions governing certification, food safety, acceptable products, and labeling are more than sufficient to address any concerns about public health.

By focusing on smart regulation, HB520 could help decrease the cost of operating a cottage food establishment.

In addition, providing new opportunities for Hawaii's residents to become entrepreneurs is exactly what we recommended in our "[Road map to prosperity](#)" report, issued in May 2020.

In that report, we focused on strategies to rebuild the state's economy following the COVID-19 pandemic and lockdowns. Its suggestions are just as relevant today as Hawaii continues to recover and deals with rampant inflation as well.

In the report, the Grassroot Institute emphasized the importance of implementing regulatory reforms that would help local businesses innovate, explore different products and services and reach new customers.

One of the recommendations offered was that the Legislature "remove county zoning and licensing restrictions on home-based businesses and state restrictions on cottage foods."

It said, "The simplest approach would be to enact statewide legislation that protects home-based businesses that are compatible with residential use, secondary to residential use, and do not adversely impact the community."

This measure would further that goal and provide Hawaii families with new potential income streams that would contribute to the local economy and a more sustainable, diversified future.

Thank you for the opportunity to testify.

Jonathan Helton
Policy Researcher
Grassroot Institute of Hawaii

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 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. Likewise, I am only allowed to do Jams and I would like to expand into BBQ sauces, Salsa and relishes. I am currently working on getting my application approved to use a commercial kitchen from the Health Dept. This approval process is lengthy, costing me an initial \$1500.- for lab testing and an additional \$617./ a month for time testing for only 8 of my 30 flavors. Then I will be required to use a commercial kitchen that can cost between \$20-\$50. an hour depending on location and availability. Then I would only be allowed to make the 8 flavors I had tested. I would love to be able to hire someone and grow my business, however these costs will be prohibitive and price my product out of the market.

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 a 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. 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.

Thank you for your consideration and helping small business owners.

Sincerely,

Rourk Reagan

[Wai'ōhinu, HI](#)

HB-520-HD-1

Submitted on: 2/14/2023 7:30:56 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

Please support HD1. Thank you.



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February 15, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON HB 520, HD1
RELATING TO ECONOMIC DEVELOPMENT

Conference Room 329 & Videoconference
2:00 PM

Aloha Chair Nakashima, Vice-Chair Sayama, 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 the intent of HB 520, HD1, which establishes the Access to Local Food Act to allow cottage food operations to sell cottage food products, under certain conditions, upon 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 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 Cottage 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 Food Act. We support non-potentially hazardous cottage food products as part of the Local Food Acts and defer to the Department of Health regarding potentially hazardous cottage food products.

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