



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

**Committee on Agriculture**  
**Committee on Economic Development & Business**  
**HB 1992, RELATING TO COTTAGE FOODS**

**Testimony of Gary L. Gill**  
**Acting Director of Health**

**February 6, 2014**  
**10:00 a.m.**

1 **Department's Position:** The department opposes this bill because it already has necessary  
2 permitting and enforcement authority and procedures.

3 **Fiscal Implications:** Passage of this measure would require the promulgation of new administrative  
4 rules.

5 **Purpose and Justification:** The department opposes this bill as it is unnecessary. Current Hawaii  
6 Administrative Rules (HAR) Title 11, Chapter 12, which governs food safety already allows for non-  
7 potentially hazardous foods (Non-PHF) to be produced in a home kitchen and sold directly only to  
8 consumers.

9 The department currently protects public health by requiring most of the measures being  
10 introduced by this bill, such as the completion of an application. The application process allows the  
11 department to conduct an assessment of the foods being manufactured and sold and determine its safety  
12 and whether or not it meets the definition of being non-potentially hazardous.

13 The restriction that only allows the "cottage foods" to be sold for a maximum of 20 days of sale  
14 in any 120 day window at a specific location also reduces the public health risk of food illness or the  
15 consumption of possibly adulterated foods by reducing the volume that can be sold. It is a generally  
16 held principle in food safety that adverse risk increases with increased volume of food distributed.

1           The department already has the necessary enforcement powers under current law to order  
2 operators to cease and desist the sale of foods as the result of any food illness investigation or suspected  
3 adulteration that may have or has caused injuries as a result of consuming foods being offered for sale or  
4 distribution. The department may also seize or embargo the food products of necessary.

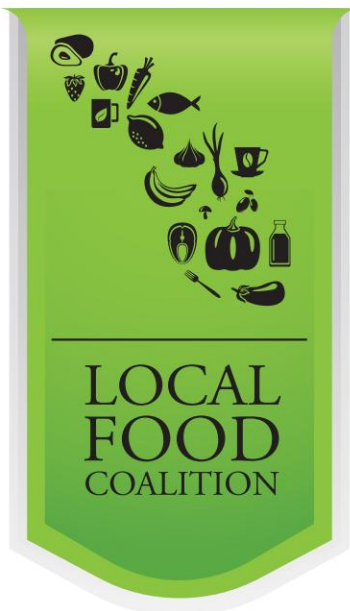
5           The department is currently approving the following types of foods that originate from home  
6 kitchens: cookies, breads, jams, jellies, candies, chocolates, whole uncut fruits and produce, cotton  
7 candy, dry herbs, nuts, rubs, spices, re-packing of arare and other non-hazardous snacks, etc.

8           At present, the department reviews and approves an average of 106 non-potentially hazardous  
9 Temporary Food Establishment (TFE) permits a month (Cottage Food Businesses) for which the  
10 department does not charge any fees and another 418 potentially hazardous food (PHF) TFE permits  
11 monthly that we currently charge \$25 for 20 days of sale. The department's food safety program  
12 generates over \$125K annually from these TFE permits. Potentially hazardous TFE are required to  
13 prepare all foods in a DOH permitted kitchen. No PHF foods are allowed to be produced for sale in a  
14 home kitchen.

15           Passage of this bill would also create confusion as existing and proposed HAR already  
16 regulates this activity. Hawaii has had an active cottage food industry for decades which has been  
17 successfully regulated by the department under existing HAR.

18           The department has recently proposed sweeping new administrative rules that govern food safety  
19 that have recently completed the public hearings process and is awaiting the Governor's signature. Even  
20 though the proposed HAR are a complete paradigm shift on how we regulate the food service industry, it  
21 will not change the regulatory landscape at all with regards to the cottage food industry as proposed by  
22 this measure.

23           Thank you for the opportunity to testify.



HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC DEVELOPMENT &  
BUSINESS

Thursday, February 6, 2014 – 10:00 a.m. – Room 312

**The Local Food Coalition Strongly Supports HB 1992, Relating to Cottage Foods**

Dear Chair Wooley, Vice Chair Onishi, Chair Tsuji, Vice Chair Ward, and Members of the Committees:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Honolulu-based impact investment firm, which is working to improve the quality of life for Hawai'i residents by investing in projects that create more locally grown food, increase renewable energy and reduce/recycle waste. We are representing on behalf of the Local Food Coalition, which is an organization comprising farmers, ranchers, livestock producers, investors and other organizations working to provide Hawai'i's food supply.

**The Local Food Coalition strongly supports HB 1992**, which allows for increased development of a local cottage food industry. This bill provides basic safeguards that would enable small farmers and home food processors to create value-added products from non-potentially hazardous foods for sale directly to consumers or to other food distributors. It is anticipated that the ability to work in home kitchens will increase the use of local foods in small-scale value-added production and allow for start-up operations that could grow into larger commercial ventures. Therefore, this bill would support our local farmers and ranchers, while increasing consumption of locally grown foods.

A 2008 research paper prepared by UH economists suggests that increasing the amount of food produced and distributed within the state by 10% could translate into \$94 million of farm gate income, \$188 million in economy-wide sales, and more than 2,300 jobs. While we tend to think about increased Hawai'i food production in terms of whole fresh fruit, vegetables and protein, the largest portion of what we import and consume is processed food. Furthermore, local fresh food distributors buy only the best looking, most uniform fruit and vegetables. Many farmers report that any item that is irregular or bruised – even if it's perfectly nutritious – stays on the ground or goes in the compost. This is because we have insufficient infrastructure for collection and large-scale food processing along with regulations that unduly restrict on-farm, smaller-scale processing.

Residential processing is important because many of our small farmers are not allowed to live on their farms; they lease land and live elsewhere. Furthermore, many others only have access to catchment tanks on farm. Instead, they would need access to residential County water systems for safer processing.

4 Ag Hawai'i

Hawai'i Aquaculture &  
Aquaponics Association

Hawai'i Association of  
Independent Schools

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau  
Federation

Hawai'i Farmers' Union  
United

Hawai'i Food Industry  
Association

Hawai'i Food  
Manufacturers Association

Kohala Center

Malama Kaua'i

Maui School Garden  
Network

Ulupono Initiative

Local retailers such as Down to Earth strongly indicate they would love to be able to buy more local value-added products from farmers and other small cottage-style industries. There are many great home bakers and cooks who cannot sell their products, as they do not have access or resources for a certified kitchen. Down to Earth estimates they would purchase at least \$10,000 per week of cottage food for their five stores. When one estimates other retailers such as Whole Foods or Island Naturals, purchases could increase to \$50,000 per week or \$2.6 million per year directly into local entrepreneurs.

As part of the Local Food Coalition, Ulupono is very pleased to support proposals designed to help grow more local food. Our group’s members came together last year with one common goal: to promote the local production of food in a sustainable and economically sound manner to benefit Hawai’i’s people through the revitalization and expansion of our state’s agricultural sector. This year the Coalition is continuing to pursue this comprehensive approach because it is the most effective way for Hawai’i to develop its resources for diversified food production, as well as lessen its dependence on importing that which can be grown, raised and processed locally.

The Coalition includes the Hawai’i Farm Bureau Federation, the Hawai’i Cattlemen’s Council, Inc., Hawai’i Famers’ Union United, 4 Ag Hawai’i, the Hawai’i Aquaculture and Aquaponics Association, the Kohala Center, Hawai’i Food Manufacturers Association, Hawai’i Food Industry Association, Hawai’i Association of Independent Schools, Maui School Garden Network, Malama Kaua’i, and Ulupono Initiative.

We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta  
General Partner  
Ulupono Initiative

Email: [communications@ulupono.com](mailto:communications@ulupono.com)

**onishi2-Micah-Seth**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 04, 2014 2:32 PM  
**To:** AGRtestimony  
**Cc:** cmanfredi@kaufarmandranch.com  
**Subject:** \*Submitted testimony for HB1992 on Feb 6, 2014 10:00AM\*

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chris Manfredi	Hawaii Farm Bureau	Support	Yes

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 05, 2014 1:00 AM  
**To:** AGRtestimony  
**Cc:** fmencher@hawaii.rr.com  
**Subject:** \*Submitted testimony for HB1992 on Feb 6, 2014 10:00AM\*

**HB1992**

Submitted on: 2/5/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Frederick M. Mencher	Hawaii Aquaculture and Aquaponics Association	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 03, 2014 10:11 PM  
**To:** AGRtestimony  
**Cc:** nredfeather@kohalacenter.org  
**Subject:** Submitted testimony for HB1992 on Feb 6, 2014 10:00AM

**HB1992**

Submitted on: 2/3/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Redfeather	Hawaii Island School Garden Network	Support	No

Comments: Simplifying and encouraging safe home food production and sales of low risk foods, accompanied by a clear and doable pathway for regulation is needed in Hawaii.

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February 5<sup>th</sup>, 2014

Michael Ferreira  
"Uncle's Hawaiian & Organics"  
92-7049 Elele St. #46  
Kapolei, HI. 96707

Hawaii State Legislature  
Via Email

RE: HB1992 Cottage Foods. Testimony

Aloha Honorable Ladies and Gentlemen of the State,

My name is Michael Ferreira. I am the President & C.E.O. of Uncle's Hawaiian & Organics out of Kapolei, Hawaii. We produce baked goods such as banana bread from bananas that we grow organically from our own proprietary organic environment. We also cater to the vegan customer and for people who are gluten sensitive. We are the ones who also produce chocolate dipped bananas which are a hit with everyone that require no cooking. We have been marketing at farmer's markets and the Aloha Stadium Swap Meet as well as special events. We have been invited by a large local grocery retailer to supply them with our product. Pending getting investor support we have taken a hiatus and are retooling. Our success is not typical and other like us are small "Cottage" non-hazardous food producers that could benefit by passage of the bill being presented.

To get licensed to be a non-hazardous food producer part of it was associating with an expensive commercial kitchen to produce the product for sale to the community. We have a test kitchen which is basically built in a clean room environment in my garage. We use it to create new recipes and for our own use to develop our product. We don't sell what we create in our test kitchen

For us to produce our banana bread for instance we have to go to a commercial kitchen we are signed up with and pay for a minimum amount of time as we are charged by the hour. We pay monthly



rent for a projected estimate in advance no matter how much we produce. This could be hundreds of dollars to create tens of dollars of product,

When running short production runs of farmer's market quantities it is not economically feasible to do at a commercial kitchen and the use of a clean home test kitchen for small production runs for farmer's markets and the stadium could benefit us and others greatly in building our brands.

It is found that a commercial kitchen for most people works best when we have a certain amount of business to justify quantities or let's say we start supplying a supermarket chain. When business builds to a point where the commercial kitchen can't handle production volume, we then transition to a facility of our own which would be our own commercial kitchen.

With certain rules and regulations and inspections, this bill would help the smallest of small businesses like ours the ability to operate in their own small clean kitchen facility. This bill should mirror one that is working its way through the process in Los Angeles and help small producers State wide here in Hawaii.

A test or pilot program in the very least should be examined. I have personal knowledge that there is an overwhelming number of food producers who are all signed up with the same commercial kitchen to get licensing but have never used it. They produce at a small clean, (And sometimes looking at the people themselves a very UNCLEAN) private kitchen. To pass this bill into law, it would bring literally 100's of producers who are signed up with the same commercial kitchen and who are producing at home into legal compliance as their home facility would be subject to inspection further protecting the public from the dangers of food poisoning.

The fear that there would be more inspectors needed to monitor compliance with health codes are not justified. As it is now, a new applicant needs to have their commercial kitchen inspected and instead of the inspector meeting them at the same commercial kitchen over and over they would be meeting at a home based production kitchen. There would not be more inspections, just not at the same location over and over.

Lastly, cottage food producers are going to continue to produce out of private kitchens rather than the commercial kitchens they are signed up with and represent they are using which can be dangerous to the public without the regulation this law would provide.. Passing of this law will bring them into true legal compliance and weed out the ones who produce in truly abhorrent conditions using the inspections requirement of the law.

Respectfully Submitted

Michael H Ferreira,

President, Uncle's Hawaiian & Organics

808-861-7115

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 04, 2014 9:59 AM  
**To:** AGRtestimony  
**Cc:** carl.campagna@kamakagreen.com  
**Subject:** Submitted testimony for HB1992 on Feb 6, 2014 10:00AM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carl	Individual	Support	No

Comments: My name is Carl Campagna and I am a local farmer-mentor from The Littlest Co-Op and Kamaka Green. I support development of the Cottage Food Industry for the State of Hawaii. It will encourage greater local food production and consumption. It will increase the employment and entrepreneurial opportunities.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 04, 2014 12:09 PM  
**To:** AGRtestimony  
**Cc:** rob@surfbeyond.com  
**Subject:** Submitted testimony for HB1992 on Feb 6, 2014 10:00AM

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Barreca	Individual	Support	No

Comments: The cottage food bill has had great success in California so far and is a no-brainer! Let's remove the hurdles and enable innovation for small food businesses in the state.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 04, 2014 1:38 PM  
**To:** AGRtestimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for HB1992 on Feb 6, 2014 10:00AM\*

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 04, 2014 2:15 PM  
**To:** AGRtestimony  
**Cc:** alemorrier@gmail.com  
**Subject:** \*Submitted testimony for HB1992 on Feb 6, 2014 10:00AM\*

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
alicia morrier	Individual	Support	No

Comments:

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**Sent:** Tuesday, February 04, 2014 2:31 PM  
**To:** AGRtestimony  
**Cc:** rob@surfbeyond.com  
**Subject:** Submitted testimony for HB1992 on Feb 6, 2014 10:00AM

**HB1992**

Submitted on: 2/4/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Barreca	Individual	Support	Yes

Comments: Addition to my earlier testimony: I would also encourage that non-canned fermented foods (non-dairy, non-meat) as defined by FDA be added to the accepted list of cottage food items. The FDA "could not find reports of cases of botulism caused by commercially processed fermented foods" and suggest applying regulation only to acidified foods and low-acid canned foods, which is already in the bill prohibitions. Both the FDA and USDA concur that non-canned fermented vegetables (i.e. kimchi and sauerkraut) pose no documented health risk. Let's see our local kimchi and sauerkraut cottage industry thrive too! Read more: <http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryinformation/AcidifiedLACF/ucm222618.htm#III-C> for more information.

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To: Rep. Jessica Wooley, Chair  
House Committee on Agriculture

Rep. Clift Tsuji, Chair  
House Committee on Economic Development and Business

RE: HB1992 "RELATING TO COTTAGE FOODS"

DATE: Thursday, February 6, 2014

TIME: 10:00AM

LOCATION: Conference Room 312  
State Capitol  
415 South Beretania Street

Aloha,

My name is Kristine Vallandingham. I am a professionally trained pastry chef and avid home baker and canner. I am testifying in support of HB1992.

This bill is very important to me both personally and professionally. I have searched for a long time to find a way to work out of my home, doing what I love, what makes me happy and comfortable. I have had businesses in the past where I had to invest a lot of money in a commercial kitchen, and the returns on that investment were very slim. Everything became about doing the books and filling out paperwork, not about the joy and comfort of the food produced. I have had to compromise the quality of my ingredients due to high overhead costs. I want to supplement my income doing what I love, in a place I love, where I know things are sanitary and I have all the tools I need.

I believe that the passage of this bill is also important for the state of Hawaii. With the growth of farmer's markets and the exploding demand for locally produced products, both by residents and visitors alike, this law will allow individuals to produce and sell non-potentially hazardous foods to consumers and keep money in our local communities, all without the stress and large financial commitments needed to set up a commercial operation. Ingredients will be purchased because they are the freshest and healthiest available, not because they are the least expensive (a compromise that often has to be made when overhead costs for a commercial kitchen are high, the quality of the ingredients suffer – you look for the least expensive, not the best or most local). Some people would simply love to sell their delicious cinnamon rolls at their neighborhood farmer's market. This bill makes that a possibility.

I am excited to see this bill be part of the 2014 Session. I would personally be able to build a wonderful business as the result of this bill's passage, keeping things more local and community oriented than ever before. I fully support the passage of HB1992 and I foresee many wonderful, locally produced goods on the horizon!

Thank you for your time,

Kristine Vallandingham

Pastry Chef, Owner of Mauka Girl Creations



418 Puuopae Road  
Kapaa, HI 96746

**onishi2-Micah-Seth**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 05, 2014 4:53 AM  
**To:** AGRtestimony  
**Cc:** jtrujill@hawaii.edu  
**Subject:** Submitted testimony for HB1992 on Feb 6, 2014 10:00AM

**HB1992**

Submitted on: 2/5/2014

Testimony for AGR/EDB on Feb 6, 2014 10:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
james trujillo	Individual	Support	No

Comments: aloha members of the committee, please pass HB1992 to allow for cottage food production opportunities to increase. this bill will help to facilitate the development of value added products and enhance sales of local products. mahalo for considering this testimony in favor of hb 1992. sincerely,.....j trujillo

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