

SB 2561 SD1

Measure Title: RELATING TO COTTAGE FOODS.

Report Title: Cottage Food; Cottage Food Operations; Permits; Registration

Description: Permits the cottage food industry in Hawaii. Establishes requirements for cottage food operators, cottage food operations, and cottage food products. Permits class A cottage food operations to engage in direct sales of cottage food products and permits class B cottage food operations to engage in direct and indirect sales of cottage food products. Effective 1/1/2050. (SD1)

Companion: HB1992

Package: Local Food Caucus

Current Referral: HTH/PSM, CPN/WAM

Introducer(s): RUDERMAN, CHUN OAKLAND, ENGLISH, ESPERO, GREEN, KEITH-AGARAN, NISHIHARA, SHIMABUKURO, Ihara, L. Thielen



SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION
AND WAYS AND MEANS

Wednesday, February 26, 2014 – 10:20 a.m. – Room 211

RE: SB 2561 SD1 – Relating to Cottage Foods – In Strong Support

Dear Chairs Baker and Ige, Vice Chairs Taniguchi and Kidani 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 of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawai'i's food supply.

The Local Food Coalition is testifying in strong support of SB 2561 SD1, 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.

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.

The Local Food Coalition Supports All Forms of Agriculture.

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.

The Local Food Coalition 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.

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

SB2561

Submitted on: 2/22/2014

Testimony for CPN/WAM on Feb 26, 2014 10:20AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kirk Puuohau-Pummill	Dad's Granola, LLC	Support	No

Comments: As co-owner of a Hawaiian-owned small business we strongly support passage of SB2561, supporting growth of cottage businesses in Hawaii. The core of business in Hawaii has always been Mom and Pop businesses. This bill goes a long way in supporting this kind of industry. After the recession, many people could not find work, myself included. My wife and I started a small business. We barely scrape by because we have to rent commercial space to do our manufacturing. Isn't support of cottage industry in Hawaii better than people depending on unemployment. This is the most expensive place to live for a senior collecting Social Security. Seniors could more easily augment their retirement and lift themselves out of poverty if they could, more easily start and operate a cottage business.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Submitted By	Organization	Testifier Position	Present at Hearing
Philip Sugerman	Individual	Support	No

My wife and I are small business owners in Hawaii County. We are engaged in the production and selling of dried fruit through direct sales at a local farmers market and will soon begin selling our products to wholesalers. We have been granted a Food Establishment Permit by the State of Hawaii Department of Health but must utilize an offsite certified kitchen as dictated by the Department of Health guidelines.

My wife is principally involved in the cleaning, the dehydration and also the packaging of our products and is quite knowledgeable and responsible as to food preparation. She has completed the Hawaii Food Handlers Course, and is extremely careful in the use of proper techniques of hygiene, such as wearing a hair net and gloves along with appropriate hand washing methods.

We support SB 2561 relating to the cottage food industry which would allow small business owners, like ourselves, to continue to provide food products in a much more efficient and cost effective manner. We would be able to engage our business production within the confines of our home kitchen without the need to transport our products to a certified kitchen thereby eliminating the need to pass on the added expenses to consumers.

We take great pride in offering our products as 100% Hawaiian grown, which of course is quite costly. The additional expenses associated with the current requirement that necessitates taking our

products off site to prepare and package, creates an undue burden to maintaining our high standards of quality.

By passing SB 2561, the Hawaii food industry will be better served by allowing other small businesses to prosper, thus creating a more robust financial opportunity for other Hawaiian business owners.

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Submitted By	Organization	Testifier Position	Present at Hearing
Robert Barreca	Individual	Support	Yes

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. I would also encourage that non-canned fermented foods (non-dairy, non-meat) -- such as kimchi, sauerkraut, olives, traditional (non-canned) fermented cucumbers, etc. - - 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. It would be good Both the FDA and USDA concur that non-canned fermented vegetables pose no documented health risk. Let's see our local kimchi and sauerkraut cottage industry thrive too! See <http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryinformation/AcidifiedLACF/ucm222618.htm#III-C> for more information.

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Submitted on: 2/24/2014

Testimony for CPN/WAM on Feb 26, 2014 10:20AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
chris kobayashi	Individual	Support	No

Comments: aloha, the passage of this bill will empower the people and state of hawaii. the requirement of safe food handling will educate individuals and communities and help to ensure that the foods we all prepare and serve are safe. there would be less waste of seasonal fruits, for example. the cottage maker will be able to supplement his or her family's meals and income. the preservation of food will ensure food security in cases of emergency. i would like to see that dried or dehydrated jerkies of beef, chicken, venison and other suitable meats be included as well as dried/or dehydrated fish. if need be, the UH College of Tropical Ag and Human Resources can assist with their extension duties of teaching safe food handling to statewide communities. i would also like to see poi added to the list. poi never spoils. it ferments and is perfectly healthy and safe. mahalo for your support.

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Submitted By	Organization	Testifier Position	Present at Hearing
rebecca hanna	Individual	Support	No

Comments: As a frequent purchaser of locally produced foods at farmers markers and well as the happy recipient of jellies and pickles from my neighbors' kitchens, I fully support this bill. I am less concerned about potential harm from local homemade products than I am about much of the food in the supermarket. This bill reflects the reality of what residents are already doing and want, while adding some reasonable guidelines for labeling. Rebecca Hanna, PhD Pahoia, Puna, Hawai'i Island

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Submitted By	Organization	Testifier Position	Present at Hearing
Springer Kaye	Individual	Support	No

Comments: Thank you for convening this hearing and giving your consideration to passing it forward. Contrary to the testimony of the Department of Health which argued that this will change little, the proposed measure appears to make reasonable reductions in the amount of permitting and paperwork required to operate a cottage food business, in a category which the Department already deems non-hazardous. As the category of baked goods and jams/jellies is non-hazardous, and receives no real oversight or inspection from the department, why should the Department require a permit for direct sales to be re-issued every 20 days? Even indirect sales are typically very small (as a small farmer, I've been dismayed at just how small orders from local groceries are), and the proposed cap on sales ensures that health concerns related to high-volume cooking will not apply. These small businesses are a real supplement to family budgets and a well loved part of the local economy. I hope the committee will support this measure.

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Submitted By	Organization	Testifier Position	Present at Hearing
Kristine Vallandingham	Individual	Support	No

Comments: Is the effective date of SB2561 really 1/1/2050? I am hoping this is a typo!! I fully support the passage of SB2561. In the state of Hawaii sustainability is not just a buzz word, it is a necessity. By passing a cottage food law individuals will be able to take full advantage of producing all of the wonderful value added products from the ingredients our state produces. Money will stay local. People will be able to bring in additional income doing things that they love. This bill is very self regulating, alleviating a lot of legwork from the Dept of Health. The existing temporary food permit provided by the Dept. of Health requires listing an "approved" kitchen for production. SB2561 allows home production, no funds are required to rent space in a commercial kitchen. The Dept of Health temporary food permit only allows for 20 days of validity in a 120 day period, basically making it only applicable towards those who produce items strictly for events. SB2561 is for those who want to do production when the produce is freshest and in season, when their friends and customers would like to order a pie to take on a picnic, or when a holiday is approaching. It is for those of us who want to do what we love, in a place we love, on our own schedule. Selling at events would be an added bonus, not a requirement. Please continue to move SB2561 forward. Hawaii is currently only one of eight states without a cottage food law. Considering our location and year round access to amazing locally grown ingredients, it would be wonderful to make it easier for us to produce non-potentially hazardous value added products for locals and visitors alike, keeping money in our communities.

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Submitted By	Organization	Testifier Position	Present at Hearing
Sara Steiner	Individual	Support	No

Comments: I absolutely support this bill - it is very important to the small businesses here in Hawaii, and can help folks with a good recipe and/or extra produce earn extra money. I like the option for both A and B classification.

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Submitted By	Organization	Testifier Position	Present at Hearing
S Morris Wise	Individual	Support	No

Comments: I strongly support this bill. It will enable small farmers and boutique or gentlemen farms to produce high quality products for sale to the public. This will increase use of and value of Hawaii Grown crops.

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Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Ho	Individual	Support	No

Comments: I am in favor of passing Senate Bill 2561, and encouraging or increasing ability of small business, local food producing and marketing to occur. I assume the small business that is marketing foods will be required to take a food handlers certification. I am looking forward to more food diversity reflecting our multi ethnic and healthy tastes with local foods here in Hawaii.

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Submitted By	Organization	Testifier Position	Present at Hearing
Julia Paul	Individual	Support	No

Comments: Please support this bill. Cottage industries are very important to our communities and a source of food that does not come on the barge thereby supports sustainability.

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Submitted By	Organization	Testifier Position	Present at Hearing
sherrian witt	Individual	Support	No

Comments: I support this bill. This bill will increase commerce in our state and help the economy. Will make cultural foods available which will increase tourism. Pass this bill ...it matters...

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Submitted By	Organization	Testifier Position	Present at Hearing
Ronald S. Fujiyoshi	Individual	Support	No

Comments: I support this bill! Mahalo for the opportunity to send in testimony. (I am currently at O'Hare Airport in Chicago, on my way back to Hawaii)

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Submitted By	Organization	Testifier Position	Present at Hearing
MSUchida	Individual	Support	No

Comments: Small business his the heart of our economy. Passing this bill with encourage small business.

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Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Reschan	Individual	Support	No

Comments:

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