NEIL ABERCROMBIE GOVERNOR OF HAWAII



In reply, please refer to:

Committee on Ways and Means

SCR 97, SD1, REQUESTING THE DEPARTMENT OF HEALTH TO PROVIDE FOOD SAFETY WORKSHOPS OR CLASSES FOR ALL PERSONS WITH TEMPORARY FOOD ESTABLISHMENT PERMITS, PROVIDE COPIES OF ITS FOOD SAFETY ADMINISTRATIVE RULES TO CONSUMERS AND INTERESTED STAKEHOLDERS, AND CONVENE A COTTAGE FOOD BUSINESS WORKING GROUP COMPOSED OF REPRESENTATIVES FROM THE DEPARTMENT AND THE COTTAGE FOOD INDUSTRY

Testimony of Linda Rosen, M.D., M.P.H. Director of Health

April 1, 2014 9:00 a.m.

- 1 **Department's Position:** The department respectfully opposes this resolution.
- 2 **Fiscal Implications:** This measure has fiscal implications. The measure requires that the department
- 3 convene a working group.
- 4 **Purpose and Justification:** The department opposes this resolution as it is unnecessary. Current
- 5 Hawaii Administrative Rules (HAR) Title 11, Chapter 50, Food Code, which governs food safety
- already allows for non-potentially hazardous foods (Non-PHF) to be produced in a home kitchen and
- 7 sold directly only to consumers.
- Food safety workshops are already available on all islands and copies of the current HAR can be
- obtained at these workshops or requested separately through the Sanitation Offices on Oahu, Kauai,
- Maui and the Big Island or be viewed and downloaded from the DOH website.
- The restriction that only allows the "cottage foods" to be sold for a maximum of 20 days of sale
- in any 120 day window at a specific location also reduces the public health risk of food illness or the

consumption of possibly adulterated foods by reducing the volume that can be sold. It is a generally held principle in food safety that adverse risk increases with increased volume of food distributed.

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

At present, the department reviews and approves an average of 106 non-potentially hazardous Temporary Food Establishment (TFE) permits a month (Cottage Food Businesses) for which the department does not charge any fees and another 418 potentially hazardous food (PHF) TFE permits monthly that we currently charge \$50-\$100 for 1 to 20 days of sale. The department's food safety program generates over \$125,000 annually from these TFE permits. Potentially hazardous TFE are required to prepare all foods in a DOH permitted kitchen. No PHF foods are allowed to be produced for sale in a home kitchen.

The department may also not be able to conduct inspections in residences, if entry is denied by the homeowner. The department may be required to obtain search warrants for entry into private homes. The department would also have to craft separate cost estimates for the costs associated with enforcing violations of this proposal.

Hawaii has had an active cottage food industry for decades which has been successfully regulated by the department and the requirements remain basically unchanged under the newly adopted rules governing food sales of this type. Public hearings on the new rules recently adopted received no comments or suggestions that the department change how it regulates these cottage foods.

Even though the newly adopted HAR adjusts how we regulate the food service industry, it will not change the regulatory landscape at all with regards to how cottage foods are already regulated and will not negatively affect industry's growth.

- The department has in the past, and will in the future, gladly meet with any industry group to
- 2 discuss any proposed changes. The department, therefore respectfully considers the development of a
- working group as unnecessary.
- 4 Thank you for the opportunity to testify.



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

SENATE COMMITTEE ON WAYS AND MEANS April 1, 2014 – 9:00 AM – Room 211

RE: SCR 97 SD1 - REQUESTING THE DEPARTMENT OF HEALTH TO PROVIDE FOOD SAFETY WORKSHOPS OR CLASSES FOR ALL PERSONS WITH TEMPORARY FOOD ESTABLISHMENT PERMITS, PROVIDE COPIES OF ITS FOOD SAFETY ADMINISTRATIVE RULES TO CONSUMERS AND INTERESTED STAKEHOLDERS, AND CONVENE A COTTAGE FOOD BUSINESS WORKING GROUP COMPOSED OF REPRESENTATIVES FROM THE DEPARTMENT AND THE COTTAGE FOOD INDUSTRY – IN SUPPORT

Dear Chair Ige, Vice Chair Kidani and Members of the Committee:

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 in support of SCR 97 SD1 and welcomes the opportunity to participate in the cottage food business working group.

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 economywide sales, and more than 2,300 jobs. 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.

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.

Local Food Coalition Testimony –Support for SCR 97 SD1 Page 2

The Local Food Coalition came together 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 provide comments and we look forward to contributing to the cottage food business working group.

Respectfully,

Kyle Datta General Partner Ulupono Initiative From: mailinglist@capitol.hawaii.gov

To: WAM Testimony

Cc: <u>cmanfredi@kaufarmandranch.com</u>

Subject: *Submitted testimony for SCR97 on Apr 1, 2014 09:00AM*

Date: Monday, March 31, 2014 8:46:06 AM

SCR97

Submitted on: 3/31/2014

Testimony for WAM on Apr 1, 2014 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Manfredi	Hawaii Farm Bureau	Support	Yes

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov