

STAND. COM. REP. NO. 694

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 379
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 379, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FOOD,"

begs leave to report as follows:

The purpose and intent of this measure is to regulate the direct and indirect sale of cottage food products, defined as non-potentially hazardous foods prepared for sale in a home kitchen or farm kitchen by a cottage food operation, by requiring cottage food operations to obtain a class A cottage food permit or a class B cottage food permit from the Department of Health.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau, The Kohala Center, Local Food Coalition, Sustainable Economies Law Center, Counter Culture Food & Ferment, Tasting Kaua'i, Kolo Kai Organic Farm LLC, Steelgrass Farm, and sixteen individuals. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that the cottage food industry, wherein cottage food operators sell non-hazardous food products prepared in a home kitchen or farm kitchen to consumers, is a growing movement across the nation. Cottage food operations can promote local production of food in a sustainable and economically sound manner that benefits consumers and local agriculture. This measure adds two classes for cottage food operations, class A direct sales and class B direct and indirect sales, and defines their regulatory requirements.

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Your Committee has heard the concerns regarding the indirect sale of cottage food proposed by this measure. Your Committee has also heard the concerns raised by the Department of Health regarding self-certification, inspections, and multiple classes of cottage foods as proposed by this measure. Your Committee understands these concerns and concludes that amendments to this measure are necessary to simplify the permit process proposed by this measure for cottage food operations in Hawaii.

Accordingly, your Committee has amended this measure by:

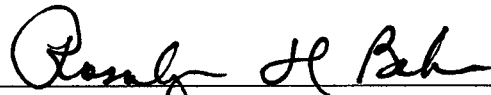
- (1) Deleting language that would have permitted the Department of Health to issue class B cottage food permits for the indirect sale of cottage food and deleting other associated references to indirect sales and class B cottage food permits;
- (2) Clarifying the definitions of "cottage food operation", "direct sale", "home kitchen", and "private home" and deleting definitions for "cottage food employee", "indirect sale", and "registered or permitted area";
- (3) Clarifying the requirements for cottage food operations;
- (4) Clarifying the permit requirements for a cottage food operation, including:
 - (A) Requiring the cottage food operation to register with the Department of Health and submit any additional information required by the Department; and
 - (B) Specifying the parameters of the cottage food operation permit, including enabling cottage food operators to sell cottage food products one hundred twenty days out of a three hundred sixty-five day period;
- (5) Amending the list of approved cottage food products by removing fresh fruit juice and sauces, pickles, fermented foods, and acidified foods from the list of approved cottage food products;



- (6) Deleting language that would have specified labeling requirements for cottage food operations;
- (7) Deleting language that would have prohibited certain activities by cottage food operations;
- (8) Deleting language that would have permitted the Department of Health to require routine inspections, access cottage food operations for purposes of conducting inspections, and conduct food sampling;
- (9) Deleting language that would have required a product testing and production process review for sauces, pickles, fermented, and acidified foods;
- (10) Inserting an effective date of January 2, 2050, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 379, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 379, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

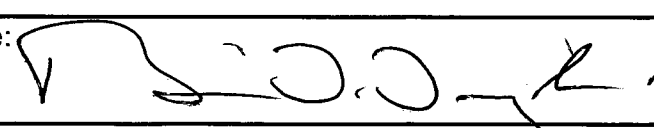


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 379 SD1	HTH/AGL, CPN	3/4/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
KAHELE, Gilbert				✓
KIDANI, Michelle N.		✓		
NISHIHARA, Clarence K.				✓
WAKAI, Glenn		✓		
SLOM, Sam				✓
TOTAL	1	3	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes