

**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lt. Governor



**PHYLLIS SHIMABUKURO-GEISER**  
Chairperson, Board of Agriculture

**MORRIS ATTA**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE**

**FEBRUARY 9, 2022**

**10:00 A.M.**

**CONFERENCE ROOM 325 & VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 2307**  
**RELATING TO FOOD SAFETY**

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2307. This measure appropriates funds to the Department of Agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt. The Department supports the intent and offers comments regarding this bill.

According to FDA, "manufacturers of sea salt that intend to add color additives that are not currently approved for food use to their products, such as charcoal or red clay, must first obtain approval for the use of these substances through the color additive petition process. Color additive petitions must be submitted to FDA's Office of Food Additive Safety, HFS-200, 5001 Campus Drive, College Park, MD 20740. The information required for color additive petitions is outlined in 21 CFR 71.1. There are guidance documents available on our website that address the administrative,



chemistry, toxicological, and environmental information that should be included in support of a color additive petition.” Source:

<http://www.fda.gov/Food/IngredientsPackagingLabeling/FoodAdditivesIngredients/default.htm>

The Department notes that to obtain FDA approval of the color additives used by Hawaii sea salt companies can be a lengthy and expensive process. Also, the Department does not have the technical expertise to provide education to Hawaii businesses regarding FDA’s guidance on colored sea salt. UH-CTAHR has a Human Nutrition, Food and Animal Sciences Department with technical expertise on nutritional ingredients and color additives in foods. As such, UH-CTAHR would be a more appropriate entity to provide education to Hawaii sea salt manufacturers regarding the requirements of FDA on color additives in sea salt.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON AGRICULTURE  
ON  
HOUSE BILL NO. 2307

**February 9, 2022**  
**10:00 a.m.**  
**Room 325 and Videoconference**

RELATING TO FOOD SAFETY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2307 appropriates an unspecified amount of general funds in FY 23 for the Department of Agriculture to provide education and support to businesses in the State regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



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#### Executive Officers

**Charlie Gustafson**, Tamura Super Market, *Chair*  
**Eddie Asato**, Pint Size Hawaii, *Vice Chair*  
**Gary Okimoto**, Safeway, *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schliff**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*  
**Joe Carter**, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

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TO: Committee on Agriculture  
Rep. Mark J. Hashem, Chair  
Rep. Amy A. Perruso, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 9, 2022  
TIME: 10am  
PLACE: Via Videoconference

RE: HB2307 Relating to Food Safety

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to appropriate funds to the department of agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

Colored sea salt is an important industry in our state and it needs the support of the legislature to survive and thrive.

Making colored sea salt is culturally and historically significant in Hawaii. It's also an industry that supports jobs and contributes to our economy. Unfortunately, due to an oversight during an FDA rule change in 2015 the traditional ingredients that give Hawaiian salts their color, alea and black lava, were not included in the list of approved additives. Hawaiian sea salt companies have already dedicated years and spent thousands of dollars to get this situation rectified, and now they need the help of their legislators to preserve this industry.

We often talk about diversifying and strengthening Hawaii's economy, and the potential growth in manufacturing in our state. This is an ideal opportunity for the state to support that diversification and growth. We urge you to vote yes on this measure and we thank you for the opportunity to testify.



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February 9, 2022

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 2307**  
RELATING TO FOOD SAFETY

Conference Room 325 & Videoconference  
10:00 AM

Aloha Chair Hashem, Vice-Chair Perruso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawaii Farm Bureau supports HB 2307**, which appropriates funds to the department of agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

Authentic Hawaiian red alaea and black sea salt have become increasingly popular. The two colorants used in Hawaiian sea salt, activated charcoal, and Hawaiian red alaea clay, were recently added to the FDA's approved colorants list which requires a Color Additive Petition (CAP) application to be filed by sea salt producers and suppliers. Obtaining the FDA approval of the color additives used by Hawaii sea salt companies is a lengthy and costly endeavor. Detailed research, studies, and analysis by science and industry experts must be conducted and submitted to the FDA for review. In 2019, DBEDT estimated that the cost of engaging in this process would be a minimum of \$100,000. The majority of Hawaii's salt producers are small businesses and can't afford the high cost of the CAP process.

Thank you for the opportunity to comment on this measure.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Agriculture  
Wednesday, February 9, 2022 at 10:00 A.M.  
Conference Room 325 & Via Videoconference**

**RE: HB 2307, RELATING TO FOOD SAFETY**

Chair Hashem, Vice Chair Perruso, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2307, which appropriates funds to the department of agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Additionally, as the exclusive representative in Hawaii for the National Association of Manufacturers, the Chamber has created the Manufacturing in Hawaii Initiative. This initiative is led by the Manufacturing in Hawaii Group and made up of business leaders from various fields and industries. Its mission is to enhance the opportunities and competitiveness of doing business in Hawaii by becoming an advocate and voice for the manufacturing industry in the State of Hawaii.

Back in 2015, the FDA issued a guideline that required the two colorants in Hawaiian black sea salt and red sea salt to be added to the list of approved colorants. However, this also includes having to file out the Color Additive Petition application with the FDA, a process which can be very expensive, especially for small manufacturers of sea salt here in Hawaii.

Since this guideline was issued, the Hawaiian black and red sea salt business has suffered a gradual decline, and some companies, have had to resort to developing non-Hawaiian related products to insure continued growth of their companies. HB 2307 would be a first step in helping these companies return to selling these two very important products at their stores.

Thank you for the opportunity to provide testimony in support of this measure.

**Testimony for the Legislative Bill of State of Hawaii**

**HB2307**

**Year 2022**

**To protect the two of the most popular products  
from State of Hawaii.**

**Hawaiian Red and Hawaiian Black sea salts,  
which are also very dear and important to**

**Hawaii's age-old tradition**

**and culturally important for years**

**and to save**

**existing and potential future employments in the State.**

Our company, H.K. Enterprise Group, Inc. (dba: Hawaii Kai Corporation), 100 Ulili Street, Kaunakakai, Molokai, HI 96748, is one of the largest producers of premium quality and traditional Hawaiian Black and Red sea salts. We started our operation on Molokai in 2004 and very quickly gained national and international repute and recognition, and we grow our business every year. This success of premium Hawaiian Black and Red sea salt created employment opportunities for many businesses in the State of Hawaii:

(1)many jobs in Molokai

(2)many jobs Kuai

(3)many jobs in Oahu

(4)successful many other distribution, retail, co-packing, restaurant, and ingredient business within the state of Hawaii.

These businesses serve Hawaii's tourism, export and mainland markets, and have built up a very loyal customer base for the genuine Hawaiian Black and Hawaiian Red sea salt products.



Additionally, and most importantly, the salt making is a very culturally and historically important tradition of the state of Hawaii, which could be erased from the history if the most popular Red and Black Hawaiian sea salts are banned forever. The State of Hawaii has already lost its very famous and iconic sugar and Pineapple business forever. We do not want the same fate to the Hawaiian sea salt industry.

In November 2015, FDA issued a guideline requiring the two colorants in Hawaiian black sea salt and Red sea salt (Activated Charcoal & Hawaiian Red Alaea clay) to be added to the list of approved colorants, which requires filing the Color Additive Petition (CAP) application with the FDA by the sea salt producers & suppliers. This will involve extensive FDA required lab tests and analysis, which are very expensive – estimated to be \$225,000 (2020 Estimate).

***Note: These colorants have been used by consumers for centuries without any harmful effects to human consumption and were considered Generally Recognized as Safe.***

***FDA in their above-mentioned guidelines specifically called for “colorants” for “Hawaiian Black & Red sea salts”, and specifically requires approval for coloring Hawaiian sea salts.***

***FDA’s own tests conducted on many samples of our black & red sea salts showed no harmful elements present. However, we have to go through the long and expensive process of approval.***

Since 2015, when the FDA guidance was first issued, the Hawaiian Black and Red sea salt business has suffered a gradual decline. If we do not comply with the FDA requirements this business will be completely destroyed in time, resulting in adversely affecting employments and

export business for the state of Hawaii. (For all the opportunities mentioned in the first paragraph)

Everyone is waiting for the approval by the FDA so that they can continue buying genuine Hawaiian Black and Red Sea Salt - including influential retailers such as Amazon, Whole Foods, Costco, and many others who doesn't want to get in trouble with FDA.

**We, Hawaiian manufactures, should fill the shelves of Costco, Whole Foods Market, and the shopping carts of the online giant "Amazon" . Instead, it is dominated by foreign manufacturers in the salt category. We have the quality products with authenticity.**

Due to Hawaii Kai's substantial drop in its revenue, it resulted in employment in Hawaii and also abandoned future plans for expansion and additional employments.

***The cost of a successful CAP application process with FDA is very expensive.***

- ***It is estimated to be approximately \$225,000. (2020 Estimate)***
- ***The total estimated cost two year ago was less than he above amount.***
- ***The most updated quotation from the lab reflects the increase of their operating cost during the last 2 years.***
- ***Additionally, a few employees at FDA who were willing to help and familiar with the case & our many meetings with them have left FDA for other jobs, which resulted in the need to hire more experienced Consultants for more hours.***

Hawaiian sea salt industry is a collection of small businesses, and such small business group cannot by itself handle such large cash outlay,

which will be very impractical and destructive, especially with the major revenue drop that the Hawaiian salt industry is suffering resulting from the current restrictive guidelines by FDA on the Black and Red Hawaiian sea salts.

Thank you for your kind consideration and approval of this bill to save two of Hawaii's popular and traditionally important products.

*Following is our contact information, if you need clarification on any points or need more explanation.*

**CONTACT INFORMATION:**

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**Molokai Operations:** 100 Uili Street, Kaunakakai, HI 96748

**HB-2307**

Submitted on: 2/6/2022 8:31:05 PM

Testimony for AGR on 2/9/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
NICOLE L CRISTOBAL	Individual	Support	No

Comments:

Legislative support and material resources need to be allocated for undergoing the necessary processes to add Red Alaea clay and Activated Charcoal on the FDA approved list for color additives for Hawaiian salt. This process requires completing a Color Additive Petition (CAP) application with the FDA, which involves extensive FDA required lab tests and analyses. These test are expensive (estimated at \$225,000 as of 2020) and the process needs to be spearheaded by those producing, manufacturing, and/or selling Black and Red Hawaiian Sea Salt.

This process is a large time commitment and highly expensive and should not be the kuleana of local, small business owners. This is yet another example of a systemic barrier to small businesses staying afloat in Hawai'i and providing employment to locals. Our policy makers need to do their kuleana in passing legislation that can alleviate these government created burdens so that people can keep producing and consuming Black and Red Hawaiian sea salt like they've been doing for centuries.

Big retailers require FDA color additive approval. Without this process completed, genuine Black and Red Hawaiian Sea Salt will be shouldered out of the market by cheap alternatives that are marketed as "Hawaiian" and are not Hawaiian, therefore, continuing the vicious cycle of having our cultural and economic resources stolen from us to feed economies that aren't our own.

Mahalo for your consideration and support.