

JAN 21 2022

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that local food
2 production is integral to the State's economic development and
3 food security. Homemade food sold directly to consumers, or
4 "cottage food", is a small but growing industry, and is
5 preferred among many consumers who are mindful of responsible
6 sourcing and healthy eating options and those who want to
7 support the local communities and individuals producing the
8 foods they consume.

9 The legislature further finds that there is great interest
10 in small-scale cottage food operations in the State, but the
11 existing regulatory framework creates several challenges for
12 entrepreneurs, especially for those in rural areas who do not
13 have access to commercial or certified kitchens. In fact,
14 Hawai'i is one of only a few remaining states that does not
15 provide certain exemptions from the department of health for
16 cottage foods. Amending these laws to expand access to local
17 cottage food products will help foster small businesses,



1 innovation, and economic growth. Moreover, cottage food
2 operations offer locally made alternatives to mainland brands,
3 create employment opportunities, and can help keep more money
4 circulating within the State's economy and increase tax revenue.
5 Accordingly, the purpose of this Act is to establish the Access
6 to Local Foods Act and allow cottage food operations to sell
7 cottage food products, under certain conditions, upon receiving
8 a permit from the department of health.

9 SECTION 2. Chapter 328, Hawaii Revised Statutes, is
10 amended by adding a new part to be appropriately designated and
11 to read as follows:

12 "PART . ACCESS TO LOCAL FOOD ACT: COTTAGE FOOD OPERATIONS

13 §328-A Definitions. For purposes of this part, the
14 following definitions shall apply:

15 "Cottage food operation" means an enterprise that is
16 operated by a cottage food operator and produces cottage food
17 products only in the home kitchen of the cottage food operator's
18 private home or in a farm kitchen for direct sale to consumers
19 pursuant to this part.



1 "Cottage food operator" means a person who operates a
2 cottage food operation in the person's private home kitchen or
3 farm kitchen and who is the owner of the cottage food operation.

4 "Cottage food products" means foods prepared for sale in
5 the home kitchen or farm kitchen of a cottage food operation.

6 "Delivered" means to be transferred from a cottage food
7 operator to a consumer, either immediately upon sale or at a
8 time thereafter.

9 "Department" means the department of health.

10 "Direct sale" means a transaction between a cottage food
11 operator and a consumer, whereby the consumer purchases the
12 cottage food product directly from the cottage food operation
13 and not from a third party. The term includes but is not
14 limited to transactions at holiday bazaars, bake sales, food
15 swaps, or other temporary events; transactions at farm stands
16 and farmers' markets; or transactions occurring in person at the
17 site of the cottage food operation.

18 "Farm kitchen" means a kitchen that is designed for
19 private, non-commercial use, is located in a building on a farm
20 and not in a private home, complies with all applicable building



1 and zoning laws, and is used by a cottage food operator for the
2 production of cottage food products.

3 "Home kitchen" means a kitchen designed and intended for
4 use by the residents of a private home but also used by a
5 cottage food operator for the production of cottage food
6 products. A home kitchen may contain one or more stoves, ovens,
7 and other pieces of equipment designed for residential use as
8 allowed by county building ordinances. A home kitchen may also
9 contain one or more pieces of equipment designed for commercial
10 use if allowed by county building ordinances.

11 "Potentially hazardous cottage food product" means a food
12 that requires time or temperature control for safety to limit
13 pathogenic microorganism growth or toxin formation.

14 "Prepared" means a cottage food product that has been
15 cooked, baked, dried, mixed, cut, fermented, preserved,
16 dehydrated, grown, raised, or otherwise processed.

17 "Private home" means a dwelling, including an apartment or
18 other leased space, where individuals reside and which complies
19 with all applicable county ordinances if used in the production
20 of cottage foods.



1 "Seller" means a person or entity, other than a cottage
2 food operator, who sells a non-potentially hazardous cottage
3 food product to a consumer.

4 **§328-B Requirements for cottage food operations; rules.**

5 (a) A cottage food operation shall be required to obtain a
6 permit from the department pursuant to section 328-C.

7 (b) Cottage food operations that sell products using the
8 preservation methods of:

9 (1) Jelly, jam, preserve, and conserve making;

10 (2) Acidifying low-acid products;

11 (3) Pickling;

12 (4) Fermenting; or

13 (5) Dehydrating;

14 shall submit proof of a valid Hawaii master food preserver
15 certificate for each cottage food operator or shall submit a
16 food sample of the product to be sold to consumers to a
17 department-approved laboratory or food testing facility to have
18 the food tested and the recipe approved for appropriate pH and
19 water values for food safety. Cottage food operations that sell
20 products made through the use of preservation methods that do
21 not have proof of a valid Hawaii master food preserver



1 certificate may only sell products made from recipes that have
2 been approved pursuant to this subsection and shall maintain
3 proof that the recipe for the product being sold has been
4 approved.

5 (c) Cottage food operations shall submit proof of a valid
6 food handlers education certification for each cottage food
7 operator.

8 (d) The department shall post the requirements of this
9 part for cottage food operations on its website.

10 (e) The department may adopt rules pursuant to chapter 91
11 to carry out the purposes of this part.

12 **§328-C Cottage food operations; requirements; permit; fee.**

13 (a) Each cottage food operation shall specify in the permit
14 application the names of each of its cottage food operators and
15 shall submit proof of applicable certificates pursuant to
16 section 328-B(b).

17 (b) An application fee in the amount of \$25 shall be
18 collected by the department with each permit application under
19 this section.



1 (c) A cottage food operation shall not engage in business
2 unless the cottage food operation has registered with the
3 department and been issued a permit under this section.

4 (d) The department shall issue a permit to a cottage food
5 operation that meets the requirements of this section.

6 (e) The cottage food permit shall authorize cottage food
7 operations to engage in direct and remote sale of their cottage
8 food products at multiple locations, including by telephone or
9 Internet, and subject to the conditions provided in section 328-
10 F.

11 (f) The cottage food permit shall be valid for one year
12 after the date of issuance and shall authorize cottage food
13 operators to sell cottage food products for a three hundred
14 sixty-five day period; provided that, if the operator's permit
15 remains valid and unencumbered within the first year of
16 issuance, subsequently renewed permits shall remain valid for
17 two years.

18 **§328-D Cottage food products; labeling requirements.** (a)
19 Any cottage food product produced by a cottage food operation
20 shall be labeled as a cottage food product. The label shall be
21 displayed in a conspicuous place on the principal display area



1 of the packaging or container, and shall contain, in clearly
2 displayed and legible type, the following:

- 3 (1) The words "Made in a Home or Farm Kitchen" and "Not
4 inspected by the Department of Health";
- 5 (2) Allergen identification information as specified under
6 Section 403 of the Federal Food, Drug, and Cosmetic
7 Act; and
- 8 (3) Ingredients in order of predominance.

9 The seller of any cottage food product shall have the
10 information required by this section readily available upon
11 request by a consumer.

12 (b) The information required by subsection (a) shall be
13 provided:

- 14 (1) On a label affixed to the package if the cottage food
15 product is packaged;
- 16 (2) On a label affixed to the container if the cottage
17 food product is offered for sale from a bulk
18 container;
- 19 (3) On a placard displayed at the point of sale if the
20 cottage food product is neither packaged nor offered
21 for sale from a bulk container; or



1 (4) On a webpage on which the cottage food product is
2 offered for sale if the cottage food product is
3 offered for sale on the Internet.

4 **§328-E Cottage food products; exemption.** (a) The
5 production and sale of cottage food products regulated under
6 this part shall be exempt from all other licensing, permitting,
7 inspection, packaging, and labeling laws administered by the
8 department.

9 (b) Cottage food operations may sell cottage food products
10 and eggs to the maximum extent permitted by federal law.

11 **§328-F Cottage food products; conditions for exemption.**

12 (a) The exemption set forth in 328-E shall apply only if the
13 conditions in this section are satisfied.

14 (b) The following conditions shall apply to the sale and
15 delivery of non-potentially hazardous cottage food products:

16 (1) Non-potentially hazardous cottage food products shall
17 be sold by:

18 (A) The cottage food operator to the consumer,
19 whether in person or remotely, including by
20 telephone or Internet; or



1 (B) An agent of the cottage food operator or a third-
2 party vendor, such as a retail shop or grocery
3 store, to the consumer;

4 (2) Non-potentially hazardous cottage food products shall
5 be delivered to the consumer by:

6 (A) The cottage food operator;

7 (B) An agent of the cottage food operator or a third-
8 party vendor, such as a retail shop or grocery
9 store; or

10 (C) Mail.

11 (c) Potentially hazardous cottage food products may be
12 sold to the consumer by the cottage food operator either in-
13 person or remotely, including by telephone or Internet; provided
14 that the potentially hazardous cottage food product shall be
15 delivered to the consumer only by the cottage food operator.

16 (d) All labeling requirements pursuant to section 328-D
17 shall be satisfied.

18 (e) The cottage food product may contain meat, meat
19 byproduct, meat food product, seafood, poultry, poultry
20 byproduct, or poultry food product, as those terms are defined
21 for purposes of the Federal Meat Inspection Act and Federal



1 Poultry Products Inspection Act; provided that the production
2 and sale of the product:

- 3 (1) Qualifies for an exemption pursuant to C.F.R. §
4 303.1(d) or 9 C.F.R. § 381.10(c); and
- 5 (2) Complies with other applicable federal requirements.

6 **§328-G Cottage food operations; investigation.** Nothing in
7 this part shall be construed to impede the department in any
8 investigation of a reported foodborne illness.

9 **§328-H Cottage food operations; consultation.** Nothing in
10 this part shall preclude an agency from providing assistance,
11 consultation, or inspection at the request of the cottage food
12 operator or cottage food operation.

13 **§328-I Cottage food operations; construction.** This part
14 shall not be construed to:

- 15 (1) Preclude the production or sale of food products
16 otherwise permitted by law;
- 17 (2) Preclude the sale of live animals or portions of live
18 animals before slaughter for future delivery;
- 19 (3) Change the regulation of other goods and services
20 where cottage food products are also prepared,
21 produced, or sold;



1 (4) Exempt producers or sellers of cottage food products
2 from any applicable tax laws;

3 (5) Exempt producers or sellers of cottage food products
4 from any applicable fishing or hunting laws;

5 (6) Exempt cottage food operations, cottage food
6 operators, sellers, or cottage food products from any
7 applicable federal law, including any federal law
8 prohibiting the sale of certain food products in
9 interstate commerce; or

10 (7) Exempt cottage food operators or sellers of homemade
11 food products or cottage food products from any
12 applicable law of another state.

13 **§328-J Limitation of state liability.** The State and
14 counties shall not be liable for claims associated with cottage
15 food products distributed, delivered, or sold by cottage food
16 operations, cottage food operators, or sellers, except for
17 instances of gross negligence and intentional misconduct by the
18 State or counties.

19 **§328-K Preemption.** This part shall preempt county and
20 other political jurisdictions or administrative rules



1 prohibiting and regulating the production and sale of cottage
2 food products."

3 SECTION 3. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY:



S.B. NO. 2008

Report Title:

Economic Development; Access to Local Food Act; Cottage Food Operations; Department of Health; Permit; Rules

Description:

Establishes the Access to Local Food Act to allow cottage food operations to sell cottage food products, under certain conditions, upon receiving a permit from the Department of Health.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





INSTITUTE FOR JUSTICE

Testimony in Support of Senate Bill 2888

Meagan Forbes
Institute for Justice

February 10, 2022

Dear Chair Gabbard, Chair Keohokalole, and Members of the Senate Committees on Agriculture and Environment and Health:

Thank you for the opportunity to submit written testimony in support of Senate Bill 2888. I am an attorney at the Institute for Justice. We are a nonprofit organization that works to protect civil liberties. We have helped cottage food producers across the country reform restrictive laws that prevent them from earning a living. We support this bill because it will expand economic opportunity while increasing access to local food. It will also be especially helpful as the people of Hawaii recover from the pandemic.

Cottage food businesses are a way for people with big dreams but little capital to start small in their own homes without having to spend thousands of dollars on professional equipment and commercial kitchen space. Nearly every state across the country recognizes these businesses as job creators and revenue generators, but Hawaii's regulatory approach is pushing this business model out of reach for many in the state.

At the Institute for Justice, we have studied the effects of cottage food businesses on local economies and communities and researched food safety. We have consulted experts, reviewed CDC data, and followed up with health departments in states that have expanded their cottage food laws in ways that are similar to the approach this bill takes. Our research confirms that cottage food is inherently safe for producers and consumers and that cottage food businesses help bolster local economies and stimulate economic growth in their communities.¹

This bill brings much needed reform for the state's cottage food producers. Unlike the majority of states that have cottage food laws, Hawaii's current regulatory framework has been set by rule, and these rules are quite restrictive compared to the laws in other states. This bill strikes the right balance between expanding economic opportunity for cottage food producers and protecting food safety. It ensures cottage food producers receive food safety training specific to the types of food they sell and broadens the varieties of food that can be sold and where producers can sell them. Lastly, it ensures that consumers have the information they need to make informed decisions about whether to purchase and consume cottage food.

¹ Jeffrey K. O'Hara, Marcelo Castillo, Dawn Thilmann McFadden, Do Cottage Food Laws Reduce Barriers to Entry for Food Manufacturers?, *Applied Economic Perspectives and Policy* (2020), volume 00, number 00, pp. 1-17, <https://foodsystems.colostate.edu/wp-content/uploads/2020/07/aepp.13047.pdf>.



INSTITUTE FOR JUSTICE

Five states—Montana, North Dakota, Oklahoma, Utah, and Wyoming—have enacted similar laws to support the local production of homemade food and to give cottage food producers and consumers the greatest ability to sell and buy the homemade food of their choice. In Wyoming, the state has broadly allowed a wide variety of cottage food sales for several years, and to date there have been no reported outbreaks of foodborne illness related to cottage food in the state.² Wyoming’s law has received national recognition for safely increasing access to local food and opportunity.³

In conclusion, this bill pragmatically expands opportunities for cottage food producers and consumers without compromising food safety. We encourage the committee to support these important reforms.

Sincerely,

Meagan Forbes
Legislative Counsel
Institute for Justice
Email: mforbes@ij.org

² There have also been no reported outbreaks of foodborne illness in Utah and North Dakota.

³ CBS This Morning, State law makes locally-sourced food more accessible than ever for Wyoming residents, Aug. 15, 2020, <https://youtu.be/iQnI8iuy2XE>.

SB-2888

Submitted on: 2/10/2022 10:18:19 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jane Tai	Testifying for Hawaii Master Food Preservers	Support	Yes

Comments:

Dear Sirs:

Hawaii Master Food Preservers (HMFP) teaches the science and art of preserving our locally grown foods. This bill is critical in moving forward the Cottage Food industry on our islands to create agricultural and economic sustainability. By ensuring we have safe shelf stable unique Hawaii products, we capture a market no one has been able to do before. Graduates of our program are poised to take the next step - market their unique products. However during these challenging times of Covid restrictions, direct face to face sales are limited. This bill will allow remote sales, build our economy and still keep our communities safe. HMFP is the only institution of its type on our islands as we work with, teach and preserve ONLY locally grown - tropical produce which cannot be found anywhere on the US mainland. One of our missions is to "grow local, produce local, buy local and sell local". This affects diversified sectors of our communities and its impact is exponential.

Thank you for your support.

Jane Tai, VP Hawaii Master Food Preservers

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION TO
SB 2888**

Date: Friday, February 11, 2022

Time: 1:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **OPPOSITION** to SB 2888, Relating to Economic Development. HAJ's primary concern is the immunity which is granted to the state for any claim arising from food products from cottage food operations.

SB 2888 establishes the Access to Local Food Act to allow cottage food operations to sell cottage food products, under certain conditions, upon receiving a permit from the Department of Health. Specifically, Section 328-J on Page 12, line 13-18 contains a Limitation of state liability which states "[t]he State and counties shall not be liable for claims associated with cottage food products distributed, delivered, or sold by cottage food operations, cottage food operators, or sellers, except for instances of gross negligence and intentional misconduct by the State or counties."

This language is overbroad and unnecessary in granting the State immunity from food products from cottage food operations. The State Tort Liability Act states that the State "hereby waives its immunity for liability for the torts of its employees and shall be liable in the same manner and to the same extent as a private individual under like circumstances but shall not be liable for interest prior to judgment or for punitive damages." HRS § 662-2. In granting the State immunity from ordinary negligence, SB 2888 contradicts the State Tort Liability Act.

It is unlikely that there will often be cases in which the State or its employees' negligence would give rise to an actionable claim. Therefore, cases regarding the State's negligence in the distribution of cottage food products would pose very little monetary risk to the State. There's no need for further limitations on liability arising from cottage food products and the State should preserve individual's rights to seek recourse for negligence.

If, for example, the State or counties receive a complaint about food poisoning from or contamination of one of these cottage food products and does nothing to stop the sale, the State would be immune from negligence. Further, if someone thereafter gets sick, the injured individual would have no recourse against the State even though the State knew and could have prevented the sale because such conduct would not amount to gross negligence or intentional misconduct.

For these reasons we oppose this measure and respectfully recommend that Section 328-J on Page 12, line 13-18 be deleted. Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.

SB-2888

Submitted on: 2/10/2022 9:19:22 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rourk Reagan	Individual	Support	Yes

Comments:

My name is Rourk Reagan, I am the owner of Pukana La Farms in Wai'ohinu, Ka'u on Hawai'i Island. I specialize in making Jams from local fruit that I grow and from local farmers. Currently, I am allowed to make my jams at home and sell at Farmers markets and directly to customers. (I sell at 3-4 Farmers markets weekly) I am not allowed to sell online, wholesale to a local stores or mail. The only way I can sell in these other venues is to go through lengthy permitting processes and by the use of a commercial kitchen. I would also like to expand what I make to other canned goods like BBQ sauce and Relishes. I am not allowed to make these products at home and sell even locally. I have been trying get permitted to do this route for about 10 months and am still waiting to be able to use the commercial kitchen. To give you an idea on the costs of this process. I have 27 flavors and decided to have 8 flavors, (6 jams, a BBQ Sauce and a Relish) sampled tested for the Health Dept regulations (I cannot afford to do more). I sent samples to labs in Oahu, the first samples test for a variety of Pathogens like E. Coli, Coliform, yeast and Molds, as well as pH, water activity and more. That initial costs was \$1515.- I also need to have it time tested for shelf life, that costs me \$616.- a month. At least this is only for a year and in April I am done. (So far all of my test results have been great!) This will allow me to make 8 out of the 27 flavors I currently do in a commercial kitchen. The Commercial Kitchen will cost me \$20./ hour and I will usually need it for 6 hours at a time. This is also a lot of driving. There are not a lot of commercial kitchens here on the Big Island and I live in a rural area.

I have my Hawaii Master Food Preservers certificate; I have a Food Safety Card and I pay all of my GET taxes. This bill would help me in so many ways. I would be able to make a variety of products and sell online. I could actually mail my jams to Oahu and sell to the local coffee shop down the road. I would be able to hire someone in the near future instead of the money going to a commercial kitchen. Most importantly, I would be able to continue my business and make a decent living. I want to keep my money here locally, buy from our local farmers and have a product that other local merchants can sell.

Mahalo for your Consideration

Rourk Reagan

SB-2888

Submitted on: 2/10/2022 12:56:48 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mr. John Min	Individual	Support	Yes

Comments:

Testimony in Support of Senate Bill 2888

February 10,2022

Aloha Chair Gabbard, Chair Keohokalole, and Members of the Senate Committees on Agriculture and Environmental and Health!

Mahalo for allowing me to present my written testimony in support of Senate Bill 2888. My name is John Min and I am currently operating as a Cottage Law Business, making and selling Freeze Dried Products. Our products are not only very unique, but as many locals know, something new and different is always welcomed, especially if it's made both locally and with local flavors. Our products cater to both!

But, the biggest challenge for us to further become successful in this venture is that we are very limited to being able to sell just to our local markets, especially when there is a great request to purchase our products online to mainland customers that are also former locals and also in local stores.

There has also been several challenges in dealing with the Board Of Health in that they seem to be uneducated in several areas. First, the lady that's in charge of my area said that I cannot have a website. I told her that I was able to because I included upfront that we only deliver locally via meet ups. She then tells me my website is ok to have. Then she tells me I can have a 3 compartment stainless sink as long as my trays can be submersed 50/50. I told her that's not what the other lady at BOH told me. She said my trays had to be 100% submersible. This was a huge delay in that the 100% version required a 9' long sink vs. 6'. The next issue was that she told me

that we were not allowed to sell Freeze Dried Ice Creams. I also challenged her on this and again she replied that it was ok. She admitted she learned a lot from me and that my challenges were brought up in a meeting several days later. But, I shouldn't be the one educating her and she should not be the one telling me I can't do certain things without knowing firsthand.

It is my dream to share my products with everyone, including those on the mainland, stores, etc. My products are in such high demand that stores are asking to sell them! Have you ever experienced trying a Freeze Dried Skittle? What about a FD Milk Dud, Ube Ice Cream, even such candies as Mango and Pineapple Jolly Ranchers? Yes, we're able to Freeze Dry these products and the results are just fabulous!

There are already 5 other states that are now allowing to sell homemade food products from home, why not add Hawaii to the list?! Let's share all of our Onolicious Products to everyone, not just locally. There are literally 100's, if not 1,000's of people making and selling food products illegally. We are fully licensed, insured, Food Safety Certified, etc. Please allow us to expand our Business and share our products outside of Hawaii.

Mahalo,

John Min

SB-2888

Submitted on: 2/8/2022 3:16:44 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nancy Redfeather	Testifying for Ka Ohana O Na Pua	Support	No

Comments:

This Bill has received much attention and work over many years and it's time for it to pass, and be put into practical use to greatly expand our local communities food system that we are always talking about. This Bill lays out the steps and protocols for value added products much needed here in Hawaii. Many other States have passed similar laws, I'm sure we can do this! Mahalo Senator Kanuha for leading this effort.

SB-2888

Submitted on: 2/9/2022 5:23:12 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ken Love	Testifying for Hawaii Tropical Fruit Growers	Support	No

Comments:

Aloha

SB2888 represents a possible future for the state and its growers, producers and processors.

A future where they can take an active role in focusing on and growing their business without the everyday antique minutia that has plagued us for years.

This possible future thanks to SB2888 is one where cottage industries flourish, money is made on the ground level and taxes are paid proudly. It's a future where the system works and freedom truly rings.

Its not the bill that deserves your support. It's the 4700 crop and livestock farms that deserve it. Those who can feed us when the need is there.

Thank you for your consideration of this bill and all of us who will utilize it.



Senate Committees on Agriculture and Environment / Health

**Hawai'i Alliance for Progressive Action (HAPA) Supports w/ amendments:
SB2888**

Friday, February 11th, 2022 1:00 p.m.

Aloha Chairs Gabbard/Keohokalole, Vice Chairs Nishihara/Baker and Members of the Committees,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB2888.

SB2888 would Establish the Access to Local Food Act to allow cottage food operations to sell cottage food products, under certain conditions, upon receiving a permit from the Department of Health. This would greatly expand our local food industry and support small food producers.

Cottage food bills such as SB2888 grow local sustainable economies. Bills such as these allow small-scale producers to use non-licensed kitchens to process and sell certain food products. Allowing for processing in-home can take advantage of resources already in place and allow food entrepreneurs to test out techniques and products before making a large financial commitment. To date, versions of cottage food legislation have diffused into over 40 states ^[1].

State laws require all food producers to process foods in licensed commercial kitchens, regardless of the type of food or size of business. The primary purpose of such regulation is to decrease the public's risk of foodborne illness. This is fine for the typical high-revenue, established business, but it can create a substantial obstacle for small processors just getting started. Licensed commercial kitchens can be prohibitively expensive to construct. Although renting time in a kitchen is an option for some producers, it can also be limiting due to cost or lack of availability. This creates a high barrier to entry for food entrepreneurs trying to enter into the marketplace. Wherever possible lets work with small businesses and food producers to help get their local products to market.

Please pass SB2888. Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', is placed below the text.

Anne Frederick
Executive Director

[1] <https://socapglobal.com/2015/07/cottage-food-laws-are-growing-local-sustainable-economies/>

SB-2888

Submitted on: 2/10/2022 7:16:29 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark Suiso	Individual	Support	No

Comments:

I support BillsB 2888 It is well thought out and provides the structure to foster home based businesses and a level of oversight. This has been done well in the other states .

This should help provide a path way for local citizens to develop their talents. There is a great imbalance in Hawaii with our dependence on out sources. This will help us regain a little more self sufficiency.

Mahalo

Mark Suiso

MAkaha Mangoes

SB-2888

Submitted on: 2/10/2022 7:35:44 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Deborah Umiamaka	Individual	Support	No

Comments:

I strongly support SB2888.

Sincerely, Deborah Umiamaka.



February 11, 2022

1 p.m.

VIA VIDEOCONFERENCE

To: Senate Committee on Health

Senator Jarrett Keohokalole, Chair

Senator Rosalyn H. Baker, Vice Chair

Senate Committee on Agriculture and Environment

Senator Mike Gabbard, Chair

Senator Clarence K. Nishihara, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive Vice President

RE: SB2888 — RELATING TO ECONOMIC DEVELOPMENT

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB2888](#), which would establish the Access to Local Food Act, thereby empowering Hawaii's cottage food operations to sell locally produced cottage food.

We commend the Legislature for examining ways in which to reduce unnecessary regulation and provide new opportunities for local businesses.

In the institute's "[Road map to prosperity](#)," our report on strategies to rebuild the state's economy following the COVID-19 emergency and lockdowns, we emphasized the importance of implementing regulatory reforms that would help local businesses innovate, explore different products and services and reach new customers.

One of the recommendations offered was that the Legislature “remove county zoning and licensing restrictions on home-based businesses and state restrictions on cottage foods. “The simplest approach,” the report said, “would be to enact statewide legislation that protects home-based businesses that are compatible with residential use, secondary to residential use, and do not adversely impact the community.”

The reforms envisioned in this bill are exactly the kind of reforms that we recommended in that report.

So, yes, it is possible to promote the growth of a cottage food industry in Hawaii without risk to public health or safety, which is what this bill would ensure by requiring a permit from the state Department of Health.

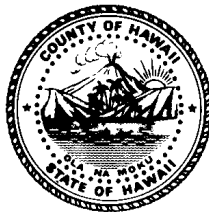
In short, SB2888 would be a good step toward encouraging economic growth and helping small businesses.

Thank you for the opportunity to submit our comments.

Sincerely,

Joe Kent
Executive Vice President
Grassroot Institute of Hawaii

County of Hawai'i
Council District 9 -
North and South Kohala



Phone: (808) 961-8564
(808) 887-2069
Email: tim.richards@hawaiiicounty.gov

Chair: Committee on Regenerative
Agriculture, Water, Energy, &
Environmental Management

HERBERT M. "TIM" RICHARDS, III
HAWAI'I COUNTY COUNCIL
DISTRICT 9

25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

February 10, 2022

Senator Jarrett Keohokalole, Chair – Committee on Health
Senator Rosalyn H. Baker, Vice Chair – Committee on Health
Senator Mike Gabbard, Chair – Committee on Agriculture and Environment
Senator Clarence K. Nishihara, Vice Chair – Committee on Agriculture and Environment
via online transmission only

RE: SB 2888
Hearing Date: February 11, 2022

Aloha Senators:

Thank you for the opportunity to submit testimony on SB 2888 as I strongly support this bill.

As the sitting Chair of the Hawai'i County Council Committee on Regenerative Agriculture, Water, Energy, and Environmental Management, and as a rancher and veterinarian for over 30 years on Hawai'i Island, I have long supported the cottage food industry and understood its enormous benefits.

Every day I see the potential we have to increase our food supply locally and increase the revenue stream for agriculture and beyond. SB 2888 is a perfect tool to create the framework to set this economic opportunity for value-added production into place, allowing further implementation towards food self-reliance and food security within our county and within the State of Hawai'i.

Thank you for the opportunity to submit testimony on such a critical opportunity for all of Hawai'i. If you would like to discuss my knowledge of this matter further, please do not hesitate to contact me directly.

Aloha,

HERBERT M. "TIM" RICHARDS, III

SB-2888

Submitted on: 2/10/2022 11:44:08 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kristen J McCardel	Individual	Support	No

Comments:

I respectfully submit this testimony in support of SB2888 relating to economic development. The expansion of Hawaii's cottage food industry is essential to improving the state's food security. Many lower-income and rural residents of the state have little access to low-cost or convenient transportation to grocery stores, farmers' markets, or restaurants, or to quality local foodstuffs. Expanding the cottage food industry will make nutritious food more available in rural and low-income neighborhoods and to open a potential income opportunities for people in these areas, as well as promoting support for local farmers and entrepreneurs.

Testimony in Support of

Senate Bill 2888

Susan Diamanti

HC3 Box 10026 Kea'au HI 96749

February 10, 2022

Dear Chair Gabbard, Chair Keohokalole and
Members of the Senate Committee on Agriculture
And Environmental Health:

My name is Susan Diamanti, and I am the sole owner/operator of Aunt Sue's Sugar Shack. I am a small cottage business run out of my home in Kea'au and I sell decorated cookies and other sweet treats. I have been in business since July of 2021 and have slowly grown over the last several months. I currently participate in the Hilo Town Market on Friday nights and do the occasional pop-up sales. Most of my sales are via word of mouth or from contact at the markets. I do have a website but due to current cottage regulations I am only able to take inquiries and not orders. I recently purchased an edible printer and have had businesses and organizations approach me about selling my cookies with their logo and with the current regulations, I am not able to wholesale to businesses and so this eliminates this revenue for me. I have also had a real estate business request cookies for their home/land owners, but I am limited to only shipping to other parts of Hawaii and so their owners on the mainland are not able to get this special touch. This bill would provide me the option to expand my business into these areas.

I am aware of the current regulations, and I am compliant with all of them, but I know there are businesses that are not operating above board. I welcome the additional oversight this bill affords to ensure that those that are not compliant are not able to operate illegally. While I acknowledge that there will still be some that will operate outside of the legal perimeters, this bill provides the legal backbone to enforce the rules and hold people accountable, especially the investors and organizers of local markets. The State will also be able to track the smaller businesses and receive revenue where non currently exists.

This bill codifies the cottage law and eliminates the uncertainty of changes being made or even eliminated which ensures stability in my small business. I love living in Hawaii, love interacting with the public and would truly appreciate the opportunity to expand my business safely, with stability and legally while sharing my locally made products.

Mahalo Nui Loa for your time and consideration

Susan Diamanti

susan@auntsuessugarshack.com

808-650-1220

Testimony in Support of Senate Bill 2888
Sally Stewart
92-1824 Keaka Parkway, Ocean View, HI 96737

February 10, 2022

Dear Chair Gabbard, Chair Keohokalole, and Members of the Senate Committees on Agriculture and Environment and Health:

Thank you for the opportunity to submit testimony in support of SB2888. I am the owner of Sally Jane's Sweets and Savories, a cottage food bakery I started in September of 2020. I am based on the Big Island, and I vend at two regular local markets, occasional specialty events, and I provide custom cakes and desserts for family celebrations. A major focus of my business is to utilize local, seasonal fruits and products as much as possible, and I have developed supportive business relationships with local farmers, producers and businesses as a result. While my customer base consists of both residents and tourists, I find that all of my customers go out of their way to support local businesses. The demand for locally made food is considerable.

Hawaii can be an economically challenging place for many people who live here. Having multiple ways to bring income into the family, including making food for sale at local markets and venues, can make a big difference in a person's life, and can save on commute time, childcare, gas and other things that complicate job opportunities. Having the ability to create foods for others to enjoy from a home kitchen has been an indispensable part of my ability to make a living, as I know it is for others as well.

I am often approached by coffee shops, retail establishments and other businesses wanting to work with me and carry my products. I also get frequent inquiries to ship my goods. I have to turn down all of these opportunities, as current regulations prohibit them. SB2888 would expand opportunities for not only the cottage food producers alone, but to other business as well who can increase their offering of locally made products for their customers. Farmer's markets, while a great way to meet and talk story with customers, can also be inconsistent. Markets are sometimes cancelled for weather and other reasons, often with short notice. For someone with perishable food items like myself, this can be a real hardship. If I bake a few hundred dollars worth of product and a market is cancelled, that all becomes waste as I cannot sell it a week or two later. Having other opportunities, such as wholesale accounts, creates a layer of financial stability for a business such as mine.

I greatly enjoy running my business - seeing the joy of people's faces as they sample one of my treats, being a part of family celebrations, and contributing to and supporting the local economy in multiple ways. Please support this initiative to open opportunities and markets that will enable cottage food producers like myself to thrive.

Sincerely,

Sally Stewart
808-339-3328
sally.w.stewart@gmail.com

SB-2888

Submitted on: 2/10/2022 3:06:29 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kate Martel	Individual	Support	No

Comments:

I strongly support SB2888 because it standardizes requirements for products made in homes so that producers can sell low-risk food products through mail, retail and internet channels, in addition to direct to consumer sales currently allowed. Locally made cottage foods help farmers, small businesses, and promote food security by promoting locally sourced foods. Genuine Hawaii-made food products enhance the tourist industry as well. This is a good law that acknowledges low-risk types of cottage foods, and recognizes the expertise of those who have attained the Hawaii Master Food Preservers Certification.

SB-2888

Submitted on: 2/10/2022 4:25:47 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jo Morrison	Individual	Support	No

Comments:

I am supporting SB 2888 because it standardizes requirements for low risk products made in homes so that producers can sell these food products through the mail, retail and through internet channels, in addition to direct to consumer sales currently allowed. Locally made cottage foods help farmers, small businesses, and promotes food security by promoting locally sourced foods. Foods that are genuinely made in Hawaii enhances the tourist industry as well. I support this law due to it acknowledges low-risk types of cottage foods, and recognizes the expertise of those who have attained the Hawaii Master Food Preservers Certification.

SB-2888

Submitted on: 2/10/2022 7:33:01 PM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rau Foooh	Individual	Support	No

Comments:

Yes, I'm for this. Hawaii needs to be food-independent because of our location. We need to grow a lot of food and we don't lack the talent and we are multi-cultured is a PLUS.

We are uniquely equipped for this. Let us take advantage of it and our beautiful weather year-round.

I like our grass-fed beef and it's not very expensive. Have you tried getting grass-fed beef from the mainland? Auwe, the prices! I buy our local beef all the time. LOVE IT!

I would also like to try raw milk and cheese and our own coconut milk, raw of course. We already eat raw fish.

Let's show the world how healthy Hawaii is!



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

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*

TO:

Committee on Health
Senator Jarrett Keohokalole, Chair
Senator Rosalyn H. Baker, Vice Chair

Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Clarence K. Nishihara, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 11, 2022
TIME: 1pm
PLACE: Via Videoconference

RE: SB2888 Relating to Economic Development

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 allow cottage food operations to sell cottage food products, under certain conditions, upon receiving a permit from the Department of Health. Food manufacturing is an area with great potential for growth in our state. We believe that the state should encourage innovation and entrepreneurship in this area. Allowing cottage foods to be safely made and sold to customers is a way to help the next generation of Hawaii food manufacturers get their start. This bill is a step in the right direction. We urge the Committee to vote yes on this measure and we thank you for the opportunity to testify.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 11, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
SENATE COMMITTEE ON HEALTH

TESTIMONY ON SB 2888
RELATING TO ECONOMIC DEVELOPMENT

Conference Room 224 & Videoconference
1:30 PM

Aloha Chairs Gabbard and Keohokalole, Vice-Chairs Nishihara and Baker, and Members of the Committees:

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 the intent of SB 2888, which establishes the Access to Local Food Act to allow cottage food operations to sell cottage food products, under certain conditions, upon receiving a permit from the Department of Health.

As expenses rise, increases in farm revenues and profits are critical to the continued viability of farms and ranches. One way farmers can do this is by "adding value" to raw agricultural crops. Currently, off-grade and excess production is sometimes wasted due to market conditions. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities and address Hawaii's goals of increased self-sufficiency and sustainability.

The Access to Local Food Act can provide benefits to our local agricultural sector by encouraging farmers to diversify their farming operations to incorporate value-added products as another avenue for revenue as well as increase sales of locally grown products to Cottage Food businesses. Communities will also benefit from greater access to locally produced foods.

We are concerned that potentially hazardous cottage food products are included as part of the Access to Local Food Act. We support non-potentially hazardous cottage food products as part of the Local Food Acts and defer to the Department of Health regarding potentially hazardous cottage food products.

Thank you for this opportunity to testify on this important subject.

SB-2888

Submitted on: 2/11/2022 9:07:31 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lorie Farrell	Individual	Support	No

Comments:

Aloha,

Please support the Cottage food Industry bill this is a viable and needed diversified revenue stream for Hawaii's residents.

Mahalo,

Lorie Farrell

SB-2888

Submitted on: 2/11/2022 9:39:24 AM

Testimony for AEN on 2/11/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark Martel	Individual	Support	No

Comments:

I strongly support SB2888 because it standardizes requirements for products made in homes so that producers can sell low-risk food products through mail, retail and internet channels, in addition to direct to consumer sales currently allowed. Locally made cottage foods help farmers, small businesses, and promote food security by promoting locally sourced foods. Genuine Hawaii-made food products enhance the tourist industry as well. This is a good law that acknowledges low-risk types of cottage foods, and recognizes the expertise of those who have attained the Hawaii Master Food Preservers Certification.