

February 21, 2023



Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce & Consumer Protection
Thursday, February 23, 2023
10:00 am
Via Videoconference

RE: **SB756** Relating to Economic Development (**Support**)

Dear Chair Keohokalole, Vice Chair Fukunaga & Members of the Committee,

The Chamber of Sustainable Commerce (CSC) testifies in support of SB756, 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 business owners who believe we can strengthen our economy without hurting workers, consumers, or the environment, we urge this committee to pass SB756 because a cottage food operation is a great way for a worker to transition into a business owner, create jobs for others, and invest in our local circular economy.



Food+ Policy Internship 2023

food@purplemaia.org

To: Chair Keohokalole, Vice-Chair Fukunaga, and the Senate Committee on Commerce and Consumer Protection

Subject: SB756 Relating to Economic Development; Access to Local Food Act

Hawaii Food+ Policy strongly **supports SB756**, which 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 Departments of Health.

This would strengthen Hawaii's economy. By developing a cottage food industry in Hawaii, you would allow Hawaii residents an opportunity to develop a new avenue for Hawaii goods and homemade food products. As Hawaii has evolved into a cultural melting pot, we have developed a host of flavor blends that are uniquely found in the islands. Allowing a Cottage Foods industry to develop would create an additional revenue source for families and individuals, helping to supplement the high cost of living residents of Hawaii endure.

A secondary outcome of establishing a Cottage Food industry would be the strengthening of Hawaii's food industry and food self-sufficiency, and decreasing the dependence on imported goods. Through promoting Homemade products, and increasing the ease and incentives for residents to partake in the industry, residents are more likely to invest in production equipment that would increase Hawaii's food production abilities and infrastructure, providing for more facilities to process agriculture products into secondary edible products in case of interruption of the transport of imported goods.

Furthermore, establishing a cottage food industry, would protect food operators so they can produce homemade products in their home kitchen. Currently, they need a certified commercial kitchen. If they were able to use their home kitchen, it would make it easier to sell to people at holiday bazaars, bake sales, fundraisers, food swaps, temp events, roadside pickled mango, to name a few. There are rural communities that depend on making food and selling it on the side of the road to passersby. The less red tape, the better.

In order for Hawai'i to become more resilient and self-sustaining, we must begin to create a stronger food secure infrastructure. By developing a cottage food industry for Hawaii,

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2023, the cohort of interns are undergraduate and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Food+ Policy Internship 2023

food@purplemaia.org

you strengthen Hawaii's economy and food security, sustainability, and sovereignty. We support local, we support SB756.

Mahalo,
Kelsey Amos & the Food+ Policy Team
#fixourfoodsystem

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Feb. 23, 2023

10:00 a.m.

VIA VIDEOCONFERENCE

Conference Room 229

To: Senate Committee on Commerce and Consumer Protection

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

From: Grassroot Institute of Hawaii

Jonathan Helton, Policy Researcher

RE: SB756 — RELATING TO ECONOMIC DEVELOPMENT

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB756](#), which would allow cottage food operations to sell cottage food with a permit from the state Department of Health.

We commend the Legislature for examining ways to reduce unnecessary regulation and provide new opportunities for local businesses. Expanding access to cottage food is a smart, relevant way to help small businesses and local food producers.

In the past several years, Hawaii lawmakers, farmers and the general public have taken an increased interest in local agriculture and food production. Many express the desire to make Hawaii more self-reliant and sustainable.

The state Department of Agriculture and various other state agencies have invested significant resources in Hawaii's food-production capabilities. This bill augments those efforts by reducing red tape on selling locally produced food.

By focusing on smart regulation, SB756 could help decrease the cost of operating a cottage food establishment.

In addition, providing new opportunities for Hawaii's residents to become entrepreneurs is exactly what we recommended in our "[Road map to prosperity](#)" report, issued in May 2020. Its suggestions are just as relevant today as Hawaii continues to recover and deals with rampant inflation as well.

In that report, we focused on strategies to rebuild the state's economy following the COVID-19 pandemic 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."

It said, "The simplest approach 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."

This measure would further that goal and provide Hawaii families with new potential income streams that would contribute to the local economy and a more sustainable, diversified future.

Thank you for the opportunity to testify.

Jonathan Helton
Policy Researcher
Grassroot Institute of Hawaii



Senate Committee on Commerce and Consumer Protection

Hawai'i Alliance for Progressive Action (HAPA) Supports: SB756

Thursday, February 23, 2023 10am Conference Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting the following testimony in support of SB756.

SB756 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 SB756 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, cottage food legislation has passed in over 40 states¹.

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.

Please pass SB756 with a reasonable start date to provide support to our small producers as soon as possible.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', is written above the printed name.

Anne Frederick, Executive Director

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



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Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Senate Commerce and Consumer Protection Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports SB756.**

This bill allows cottage food operations to sell cottage food products, under certain conditions and with a permit from the Department of Health. We believe that this bill would have a positive economic impact on small farmers and local food producers.

Short of a long-term federal agricultural policy, this bill could provide an opportunity for small-scale producers to increase local food production to assure that the islands continue to meet the needs of its citizens. This would also enable local and regional food producers to access local markets. In addition, this bill presents local food producers an opportunity to diversify their offerings, ultimately diversifying their sources of income. In so doing, SB756 provides an opportunity for small-scale farmers to achieve greater financial success and independence, leading to a stronger Hawaii economy.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



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February 23, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TESTIMONY ON SB 756
RELATING TO ECONOMIC DEVELOPMENT

Conference Room 229 & Videoconference
10:00 AM

Aloha Chair Keohokalole, Vice-Chair Fukunaga, and Members of the Committee:

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

The Hawai'i Farm Bureau supports SB 756, 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 Hawai'i'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 the opportunity to testify on this important subject.

SB-756

Submitted on: 2/21/2023 10:09:37 AM

Testimony for CPN on 2/23/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jane Tai	Testifying for Hawaiian Goodness, LLC	Support	Written Testimony Only

Comments:

Hawaiian Goodness supports SB756 as it is critical for the survival of small businesses such as mine. I started Hawaiian Goodness in 2015 soon after I received my Hawaii Master Food Preservers Certificate. I sell dehydrated fruits and fruit roll-ups using locally grown fruits to make these value-added goodies. When I applied for permits at our Department of Health, each time, the permit was approved with “non-potentially hazardous” and allowed me to market my products at indicated venues for 30 dates. I applied for 2 years continuously until I was told by the Department of Health that I did not need a permit since my products were classified as “non-potentially hazardous”. Why I wasn’t told sooner, I was unclear.

During those 2 years, I was asked by many of my customers whether I could send them products once they left the island or if they can find my products at retail stores. I have been asked by chefs from our hotels as well as other local businesses (chocolatiers) to supply them with my products. As I am a “home” kitchen, under the current Cottage food production laws, I am only able to sell “direct” to consumers. To take the next step of placing them in retail stores or become a supplier, I would have to rent a “certified” kitchen to cut, make, and package the dehydrated fruits and roll-ups.

A “certified” kitchen rents at approximately \$30/hour. Dehydrated fruits average 10-16 hours of dehydration time to ensure the product is food safe and a 9-tray dehydrator can only process 20lbs at one time. My yield of dried apple bananas from the 20lbs would only be 20 ounces but it would cost \$300 for machine time alone.

My passion for bringing “pure” dehydrated products to residents and visitors alike has not waned. I use no preservatives, no added sugar in my dehydrated fruits as I feel that our Hawaiian fruits are special and I want to showcase them as is. Mangoes, papayas, pineapples, jackfruit, jaboticaba, Surinam cherries, lychee, rambutan, longan – outside of Asia, no other State grows all of these other than Hawaii. I test all my products to ensure they are food safe using both a hygrometer and water activity meter. I take pride in saying that I use locally grown produce from our farmers and that everything is “made in Hawaii.” Seven years later, I am still a small business owner selling only at Farmers Markets. I would love to grow the company, I would like to support our agricultural economy in a larger way and the changes in SB756 would enable Hawaiian Goodness and other local entrepreneurs to do so.

Thank you for the opportunity and your support for this initiative.

Regards,

Jane Tai, Hawaiian Goodness, LLC

SB-756

Submitted on: 2/20/2023 9:56:14 AM

Testimony for CPN on 2/23/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marjorie Bonar	Individual	Support	Written Testimony Only

Comments:

Home made is a very powerful marketing factor for many safely produced food items. Canned, preserved and safely handled baked goods should be easier to market and obtained. It has become important for small farmers to supplement income with value added products. I personally am a graduate of the Master Food Preserver program and support a bill to make it possible for local products to be accessible.

SB-756

Submitted on: 2/20/2023 10:38:50 AM

Testimony for CPN on 2/23/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Matt Binder	Individual	Support	Written Testimony Only

Comments:

This bill will promote local economic sustainability and the ability to buy safe locally produced goods. The current regulations for homefood operations is that anything which is Time or Temperature Controlled is considered hazardous. The only form of preservation currently allowable is dehydrating and jam/jelly making.

It makes no sense that pickles and ferments as well as acidified products are not allowed even “direct” to consumers. I see them being sold but technically, it’s illegal. Freeze drying, pickling, fermenting, acidifying low-acid foods should be added to the list of what should be allowable. High pressure canning is not on the list as it requires more skill.

By allowing these forms of preservation, we can create a larger market with locally produced goods.

Currently, the “direct to consumer” is being translated as face-to-face,. With Covid, it shut a lot of small vendors/businesses out. It should be legal to mail “direct to consumer” since there is often no other way.

Dear Committee Chairs,

I specialize in homemade jams made from our local fruits that I and other farmers here on the Big Island grow. I am glad that I currently can cook jam at home. However, for me to grow my business and make a decent living (I am struggling to get by right now) I need to sell online and wholesale to local stores like the coffee shop down the street. I am prohibited on doing that with the current guidelines for cottage industry. Likewise, I am only allowed to do Jams and I would like to expand into BBQ sauces, Salsa and relishes. I am currently working on getting my application approved to use a commercial kitchen from the Health Dept. This approval process is lengthy, costing me an initial \$1500.- for lab testing and an additional \$617./ a month for time testing for only 8 of my 30 flavors. Then I will be required to use a commercial kitchen that can cost between \$20-\$50. an hour depending on location and availability. Then I would only be allowed to make the 8 flavors I had tested. I would love to be able to hire someone and grow my business, however these costs will be prohibitive and price my product out of the market.

Food safety is a top priority for people in the cottage food industry. If someone got sick form my product, I would feel terrible, and it would also ruin my business. I have taken a the Hawaii Master Food Preservers (HMFP) course that teaches the science and art of preserving locally grown foods and I have a certificate from them. I have my Hawaii State Food Handlers license. I am glad that this bill addresses concerns for food safety and helps to create a path for people who make food products from home that are safe.

Thank you for your consideration and helping small business owners.

Sincerely,

Rourk Reagan

[Wai'ōhinu, HI](#)