

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



WENDY L. GADY
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

**TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION**

**BEFORE THE SENATE COMMITTEES ON WAYS AND MEANS
& COMMERCE AND CONSUMER PROTECTION**

Friday, March 1, 2024
9:50 a.m.

Conference Room 211 & Videoconference

**SENATE BILL NO. 2106
RELATING TO VALUE-ADDED PRODUCTION**

Chairpersons Dela Cruz and Keohokalole, Vice Chairs Moriwake and Fukunaga,
and Member of the joint Committees:

Thank you for the opportunity to testify in support of Senate Bill No. 2106,
which establishes the Access to Local Value-Added Products Act to allow
homemade food operations to sell homemade food products, under certain
conditions, and upon registering with and receiving a permit from the Department
of Health.

One of the biggest hurdles for entrepreneurs and start-ups is access to
equipment and facilities. This measure provides a path forward for start-ups and
entrepreneurs to use their home's kitchen for the preparation, packaging,
storage, or handling locally made food products. ADC believes this measure will
foster the development of emerging value-added businesses across the state.

However, we will defer to Hawaii Department of Health regarding food safety protocols and ensuring that the value-added products are prepared and handled in a safe manner.

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS AND THE SENATE
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

FRIDAY, MARCH 1, 2024
9:50 A.M.
CONFERENCE ROOM 211 & VIDEOCONFERENCE

SENATE BILL NO. 2106, SD1
RELATING TO VALUE-ADDED PRODUCTION

Chairs Dela Cruz and Keohokalole, Vice-Chairs Moriwaki and Fukunaga, and Members of the Committees:

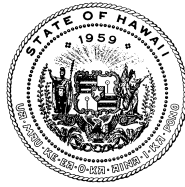
Thank you for the opportunity to present testimony on Senate Bill 2106, SD1. This bill establishes the Access to Local Value-Added Products Act to allow homemade food operations to sell homemade food products, under certain conditions, upon registering with and receiving a permit from the Department of Health (DOH). The Department provides the following comments.

The Department believes this proposed Act could incentivize certain households to engage in entrepreneurial activities to expand value-added food production, particularly in rural areas. These new activities could create more diverse local food products and market options to transform economic opportunities for various communities, allowing them to retain more of the value chain dollar. It further adds resiliency to local food systems.



The Department appreciates this legislative effort to help the development of the small-scale homemade food or “cottage food” industry in Hawaii. Lastly, we defer to the DOH with respect to proposed amendments needed in Chapter 328 to establish the proposed Act.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. BOX 3378
HONOLULU, HI 96801-3378
doh.testimony@doh.hawaii.gov

LATE

In reply, please refer to:
File:

**Testimony in OPPOSITION to SB2106SD1
RELATING TO VALUE-ADDED PRODUCTION**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

SENATOR JARRETT KEOHOKALOOLE, CHAIR
SENATE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

Hearing Date: 3/1/2024

Room Number: 211 & VIDEO CONF

- 1 **Fiscal Implications:** This measure will impact the priorities identified in the Governor's
2 Executive Budget Request for the Department of Health's (Department) appropriations and
3 personnel priorities.
- 4 **Department Testimony:** The Department of Health OPPOSES this measure.
5 The department opposes this bill for the reasons detailed in previous testimony on this measure.
6 The department already allows foods that do not require temperature controls for safety (TCS) or
7 non-potentially hazardous foods, to be made in a home and sold directly to consumers. These
8 are classified as "Homemade Food Operations" in HAR Title 11, Chapter 50, Food Safety Code
9 (HAR 11-50). These foods are already required to be labeled properly indicating that they are
10 not made in a DOH inspected facility. The operators of these "homemade food operations" are
11 also required by HAR 11-50 to have a basic Food Handlers Certificate issued by the DOH or
12 various third-party vendors that the DOH recognizes as valid.
13
- 14 The department opposes any attempt to expand "cottage foods" or "homemade foods" to include
15 foods that require temperature controls to prevent or eliminate the growth of pathogenic bacteria
16 that are known to cause food illnesses. Current chapter 11-50, HAR, adopted the 2013 Version
17 of the FDA model food code that does not allow home kitchens to be used for the commercial
18 preparation of food. Particularly problematic foods include beef, pork, poultry, seafood, cooked
19 starches including cooked plant products which become TCS when cooked, canned, or dried, all
20 of which this measure would allow to be sold by persons from their homes.
21
- 22 The utilization of private residences for commercial food production is simply inconsistent with
23 DOH's mission to protect public health. Private residences are not designed, nor are they
24 constructed to be commercial spaces and DOH cannot regulate them as such. DOH does not

1 have the staff time or resources to inspect person's homes, nor is it safe for state inspectors to do
2 so. A person has a reasonable expectation of privacy in their home, thus DOH inspections of a
3 person's residence will be little more than superficial. Moreover, as these homemade food
4 operations operate primarily as residences, the conditions of their operation can change
5 drastically in a short period of time making a DOH inspection worthless from a public health
6 perspective. There is simply no value in DOH inspecting homes that are not and cannot be
7 transformed into commercial spaces.

8
9 **Offered Amendments:**

10
11 The DOH opposes any effort to allow TCS food production for commercial distribution, but if
12 the legislature wishes to move this bill forward, DOH recommends the following changes:

- 13
14 1) Replace the proposed permitting requirements of this measure in §328-C with a system of
15 registration whereby homemade food operators submit information about their home or
16 farm kitchen and food production to DOH on forms prescribed by DOH to enable DOH
17 to adequately investigate cases of foodborne illness.
- 18 2) Delete §328-E in its entirety since §328-E(a) suggests that DOH may not be able to
19 investigate a homemade food operation and take appropriate action to embargo
20 adulterated articles pursuant to its existing authority in the case of, for example, a
21 foodborne illness outbreak. Proposed §328-E(b) and (c) are also problematic because
22 they inaccurately suggest that distribution of potentially hazardous foods only when "the
23 homemade food operator delivers the potentially hazardous homemade food product to
24 the consumer" (page 12, lines 12-14) is significant from a public health perspective,
25 which it is not, and that DOH could effectively regulate this entirely private transaction,
26 which it cannot. §328-E(d) is meaningless and thus unnecessary in that it singles out
27 poultry and seafood products. The rest of the proposed new part already removes the
28 existing blanket restriction on potentially hazardous food sales in chapter 11-50, HAR,
29 which necessarily includes poultry and seafood.
- 30 3) Require in proposed §328-B that homemade food operators pass an ANSI accredited
31 Food Safety Manager Certification Examination in addition to the DOH approved Food
32 Handlers Education Certification.

33 In summary, DOH strongly opposes this measure because it is inconsistent with DOH's mandate
34 to public health. If, however, this measure advances, DOH strongly recommends the following
35 core elements remain:

- 36
37 1) The creation of a registry and obligation to register as a homemade food operator so
38 that DOH may track food to its source and take appropriate action. In the context of
39 food production within a person's private residence, permitting is meaningless. It
40 serves as an effective regulatory tool only when used to establish and enforce clearly-

1 identified standards for operation and equipment, none of which will be present in the
2 home or farm kitchens this measure envisions.

3 2) Retention of DOH's authority to investigate and address foodborne illness via the
4 embargo and detention of adulterated articles pursuant to existing provisions of
5 chapter 328, HRS.

6 3) Consumer warning labels (buyer beware) of all homemade food products and a
7 requirement that traceback information be included.

8

9 Thank you for the opportunity to testify.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION and WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
WEDNESDAY, MARCH 1, 2023 AT 9:30 A.M.**

To The Honorable Senator Jarrett Keohokalole, Chair
The Honorable Senator Carol Fukunaga, Vice Chair
Members of the committee on Commerce and Consumer Protection
To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Members of the committee on Ways and Means

SUPPORT SB2106 SD1 RELATING TO VALUE-ADDED PRODUCTION

The Maui Chamber of Commerce **SUPPORTS SB2106 SD1.**

The Chamber notes that, for generations, homemade food operations were where innovations and new products were made. For example, one of our Maui chefs, Bev Gannon, started in her home kitchen, which then expanded to multiple restaurants on island. By allowing homemade food operations, it offers an alternative to renting a certified commercial kitchen where they will need to drive to the location depending on the kitchen availability (sometimes at inconvenient hours), bring in and pack out all items (as there is often no storage), and possibly clean up after the previous tenant. homemade food operations alleviate significant time and expense from our small food manufacturers and may help to spur this industry.

We appreciate the inclusion of rules and management by the Department of Health as that will provide an appropriate level of safety and oversight.

For these reasons we **SUPPORT SB2106 SD1.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



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

March 1, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2106, SD1
RELATING TO VALUE-ADDED PRODUCTION

Conference Room 211 & Videoconference
9:50 AM

Aloha Chairs Keohokalole and Dela Cruz, Vice-Chairs Fukunaga and Moriwaki, and Members of the Committees:

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 2106, SD1, which establishes the Access to Local Value-Added Products Act to allow homemade food operations to sell homemade food products, under certain conditions, upon registering with and 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 Value-Added Products 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 Homemade 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 Value-Added Products Food Act. We support non-potentially hazardous cottage food products as part of the Local Value-Added Products Food Acts and defer to the Department of Health regarding potentially hazardous homemade food products.

March 1, 2024, 9:50 a.m.
Hawaii State Capitol
Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means

Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice-Chair

Senate Committee on Commerce and Consumer Protection

Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: COMMENTS IN SUPPORT OF SB2106 SD1 — RELATING TO VALUE-ADDED PRODUCTION

Aloha Chair Gabbard, Vice-Chair Richards and Committee Members,

The Grassroot Institute of Hawaii would like to offer its support for [SB2106 SD1](#), which would enact the “Access to Local Value-Added Products Act.”

This bill would allow local entrepreneurs to safely make and sell certain homemade food products without having to comply with burdensome and unnecessary regulations, such as the requirement that some of the foods be prepared in a commercial kitchen.

Last year, in the West Hawaii Today newspaper, one of our researchers highlighted the absurdity of this rule.

“Imagine you have an auntie in Ka’u who wants to start selling her famous lilikoi jam,” wrote Grassroot policy researcher Jonathan Helton. “She’s an excellent cook, and the neighbors often compliment her jams and jellies when she gives them as gifts.

“One of her neighbors tells a cousin on Maui how amazing the jams are, and this cousin gets in touch with your auntie to buy a few jars through the mail.

“But stop right there,” Helton said. “State law prohibits homemade foods from being sold through the mail unless they were made in a commercial kitchen.”¹

As pointed out in a Honolulu Star-Advertiser commentary by Rourk Reagan, who operates Pukana La Farms in Waiohinu, Hawaii, commercial kitchens can cost upward of \$20 an hour to rent.² So this can comprise a major barrier to local residents who want to turn their family recipes into a bit of extra cash but aren’t interested in running a full-fledged food business.

Almost a decade ago, a report from the Kohala Center recommended allowing sales through the mail and sales through certain third parties.³ The state now has the opportunity to turn that recommendation into law.

Regarding concerns that homemade or cottage foods can endanger public health, there is little evidence to suggest this is the case.

The Hawaii Department of Health has stated that no foodborne illnesses have been linked to cottage food operations since the department first took steps to legalize such foods in 2015.⁴

Likewise, a survey of state health departments across seven states with scaled-back cottage food laws found that no foodborne illnesses had been confirmed to be linked to cottage foods; only two mild cases were even suspected to be caused by cottage foods.⁵

Considering that foodborne illnesses are frequently linked to restaurant-prepared foods, cottage foods have a stellar track record on food safety.

Overall, removing unnecessary barriers to mom and pop food entrepreneurs would pay big dividends in the state. SB2106 SD1 would also further Hawaii’s goal of producing more food in the state and boosting its food independence.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Jonathan Helton, "[Relax rules on ‘cottage food’ entrepreneurs.](#)" West Hawaii Today, Nov. 4, 2023.

² Rourk Reagan, "[Column: Hawaii farmers and home cooks deserve a chance to grow.](#)" Honolulu Star-Advertiser, Sept. 28, 2023.

³ "[Hawai’i Cottage Food Business Working Group Report, 2014.](#)" The Kohala Center, Jan. 13, 2015, pp. 12-13.

⁴ [Correspondence with the Department of Health under the Uniform Information Practices Act](#), Oct. 20, 2023; and

⁵ Erica Smith Ewing and Jennifer McDonald, "[New Data Show Homemade Food for Sale is Incredibly Safe.](#)" Institute for Justice, Sept. 6, 2023.

SB-2106-SD-1

Submitted on: 2/27/2024 8:58:08 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
ken love	Testifying for hawaii tropical fruit growers	Support	Written Testimony Only

Comments:

Ken Love's comments on HDOH written testimony on the Value-added bill are in bold italic

Answering the concerns of HDOH

This whole exercise is to change the law to allow for home food preservation.

With proper training kitchen users be they restaurants, commercial kitchens, church kitchens or home kitchens, cooks and chefs and food preservers are trained not to cook or produce items when they are sick.

Permits issued can require a home inspection and specific available times, and of course an anytime complaint-based inspection. This should be important to the community if proved authentic. Again proper training. This has been addressed in amendments

If it is written in the permit that under an authenticated outbreak HDOA had permission to inspect. Or HDOA pulls permit and confiscates all material being sold after an investigation. People in Hawaii do not get sick because of any department of health action. They do not get sick because value-added product producers and chefs and cooks want to provide safe food and care about their customers. The odds of someone getting sick from a homemade value-added product is no greater than having a meal at any commercial restaurant. In fact I venture to say having a home-made item would be safer than a good many of Hawaii's restaurants.

The HDOH concern with women being unable to inspect homes. *Very old-world thinking. Women make up a large part of the police and fire departments and put themselves in danger like any man does. It's absurd to think that in this day and age that is still an issue.*

This is sounding like the KGB's FSB

Training! Why does DOH assume the worst in people. No one wants to be typhoid Mary. They want to simply produce and sell safe value added products. Why would HDOA be concerned with "anti-government rhetoric". Its not their job! No wonder it takes a year to get inspected.

Medications are not stored in the kitchen by a large part of the population although according to the National Institute of Health 76% of the National Population incorrectly stores at least 1 prescription but none in the kitchen. 62% of the national population do not store medication in the kitchen.

This is also a no brainer. Proper training as a food preserver or chef includes how to safely store cleaning supplies and prescriptions. The HDOH should not assume that just because it's a home kitchen its not safe. They should spend more time in Hawaii's commercial kitchens to make them safe.

The HDOH is concerned with Illegal drugs? That's for the police not HDOA to be concerned with. You mean there are no drugs in restaurant kitchens? You need to visit restaurant kitchens more often!

(Illegal venomous animals in homes? Only if they came from Guam in UA wheels)

I guess HDOA folks have never sat in a restaurant with a rat running across the floor. You got to get out more! No one wants this but it happens. Proper training and established rules help keep it contained and this is no different in restaurant or home kitchens. How many of Hawaii's restaurants really follow the rules and have monthly treatments for pests and bacteria?

Set inspection times. In permits and again proper training!

Bottom line is we as value-added producers around the state, need to be make these in a home kitchen and be able to sell them freely.

Salsa	Chutney	Mango pickle
Sour Kraut	Fruit Syrup	Kim Chee
Relish	BBQ Sauce	Chili Sauce

Catsup

Hot Sauce

Tomato Sauce / paste / Juice

We are not asking for meat or dairy jsut those items that have been produced safely for literalooopy thousands of years.

Proper training is essential for preparations in restaurants or certified kitchens or in home kitchens. It's the training and not the kitchen that makes the difference.



INSTITUTE FOR JUSTICE

Testimony in Support of Senate Bill 2016

February 29, 2024

Dear Chair Keohokalole, Chair Dela Cruz and Members of the Senate Committees on Commerce and Consumer Protection and Ways and Means:

Thank you for the opportunity to submit testimony in support of Senate Bill 2016. I am an attorney at the Institute for Justice. We are a nonprofit organization that has helped cottage food producers 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.

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 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.

Seven states—California, Iowa, Montana, North Dakota, Oklahoma, Utah, and Wyoming—have enacted similar laws to support the local production of homemade food, including allowing the sale of perishable food. Notably, in these states, there has not been one confirmed case of foodborne illness tied to cottage food sales.² Wyoming has the

¹ Jeffrey K. O'Hara, Marcelo Castillo, Dawn Thilmany 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/aapp.13047.pdf>.

² Erica Smith Ewing, Jennifer McDonald, New Data Show Homemade Food For Sale Is Incredibly Safe, Sept. 6, 2023, <https://ij.org/report/new-data-show-homemade-food-for-sale-is-incredibly->



INSTITUTE FOR JUSTICE

oldest law. It has broadly allowed a wide variety of cottage food sales for nearly nine years with no cases of foodborne illness. 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
Senior Legislative Counsel
Institute for Justice
Email: mforbes@ij.org

[safe/#:~:text=New%20data%20from%20the%20Institute%20for%20Justice%20show%20that%20buying,made%20in%20a%20home%20kitchen.](#)

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

Aloha Committee Chairs,

Thank you for the opportunity to submit testimony in support of SB#2106 SD1. We endorse and are asking you to support the Access to Local Value Added Products Act, Hawaii Senate Bill #2106 SD1 submitted January 2024. This bill is vital to our local economy and would be a huge boost to local businesses that make and sell value added products like pastries, jams, dried fruit and many more home produced goods made from local products. Known as cottage industry, homemade foods have a long tradition in Hawai'i. Unfortunately, the current regulations make it cost and access prohibitive for many residents of Hawai'i.

Currently, only a few items are allowed to be made in a Home Kitchen such as jams, dried fruit, poi and some baked goods. They can only be sold at such places as Farmers markets and events where the item is directly sold to the consumer from the home cook. In this world of technology and being an Island, these homemade goods are not allowed to be sold on the internet, mailed to other islands or the mainland nor wholesaled to local stores. The only way to go about this is to get HAACP permits and use a commercial kitchen. At a rate of \$25-\$50/hr for a kitchen, this is cost prohibitive and makes many of these items too expensive for local consumers and visitors. Some of us have been told by the county to drive to the other side of the island to use a kitchen. Spending \$150 on gas to make \$100's worth of jelly doesn't make economic sense.

Nor does it make sense for those of us who are in the dehydrating "business" such as myself (Hawaiian Goodness) and do not own a certified kitchen on site. Requiring the dehydrator to be operated in a certified kitchen already closes the door to that entrepreneur. Having to spend \$50 x 12 hours of dehydration WITHOUT adding other costs is not feasible. Additionally, there are not enough commercial kitchens on the islands, especially in rural areas. Rather than encouraging agricultural reliance, we are discouraging being economically self sufficient and building Hawaii's brand of premium Fruit/Vegetable products.

This bill is still food safety orientated where the home cook/preserver still has to have a Food Safety Card, GE Tax number, a permit and other measures such as a certificate from the Hawaii Master Food Preservers and/or lab testing. This bill opens so many doors for residents that want to have a small business. It keeps money here and will bring in more revenue with general excise tax. It allows for many more items to be made in the home kitchen and sold to the public.

Thank you for supporting small farm producers and Hawaii's cottage industries.

Jane Tai	Hawaiian.goodness.kona@gmail.com
Sadie Vaughan	Sadie_vaughan@yahoo.com
Craig Thompson	crtrumi@gmail.com
Nick Vaughan	vaughannick992@yahoo.com
Randy Cook	randygrachi@gmail.com
Elizabeth Whitney	elizabethwhit92@gmail.com

Aloha Committee Chairs,

Thank you for the opportunity to submit testimony on SB2106 SD1 Relating to Local Value-Added Production Act. I am submitting as a representative of Hawaii Master Food Preservers, Inc., an institution focused on educating the larger community, farmers and entrepreneurs in producing food safe and shelf stable value-added products.

We understand that there are food safety issues involving TCS or Time, Temperature Control for Safety. We are not asking to change or ignore those conditions. We are advocating that certain items can be considered “non-potentially hazardous” if the process in producing them are within the Food Safety guidelines stipulated by the National Center for Home Food Preparations and/or are approved safe recipes for preserving.

Specifically, Mr. Oshiro of Hawaii’s Department of Health in previous testimony has cited various temperatures whereby food needs to be kept for certain number of hours to ensure food safety. That is correct IF the food in question is being cooked and served immediately. That is NOT the issue in SB2106 SD1. The foods we are requesting to become “non potentially hazardous” are items such as Acidified products, pickles and ferments. These products can have time, temperature control safety (TCS) issues but they are then refrigerator items and not shelf stable. The measure is not referring to these as refrigerator items but as shelf stable, pasteurized products where acid has been added (pH 4.2 or below) and then high heat applied (pasteurized for 20 mins) to seal the product. Using these 2 measures, the possibility of pathogenic/bacterial growth is prevented or mitigated. In the case of pickles and ferments, the high heat application stops the pickling process and the fermentation process. In the case of acidified products like tomato marina, the additional acid provides an uninhabitable environment for pathogenic/bacterial growth. These then are food safe and shelf stable and supported by the National Center for Home Food Preparation and by the FDA. They do not require refrigeration until they are opened.

HMFP educates the broader community on this science, art and techniques of basic food safety of preserved food. We go beyond the required Department of Health Food Handlers permit. For the past 10 years plus, with limited funding, HMFP has embarked on taking traditionally preserved local products and educating as to how to ensure they are in compliance with Food Safety regulations – acidity, water content, water activity, temperature, altitude differences to name a few. To reach a broader base, we created “Preserving Videos” on various preservation methods which may be found on our website: mfphawaii.org. In these videos, we consistently raise the importance of being sanitary – both personally as well as in the foods we are handling. We also emphasize that our islands have unique produce not found on the mainland U.S. We ensure that the audience is aware that there are specific diseases endemic to our island we need to be vigilant against such as Rat lungworm and certain measures must be taken to prevent illness. We are also aware that many “old” habits have to change as was done with sanitization with regard to Covid-19.

While many of you have heard of the “farm-to-table” movement, our objective is a “farm-to-shelf” movement. In our agricultural community, small farmers may not have the time to produce value added products. However, there are many interested entrepreneurs, artisans, and craftspeople who are and want to connect with these farmers. Many of these artisans have come through our classes. Often times, there is immense enthusiasm and ideals at the onset of our 8-day intensive training course. At the end, not only has that enthusiasm increased exponentially particularly since we teach the science behind preserving but they feel empowered them with tools to ensure they are producing quality, food safe and shelf stable value-added products.

Many of you might think of preserving as putting things in a jar and sterilizing it – canning. Yes, that is a part of it. But think of it in this way – if you are not eating it fresh or prepared in a meal, then you are preserving, e.g. refrigeration or freezing or drying. Although these are everyday occurrences, not everyone knows of the food safe practices which should be followed in each method. How long can you keep an open jar of homemade marina in the refrigerator, how long can you keep frozen fish in the freezer, why do you not re-freeze something that says “previously frozen” and if you are drying, how dry is dry to be shelf stable. Besides these methods, we teach 5 more preserving methods, all accessible to the homemade food operator.

Since the last revision of the Cottage Food Industry rules, technology has advanced significantly where the home food operator can purchase equipment once cost prohibitive or relegated to the Food Science world only. To measure acidity, we have pH paper and meters. To measure moisture content, we have manual calculations, hygrometers and water activity meters. We have standardized vinegar solutions and ratios for pickling. We have SOPs (Standard Operating Procedures) each producer should construct to ensure their product or products are food safe – from where they purchased the product, visual inspection, sanitization, sterilization and so on.

Many who come to the Hawaii Master Food Preservers, Maui Innovation Center, UH Palamanui, UH Leeward and other organizations/facilities are the would-be entrepreneurs. The majority are already artisans in their respective areas – bread, jam, dried goods, pickles – and they take pride in their products. They want to take the next step and by engaging in these institutions, they have made a commitment. They are committed to be socially responsible producers; to mitigate any foodborne illness from their products and to source as much as possible locally grown raw produce. They are conscientious producers understanding and living the motto “Buy Local, it Matters” and proud of “Made in Hawaii – made in a home kitchen not routinely inspected by the Department of Health”. Homemade Food Operators are no longer the grandmas, tutus on our island. They are young, full of energy and enthusiasm and believe strongly in helping to make Hawaii agriculturally and economically sustainable while offering artisanal products affordable to our communities (not just visitors).

HMFP is much more than just an education tool. We seek to educate, inspire, and encourage advocates for the “farm to shelf” movement. We act as a bridge to homemade operations to island wide/nationwide operations. The changes being proposed in the bill will open new avenues for “made in Hawaii” products and will allow existing entrepreneurs to take the next

step of building their business with less of a financial burden. We hope you will support the current changes to the Value Added Act and open up these new paths for our next generation.

Thank you again for enabling us to submit testimony in support of SB2106 SD1.

Jane Tai
Vice-President
Hawaii Master Food Preservers, inc.

SB-2106-SD-1

Submitted on: 2/27/2024 11:21:16 AM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT.

MAHALO

SB-2106-SD-1

Submitted on: 2/27/2024 7:50:05 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

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

Comments:

I support HB2144 as it is critical to the growth of local food production in Hawai'i and to build a sustainable economy in a predominantly agricultural state. By opening up channels to local businesses which make value added products we create entrepreneurs and unleash creativity. The bill does not neglect food safety. It ensures that all food is shelf stable. Hawai'i Master Food Preservers supports this legislation and I trust their experience. Please support this bill and let our economy grow as we support our farmers and other food producers.

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, be able to ship and wholesale to local stores like the coffee shop down the street. I am prohibited from doing that with the current guidelines for cottage industry. I'm not even permitted to ship my products to other Islands. Likewise, I am only allowed to do Jams and I would like to expand into BBQ sauces, Salsa and relishes. I recently received my permit to use a commercial kitchen from the Health Dept. I am allowed to make 8 out of my 35 flavors. For those initial 8 flavors the cost was initially \$1500.- for lab testing and an additional \$617./ a month for time testing, that was only for 8 flavors. The commercial kitchen is costing me \$25. an hour with very limited availability. The current hours of availability are late in the evening from 7pm-2am, and 4 am- 11:30am in the morning, it takes good 6-8 hours to make a batch of jam and sauces depending on the flavor. I may have to go to another kitchen in Kona or Hilo for more hours which is an hour and half away at \$50.- an hour. If I could continue to cook at home, I could use some of that money to hire someone. I would have more hours not driving or the half hour just bringing pots, pans and supplies to the kitchen. I would be saving on gas and making my carbon footprint smaller. For those with children, they could be at home more and not have to figure out childcare to drive to a kitchen. I do not want to raise my prices. The additional costs are pricing me out of the market and will make wholesale impossible. I believe in keeping our money here and growing local businesses that are sustainable. Food safety is a top priority for people in the cottage food industry. I only make products that do not require Time Temperature Control, that are in the correct pH and Water Activity range and are shelf stable. If someone got sick from my product, I would feel terrible, and it would also ruin my business. I have taken 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 and I pay my GE tax. 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. Please support this bill. Mahalo for helping small business owners and farmers.

Sincerely,
Rourk Reagan
Pukana Lā Farms
[Wai'ōhinu, HI](#)

February 28, 2024

Aloha Chair Dela Cruz, Chair Keohokalole, Vice Chair Keith-Agaran, Vice Chair Fukunaga, and members of the Ways and Means and the Commerce and Consumer Protection Committees,

I am writing in support of SB2106 Relating to Value Added Production. I am the sole proprietor of Sally Jane's Sweets and Savories, a cottage foods bakery on the Big Island that caters to a specialty clientele (gluten free and vegan). I have to be a cottage foods operation, as there are no rental kitchen facilities that meet the requirements of being fully gluten free, egg free and dairy free (risking cross-contamination). Even if a commercial kitchen were available that met those needs, the rental fees are prohibitive in general.

As the sole provider of baked goods made in a dedicated gluten free and vegan kitchen, it would be very beneficial for my client base if I were able to have wider distribution beyond farmer's markets. While I enjoy the one-on-one interaction with my customers, I realize that traveling several hours for a cookie isn't something most folks are willing or able to do, as much as they might want it. Being able to ship, particularly to the more far flung areas of the Big Island, and to wholesale to other outlets would enable folks with these restrictions to enjoy a treat without a lot of hardship.

Additionally, by increasing commercial opportunities not currently available to cottage food businesses, it has the potential to generate greater sales, which mean increased tax revenue to the state.

In terms of safety, I personally hold liability for my product, and because of this I take food safety very seriously. The majority of food-based illness have been from commercial operations: to date, there are no substantiated cases of food-borne illness from a cottage foods operation ¹, regardless of how liberal the state laws are in terms of what is permitted to be made. Expanding the types of foods allowed to be produced from home kitchens is proven to be safe, and allows people to grow their business and income by offering more products. This benefits the whole community by highlighting locally made products, with ingredients and supplies purchased through local suppliers and farmers, providing a wide array of choices to local and visiting consumers.

For all the ways it will help small businesses and the state's bottom line, I urge you to pass SB2106 Relating to Value Added Production.

Sincerely,
Sally Stewart

¹ <https://ij.org/report/new-data-show-homemade-food-for-sale-is-incredibly-safe/>

SB-2106-SD-1

Submitted on: 2/28/2024 4:18:37 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Tai	Individual	Support	Written Testimony Only

Comments:

As someone who believes in sustainability, it is my firm belief that the community of small businesses whom produce food out of their homes are vital to creating and operating a sustainable economic system. This bill allows those businesses to continue to function and grow, bringing money back into the community and the small farms and agricultural lands, which in turn, will allow us to thrive. As these small businesses continue to grow, through the support of this bill, they will be able to contribute more into our local economy by continuing to show and share what our island has to offer as well as providing tourism attractions including participating in farmers markets. But without this bill, those communities will perish and the economy will become solely dependent on tourism again and our economy will suffer again like we did when the state shut down at the beginning of the pandemic. We were once able to support our local families and community by living off what the land provided for us; these value-added products help us continue that tradition and give our community a stepping stone to start and grow their businesses to the point where they can financially support the rising cost of rent for a commercial kitchen and other things deemed necessary by the standards currently in place. I firmly believe that this bill **MUST** pass in order for us to build our businesses and local economy up and not only grow, but thrive.

SB-2106-SD-1

Submitted on: 2/28/2024 6:05:29 PM

Testimony for CPN on 3/1/2024 9:50:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynn Beittel	Individual	Support	Written Testimony Only

Comments:

I support this bill because farmers need more ways to sell their products and increase their revenue. Lots of visitors want to buy local products. Let's make it easier for the farmers to support themselves and their families, not harder.