



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

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Statement of
James Kunane Tokioka
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Thursday, March 13, 2025
1:01 PM
State Capitol, Conference Room 229

In consideration of
HB650 HD1
RELATING TO SEA SALT PRODUCTS.

Chair DeCoite, Vice Chair Wakai and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of **HB650 HD1** which appropriates funds for DBEDT to provide education and support to local businesses regarding the federal Food and Drug Administration's (FDA) industry guidance on colored sea salt.

According to FDA, "manufacturers of sea salt that intend to add color additives that are not currently approved for food use to their products, such as charcoal or red clay, must first obtain approval for the use of these substances through the color additive petition process. Color additive petitions must be submitted to FDA's Office of Food Additive Safety, HFS-200, 5001 Campus Drive, College Park, MD 20740. The information required for color additive petitions is outlined in 21 CFR 71.1. There are guidance documents available on our [FDA] website that address the administrative, chemistry, toxicological, and environmental information that should be included in support of a color additive petition." Source: <https://www.fda.gov/media/94036/download>.

DBEDT notes that obtaining FDA approval of the color additives used by Hawaii sea salt companies can be a lengthy and expensive process requiring very specific

technical expertise. UH-CTAHR has a Human Nutrition, Food and Animal Sciences Department with such technical expertise on nutritional ingredients and color additives in foods. As such, UH-CTAHR would be an appropriate entity to provide education to Hawaii sea salt manufacturers regarding the requirements of FDA on color additives in sea salt. An appropriation in the amount of \$300,000. would be necessary to conduct such a project.

Thank you for the opportunity to testify.



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LATE

TO: Committee on Economic Development and Tourism

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: March 10, 2025

TIME: 1:01pm

RE: HB650 HD1 Relating to Sea Salt Products

Position: Support

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

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

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

Making colored sea salt is culturally and historically significant in Hawaii. It's also an industry that supports jobs and contributes to our economy. Unfortunately, due to an oversight during an FDA rule change in 2015 the traditional ingredients that give Hawaiian salts their color, alea and black lava, were not included in the list of approved additives.

Hawaiian sea salt companies have already dedicated years and spent thousands of dollars to get this situation rectified, and now they need the help of their legislators to preserve this industry. We often talk about diversifying and strengthening Hawaii's economy, and the potential growth in manufacturing in our state. This is an ideal opportunity for the state to support that diversification and growth. We urge you to vote yes on this measure and we thank you for the opportunity to testify.



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March 13, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON HB 650, HD1
RELATING TO SEA SALT PRODUCTS

Conference Room 229 & Videoconference
1:01 PM

Aloha Chair DeCoite, Vice-Chair Wakai, 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 HB 650, HD1, which appropriates funds to the Department of Business, Economic Development, and Tourism to provide education and support to local businesses regarding the United States Food and Drug Administration's guidance on colored sea salt.

Authentic Hawaiian red alaea and black sea salt have become increasingly popular. The two colorants used in Hawaiian sea salt, activated charcoal, and Hawaiian red alaea clay, were recently added to the FDA's approved colorants list, requiring a Color Additive Petition (CAP) application filed by sea salt producers and suppliers.

Obtaining FDA approval for the color additives used by Hawai'i sea salt companies is a lengthy and costly endeavor. Detailed research, studies, and analysis by science and industry experts must be conducted and submitted to the FDA for review. In 2019, DBEDT estimated that the cost of engaging in this process would be a minimum of \$100,000. Today, the estimated cost is \$300,000. Most of Hawai'i's salt producers are small businesses and can't afford the high cost of the CAP process.

Thank you for the opportunity to comment on this measure.



**Testimony to the Senate Committee on Education
Senator Michelle N. Kidani, Chair
Senator Donna Mercado Kim, Vice Chair**

**Thursday, March 13, 2025, at 1:01PM
Conference Room 229 & Videoconference**

LATE

RE: HB650 HD1 Relating to Sea Salt Products

Aloha e Chair Kidani, Vice Chair Kim, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 650 House Draft 1 (HB650 HD1), which appropriates funds to the Department of Business, Economic Development, and Tourism for providing education and support to local businesses regarding the United States Food and Drug Administration's guidance on colored sea salt.

HB650 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Ensuring the viability of Hawaii's sea salt manufacturing industry is crucial for fostering local business growth and capitalizing on the rising popularity of sea salt products colored with Hawaiian charcoal, volcanic clay, and other natural ingredients. The proposed legislation recognizes that implementing the United States Food and Drug Administration's (FDA) guidance on color additives is essential for maintaining quality standards and market competitiveness. By appropriating funds to support education and compliance efforts, Hawaii can help local producers navigate the FDA's color additive petition process and continue to showcase the state's unique sea salt offerings.

In addition to strengthening the market for Hawaii-made sea salt, these measures uphold consumer safety by encouraging adherence to regulatory requirements. Providing resources to local businesses will enable them to pursue the FDA's necessary approvals, ensure that product labeling is accurate, and preserve the credibility of this growing niche. The Chamber supports this bill because it sustains local entrepreneurship, safeguards consumer confidence, and elevates Hawaii's standing in the specialized sea salt market.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 650 House Draft 1. Thank you for the opportunity to testify.

Testimony for the Legislative Bill of the State of Hawaii

HB 650 HDI

Year 2025

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

**Hawaiian Red and Hawaiian Black sea salts,
which are also very dear and important to
Hawaii's age-old tradition
and culturally important for years
and to save**

existing and potential future employments in the State.

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

- (1) many jobs in Molokai
- (2) many jobs Kuai
- (3) many jobs in Oahu
- (4) successful many other distribution, retail, co-packing, restaurant, and ingredient business within the state of Hawaii.

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

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

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

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

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

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

Since 2015, when the FDA guidance was first issued, the Hawaiian Black and Red sea salt business has suffered a gradual decline. If we do not comply with the FDA requirements this business will be completely destroyed in time, resulting in adversely affecting employment and export business for the state of Hawaii. (For all the opportunities mentioned in the first paragraph)

We have been updating our distributors during the 9 years. The progress is too slow with FDA, and hence we received a call from one of our large distributors, stating unless we have some concrete evidence of the approval process from FDA, they had to cancel all the orders. This distributor confirmed to us that all their customers love the Colored Hawaiian Sea Salt Products and see an ongoing great demand.

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

trouble with FDA. We receive calls and e-mails from major distributors and retailers, every six months, asking if FDA has approved the sale and use of Hawaiian Black and Red sea salts.

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

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

The cost of a successful CAP application process with FDA is very expensive and is a very complicated process, which requires assistance from well experienced consultants who have done similar processes successfully.

- ***The estimated cost in 2020 was approximately \$225,000, which was before we hired any consultants and without adequate knowledge of the extent of the CAP process with FDA.***
- ***The State approved \$300,000 in 2022.***
- ***State of Hawaii hired a team of FDA consultants with 40+ years of experience in December 2023, with Department of Agriculture and University of Hawaii managing the project.***
- ***Consultants meet with Project administrator and the Hawaiian salt producers regularly, every month, and give them updates on their progress.***
- ***After one year they came to the following conclusions:***
 - ***The two colorants (The Activated Charcoal & Hawaiian Red Alaea) were tested by third party labs, and they found nothing harmful to human being based on the quantity of these colorant used in the Hawaiian sea salts.***
 - ***They need to do more other data research and probably a few more chemical analyses before they could appeal to FDA for a favorable decision.***
 - ***There are three Concern Levels – CL1, CL2 and CL3.***
 - ***CL3 requires very extensive studies, with an estimated cost of \$1,600,000 plus.***

- ***Our consultants believe that the use and the resulting exposure of Red Alaea & Activated Charcoals fall into CL1, which requires very minimum studies, and they could convince FDA the same.***
- ***We have come so far with very good progress and good news. An additional \$300,000 funding could take us across the goal post unless FDA disagrees with the consultants.***
- ***This estimate has some contingencies added.***
- ***The consultants have more than 40 years of experience in the same field and have a good feeling how to present the matters to the FDA.***
- ***They believe we could get approval with the cost estimate above.***
- ***The funds are managed by the University of Hawaii representatives so meticulously and every dollar spent is scrutinized thoroughly before approval, and every dollar spent is meticulously accounted for.***
- ***We get progress reports every month.***

Hawaiian sea salt industry is a collection of small businesses, and such small business group cannot by itself handle such large cash outlay, which will be very impractical and destructive, especially with the major revenue drop that the Hawaiian salt industry is suffering resulting from the current restrictive guidelines by FDA on the Black and Red Hawaiian sea salts.

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

The following is our contact information if you need clarification on any points or need more explanation.

CONTACT INFORMATION:

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