

STAND. COM. REP. NO.

1056

Honolulu, Hawaii

MAR 03

, 2023

RE: H.B. No. 1348  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1348, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABELING OF MACADAMIA NUTS,"

begs leave to report as follows:

The purpose of this measure is to protect macadamia nut farmers in the State and the premium brand of goods grown and produced in Hawaii by:

- (1) Applying the labeling requirement for macadamia nuts partially sourced from Hawaii to situations in which the labeling on a consumer package, by any other means including in the company name or use of image, represents the origin of the macadamia nuts as being from the State;
- (2) Requiring the country of origin to be included on the label of a consumer package of raw or processed macadamia nuts; and
- (3) Allowing a private right of action for violations.

Your Committee received testimony in support of this measure from the Department of Agriculture; Edmund C. Olson Trust No. 2; Ka'u Farms Management LLC; Hamakua Macadamia Nut Company; Island

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Harvest Inc.; Mahina Mele Farms, LLC; Hawaiian Sunshine Farms Inc.; Hawaiian Macadamia Nut Company; Hawaiian Macadamia Nut Services, LLC; International Longshore and Warehouse Union Local 142; Yamada Enterprises, Inc.; New Hawaii Macnut Company; Sweet Brown Hawaii; Synergistic Hawaii Agriculture Council; Hawai'i Farm Bureau; Macadamia Growers of Hawai'i; Hawaii Tart Innovations; Hawai'i Farmers Union United; Rancho Aloha; Hawai'i Alliance for Progressive Action; Ulupono Initiative; Kuwale Ridge Farms; Hawaii Macadamia Nut Association; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaiian Host Group; M&K Distributors, Inc.; and numerous individuals.

Your Committee finds that the macadamia nut industry is a significant contributor to the State's agricultural economy. There are currently sixteen thousand acres of macadamia nuts statewide on roughly six hundred twenty farms. Your Committee further finds that the industry faces significant economic pressure as a result of macadamia nut products' misleading use of Hawaiian names and images when only a portion or none of the macadamia nuts within the products were sourced from within the State. This measure bolsters the State's existing protections on the labeling of the origin of macadamia nuts to protect the Hawaii brand.

Your Committee has amended this measure by:

- (1) Expanding the existing labeling law for macadamia nut products to apply to branding or other representations on a label, rather than expanding to any other means, including a company name or use of an image of the State;
- (2) Clarifying that the listing of the countries of origin be included on the principal display panel pursuant to section 304 of the Tariff Act of 1930;
- (3) Clarifying that it is a violation of the labeling law to use a label containing the words "Hawaii-Grown Macadamia Nuts" that misrepresents and creates a reasonable expectation that the origin of the macadamia nuts in the package as being grown in the State;



- (4) Deleting language that allowed a private right of action for violations; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1348, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1348, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



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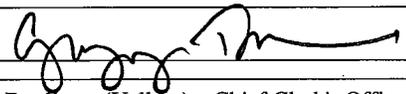
DAVID A. TARNAS, Chair



State of Hawaii  
House of Representatives  
The Thirty-second Legislature

HSCR 1056

**Record of Votes of the Committee on Judiciary & Hawaiian Affairs**

Bill/Resolution No.: <b>HB1348, HD1</b>	Committee Referral: <b>AGR, CPC, JHA</b>	Date: <b>3/1/2023</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. TAKAYAMA, Gregg (VC)	✓			
3. GANADEN, Sonny	✓			
4. HOLT, Daniel		✓		
5. HASHIMOTO, Troy N.			✓	
6. ICHIYAMA, Linda				✓
7. ILAGAN, Greggor	/			
8. KONG, Sam Satoru	/			
9. MIZUNO, John M.	/			
10. SOUZA, Kanani	/			
<b>TOTAL (10)</b>	7	1	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; font-size: 1.5em; font-family: cursive;">  </div>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				