
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that Hawai'i's coffee
2 industry is the State's second most lucrative agricultural crop,
3 valued by the United States Department of Agriculture at
4 \$98,000,000 annually, with additional upstream and downstream
5 impacts that include employment, land preservation, and tourism.
6 The legislature further finds that Hawai'i-grown coffee is
7 among the highest priced coffee sold anywhere in the world,
8 largely due to the high cost of production and its reputation
9 for outstanding quality. As such, the State's coffee industry
10 is susceptible to fraud when less expensive coffees are falsely
11 labeled as originating from Hawai'i. Currently, state law
12 imposes penalties for the false labeling (counterfeiting) of
13 Hawai'i-grown coffee in cherry and parchment form, but the fraud
14 of coffee counterfeiting has been almost exclusively committed
15 in roasted coffee products. Coffee counterfeiting undermines
16 Hawai'i's coffee farmers by misrepresenting an increase in
17 supply, thereby creating downward price pressure and value



1 depreciation in the marketplace. Additionally, further harm
2 occurs when inferior products are introduced into the supply
3 chain, thereby undermining Hawai'i's hard-fought brand identity
4 for high quality crops.

5 Moreover, the legislature believes that enforcement of
6 coffee labeling laws is of paramount importance to their
7 effectiveness, and that investment in enforcement will compound
8 labeling requirements' effectiveness by enhancing its deterrent
9 effect. As such, the legislature finds that a full-time
10 position within the department of agriculture dedicated solely
11 to the enforcement of labeling laws applicable to Hawai'i's
12 agricultural products will greatly improve brand integrity in
13 the State.

14 Accordingly, the purpose of this Act is to:

- 15 (1) Deter coffee counterfeiting by enhancing the penalties
16 for the false labeling of Hawai'i-grown coffee with
17 regard to its geographic origin through the imposition
18 of a mandatory fine and specification that each act of
19 false labeling is a separate offense; and
- 20 (2) Establish a position within the department of
21 agriculture to effectuate the purpose of this Act.



1 SECTION 2. Section 708-871.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§708-871.5[+] False labeling of Hawaii-grown coffee.

4 (1) A person commits the offense of false labeling of Hawaii-
5 grown coffee if the person knowingly transports, distributes,
6 advertises, sells, or possesses with the intent to sell Hawaii-
7 grown green coffee, cherry coffee, [~~or~~] parchment coffee, or
8 roasted coffee that is falsely labeled with regard to the
9 geographic origin of the Hawaii-grown coffee.

10 (2) For purposes of this section:

11 "Cherry coffee" means the unprocessed fruit of the coffee
12 plant.

13 "Geographic origin" means the geographic areas designated
14 as follows:

- 15 (a) Hamakua is the Hamakua district on the island of
16 Hawaii, as designated by the State of Hawaii tax map;
- 17 (b) Hawaii is the State of Hawaii;
- 18 (c) Kau is the Kau district on the island of Hawaii, as
19 designated by the State of Hawaii tax map;
- 20 (d) Kauai is the island of Kauai;



1 (e) Kona is the north Kona and south Kona districts on the
2 island of Hawaii, as designated by the State of Hawaii
3 tax map;

4 (f) Maui is the island of Maui;

5 (g) Molokai is the island of Molokai; and

6 (h) Oahu is the island of Oahu.

7 "Green coffee" means the agricultural commodity comprised
8 of green coffee beans.

9 "Parchment coffee" means the dried product that remains
10 when coffee cherries are processed by removing the coffee seeds
11 from the pulp.

12 "Roasted coffee" means the product that results from
13 heating the coffee cherry seeds to augment aroma and flavor.

14 (3) False labeling of Hawaii-grown coffee is a class C
15 felony. In addition to any penalties imposed pursuant to
16 section 706-605, the court shall impose on any defendant
17 convicted of false labeling of Hawaii-grown coffee a mandatory
18 fine of \$10,000 for each separate offense. The mandatory fine
19 imposed shall not be suspended or waived."

20 SECTION 3. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2023-2024 and
2 the same sum or so much thereof as may be necessary for fiscal
3 year 2024-2025 to fund one full-time equivalent (1.0 FTE)
4 measurements standards inspector (BU3, SR-19, Step C) position
5 within the department of agriculture for the purpose of labeling
6 and packaging enforcement and inspection.

7 The sums appropriated shall be expended by the department
8 of agriculture for the purposes of this Act.

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect upon its approval;
12 provided that section 3 shall take effect on July 1, 2050.

13



Report Title:

Roasted Coffee; False Labeling; Fines; Appropriation

Description:

Extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee. Imposes \$10,000 fine for each separate offense of false labeling of Hawaii-grown roasted coffee. Makes an appropriation for 1.0 FTE enforcement position. Effective 7/1/2050. (SD1)

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

