

STAND. COM. REP. NO. 1064

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 1276
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1276, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the offense of false labeling of Hawaii-grown coffee to include roasted coffee; and
- (2) Impose a \$10,000 fine for each separate offense of false-labeling of Hawaii-grown roasted coffee.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawai'i Farm Bureau, Synergistic Hawai'i Agriculture Council, Heavenly Hawaiian Farms, Malama Kaua'i, Smithfarms LLC, Hawaii Coffee Growers Association, Kona Coffee Farmers Association, Hawaii Coffee Association, and two individuals.

Your Committee finds that Hawaii-grown coffee, which is one of the State's signature crops, is held to a set of quality standards that make it one of the most expensive coffees in the world. This attracts counterfeiters who falsely label foreign-grown coffee as Hawaii-grown to capitalize on the reputation of the State's unique agricultural offerings while



providing a subpar product for a competitive price that appears to consumers as a bargain for what they believe to be Hawaii-grown coffee. Counterfeit coffee introduced into the marketplace undermines the State's growers and legitimate producers, who are forced to compete with fake products that are often priced below the cost of production of genuine Hawaii-grown coffee, creating downward pressure on the local industry at a time when costs are increasing for producers and further undermining the reputation of the State as one of the world's best coffee-growing regions.

Your Committee finds that while the existing law requires all coffee products carrying a Hawaii geographical reference to disclose the location where the coffee was grown and to indicate the percentage by weight of locally grown coffee and coffee grown elsewhere, it does not include roasted coffee, which creates a loophole allowing misleading labeling of roasted coffee containing little or no genuine Hawaii-grown beans. This measure will close that loophole by explicitly incorporating roasted coffee fraud into the criminal offense of false labeling of Hawaii-grown coffee, further protecting the State's economy, reputation, and agricultural industry.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



