SYLVIA LUKE Lt. Governor



SHARON HURD Chairperson, Board of Agriculture

DEAN M. MATSUKAWA 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 HOUSE COMMITTEE ON CONSUMER PROTECTON AND COMMERCE

WEDNESDAY, FEBRUARY 12, 2025 2:00 p.m. CONFERENCE ROOM 329

HOUSE BILL NO. 1291, HD1 RELATING TO AGRICULTURE

Chair Matayoshi, Vice Chair Chun and Members of the Committee:

Thank you for the opportunity to testify to House Bill No.1291. This bill extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee. Imposes a \$10,000 fine for each separate offense of false labeling of Hawaii-grown roasted coffee. The Department of Agriculture (DOA) strongly supports this bill but would like to defer to our Attorney General on the correct placement of the new higher fines in the Hawaii Revised Statutes. This bill places fines on page 2 line 12 in Hawaii Revised Statutes 708-871.5 under commerce and consumer protection not HRS 486-32 Measurement Standards offenses and penalties.

Raising the fine for a criminal offense to \$10,000 will serve as a greater deterrent to the counterfeiters of roasted coffees and hopefully better compliance under the law will increase the brand value and recognition of the product. With other changes in the coffee labeling laws HRS 486-120.6 this bill will help with the enforcement of those laws.



DOA respectfully requests that funds be added to this bill to support Measurement Standards Inspector V SR-19 \$65,000, to support and restore enforcement capability for labeling regulations for Hawaii products such as coffee, macadamia nuts and mamaki tea. The inspector will inspect and enforce the new laws.

Thank you again for the opportunity to testify.

Submitted on: 2/10/2025 12:58:36 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Bateman	Heavenly Hawaiian Farms	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Chun and Committee Members,

Heavenly Hawaiian Farms **strongly supports** this measure. It is critical for the protection of the Hawaii coffee industry that the penalties for fraud in misrepresenting Hawaiian coffees also apply to roasted coffee. This is the stage at which most of the ongoing fraud occurs.

Please vote in favor of this bill and move it out of committee and forward.

Mahalo nui,

David Bateman, President

Heavenly Hawaiian Farms

Holualoa HI



RE: SUPPORT for HB1291 HD1 RELATING TO AGRICULTURE *Roasted Coffee; False Labeling; Fines*

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in support of this Bill. Our consortium represents 1,500 agribusinesses, from growers to processors and shippers, stretching across the State.

SHAC receives Federal marketing funds to promote 100% Hawaiian origin products around the world, including coffee, papaya, floriculture and macadamia nuts. Frequently we find that the demand for 100% Hawaiian products far exceeds available supply. **Quite simply, there is not enough Kona, Ka'u or Maui coffee to meet the global desire for Hawaiian coffee. This makes our roasted coffees highly vulnerable to counterfeiting.** Counterfeiting is detrimental to consumer confidence, and lowers the value that growers receive for their real Hawaiian-grown products.

The technology to inspect roasted coffee for origin is basic and mainstream. The University of Hawaii has done studies on roasted coffee, where they use readily-available lab equipment to successfully differentiate between Kona and non-Kona beans (Jun Wang, et al., Vol. 74, Nr. 5, 2009—Journal of Food Science). Other mainland studies confirm that coffee DNA testing is scientifically valid, including a project by the Hawaii Coffee Association to build a fingerprint of all coffees statewide through the Oritain database. **Granting HDOA the authority to inspect roasted coffee is a necessary step to protect Hawaiian coffees from counterfeiting.**

We appreciate the Legislature working with the coffee industry through protection of origin products from cherry all the way through roasted coffee. Enforcement of this bill is expected to be on an as-needed basis, such as a consumer complaint.

Mahalo nui loa for supporting this bill!

um Zoh

Suzanne Shriner Administrator

An Equal Opportunity Cooperator Hawai'i Coffee Association • Hawai'i Floriculture and Nursery Association Hawai'i Macadamia Nut Association • Hawai'i Papaya Industry Association 190 Keawe Street Suite 25, Hilo, Hawai'i 96720 info@SHACHawai'i.org

Submitted on: 2/10/2025 3:31:39 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chair Matayoshi, Vice Chair Chun and members of the CPC committee.

Our Association strongly supports the intent and need for this measure to move forward. There has been strong legislation in the past couple years to find ways to stop counterfeit coffee (grown in different countries) from degrading our locally grown coffee by blending that cheap material in and calling it out on the label as a Hawaii origin. Roasted coffee was not included in the previous laws and this loophole needs to be closed.

Please support HB 1291. Mahalo for the opportunity to testify.



RE: STRONG SUPPORT for HB 1291; Relating to Agriculture

Aloha Chair, Vice Chair and members of the committee,

I am Fred Cowell, testifying as Vice-President of the Hawaii Coffee Association.

The HCA stands in **STRONG SUPPORT** of this measure. HB1291 improves the existing law by applying it to the point in the supply chain where coffee counterfeiting occurs, and stiffens penalties for violators. This is landmark legislation for our industry.

HB1291 adds roasted coffee to the existing false-labeling statute HRS 708-871.5. When this statute was originally enacted in 2011 it was limited to green coffee, cherry coffee, and parchment coffee. Since the egregious fraud known as "false labeling" or counterfeiting overwhelmingly occurs in roasted coffee, the law had little impact. Moreover, the current statutory penalties are inadequate to produce their intended deterrent effect.

Counterfeit coffee introduced into the marketplace undermines Hawaii's growers and legitimate producers, who are forced to compete with fake products. These fakes are often priced below the cost of production of genuine Hawaii-grown coffee. This creates downward price pressure at a time when costs are increasing for producers. Labor, fertilizer, pest control, and transportation costs have all risen sharply.

Hawaii's growers produce some of the finest coffee grown anywhere. Exceptionally high quality is vital so producers can earn high prices for their products - to stay in business, pay their employees and feed their families. Our members are outraged that counterfeit Hawaii-grown coffee is offered on the same shelves as their own at a price less than their cost of production.

Unethical sellers introduce foreign grown coffee into the market to defraud consumers by representing these fakes as Hawaii-grown products. Hawaii's coffee growers are squeezed between a high cost of production and unfair competition.

Moreover, these inferior fakes do not share the same quality attributes of the genuine product, further undermining Hawaii's reputation and brands. Shockingly, they are not required to comply with Hawaii's minimum grade standards, as Hawaii's producers are.

We respectfully ask you to pass HB 1291.

Please accept our thanks on behalf of Hawaii's legitimate coffee producers.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry. Our members are located throughout the State of Hawaii and positioned throughout the supply chain.

Vice-President Hawaii Coffee Association



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

February 12, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON HB 1291, HD1 RELATING TO AGRICULTURE

Conference Room 329 & Videoconference 2:00 PM

Aloha Chair Matayoshi, Vice-Chair Chun, 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 1291, HD1**, which extends the offense of false labeling of Hawai'i-grown coffee to include roasted coffee and imposes \$10,000 fine for each separate offense of false-labeling of Hawai'i-grown roasted coffee.

Hawai'i-grown coffee is recognized for its high quality and aromatic flavor. It is held to a set of quality standards, making it one of the most expensive coffees in the world. Hawai'i-grown coffee is one of Hawai'i's signature crops. The Hawai'i Department of Agriculture estimated the 2023-2024 production value of Hawai'i-grown coffee at \$48.2 million. It ranked third among the state's top fifteen agricultural commodities produced in 2023.

To protect the Hawai'i coffee from counterfeiting, the Legislature enacted Act 211 in 2023. This law requires all coffee products carrying a Hawai'i geographical reference to disclose the location where the coffee was grown and indicate the percentage by weight of locally grown coffee and coffee grown elsewhere. It also specifies that coffee products claiming to be 100% Hawai'ian must be grown and processed entirely in Hawai'i.

The current law focuses on green (unroasted) coffee, leaving a loophole allowing misleading labeling of roasted coffee containing little or no genuine Hawai'i-grown beans. HB 1291, HD1 closes this gap and strengthens consumer protections by ensuring that roasted coffee labeled as Hawai'i-grown truly originates from Hawai'i farms.

Thank you for this opportunity to provide comments on this measure.

Submitted on: 2/11/2025 6:32:27 AM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cecelia Smith	Smithfarms 100% Kona	Support	Written Testimony Only

Comments:

Protect we Kona coffee farmers from mislabeled and counterfeit Kona coffee, please.

Mahalo.

Submitted on: 2/11/2025 6:48:11 AM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Terry Martin	Ohana Martin Farms	Support	Written Testimony Only

Comments:

As a consumer it is of the utmost importance that I can trust the label of the product that I buy. As a farmer it needs to be required that our product type is protected from misuse



IN SUPPORT OF HB1291 RELATING TO AGRICULTURE Roasted Coffee, False Labeling, Fines

Aloha Chair, Vice Chair, and Esteemed Committee Members,

The Kona Coffee Farmers Association stands in support of HB1291, alongside other industry associations. The KCFA represent over 170 farms and agribusinesses in the Kona districts and our mission is to protect the economic interests of our growers.

As you may be aware, a counterfeiting lawsuit by Kona growers was recently settled for over \$42 million dollars. The allegations against certain mainland and Hawaiian companies were for roasting foreign coffee and labeling it as "Kona". It is time that the State establishes protocols to regulate bad actors in the roasting community.

This Bill closes an important loophole where counterfeiters have been escaping oversight. By granting HDOA the ability to verify the authenticity of a roasted coffee's origin, it opens the door for better enforcement and higher profits to farmers. The less counterfeit coffee in the marketplace, the greater the demand for real Hawaiian coffee.

Currently under this statute, the state regulates the three raw stages of coffee: green coffee, parchment and cherry. It only makes sense to include roasted coffee. **Granting HDOA the authority to inspect roasted coffee is a necessary step to protect Hawaiian coffees from counterfeiting.**

The industry expects that this change will not incur added FTE requirements. HDOA staff who oversee the current statute do so on a complaint-driven basis and this should continue.

Mahalo nui loa!

Mark Petersen

Mark Petersen President

Officers Kaipo Kekona State President

Anabella Bruch Vice-President

Maureen Datta Secretary

Reba Lopez Treasurer

Chapter Presidents Clarence Baber

Kohala, Hawai'i

Tony Vera East Hawai'i

Puna, Hawai'i

Andrea Drayer Ka'ū, Hawai'i

Maureen Datta Kona, Hawai'i

Fawn Helekahi-Burns Hāna, Maui

> Mason Scharer Haleakalā, Maui

Kaiea Medeiros Mauna Kahālāwai, Maui

> Kaipo Kekona Lahaina, Maui

Kilia Avelino-Purdy Moloka'i

> Negus Manna Lāna'i

India Clark North Shore, Oʻahu

Christian Zuckerman Wai'anae, Oʻahu

Ted Radovich Waimānalo, Oʻahu

Vincent Kimura Honolulu, Oʻahu

Natalie Urminska Kaua'i



Aloha Chair Matayoshi, Vice Chair Chun, and Members of the House Consumer Protection & Commerce Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports HB1291.**

HB1291 is crucial for safeguarding the integrity of Hawaii's coffee industry. By extending the offense of false labeling to include roasted coffee, this bill addresses a critical gap in the protection of one of Hawaii's most renowned agricultural products. Accurate labeling is essential not only for maintaining consumer trust but also for ensuring that the hard work of Hawaii's coffee farmers is recognized and rewarded. The introduction of a \$10,000 fine for each separate offense of false labeling serves as a strong deterrent against fraudulent practices, which can undermine the reputation and economic viability of Hawaii-grown coffee.

In addition to preserving the authenticity and value of Hawaiian coffee, this legislation supports local farmers' livelihoods and fortifies the state's agricultural economy. False labeling not only deceives consumers but also unfairly competes with genuine Hawaiian products, potentially driving down prices and income for legitimate producers. By establishing stringent penalties, HB1291 reinforces the commitment to transparency and honesty in marketing practices, thereby enhancing consumer confidence and fostering a fair marketplace for all stakeholders. The Hawaii Farmers Union recognizes this measure as a necessary action to protect one of our state's iconic agricultural treasures and supports its swift passage.

Mahalo for the opportunity to testify.

Hunter Heaivilin Advocacy Director Hawai'i Farmers Union

Submitted on: 2/11/2025 12:11:34 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Clare Wilson	Huahua Farm	Support	Written Testimony Only

Comments:

Aloha,

Huahua Farm, like many Kona coffee farms, roasts their coffee to sell to consumers. We strongly supprt addiing roasted coffee to the list of items that cannot be falsely labeled, in order to have a fair playing field in the market.

Mahalo

HB-1291-HD-1 Submitted on: 2/10/2025 6:20:07 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
B Anderson	Individual	Support	Written Testimony Only

Comments:

I support this bill.

Mahalo,

Barbara Anderson

Submitted on: 2/10/2025 8:23:17 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sammi Piasecki	Individual	Support	Written Testimony Only

Comments:

I support this bill both as a private citizen wanting to know exactly what is in the items that I'm purchasing, and as a coffee farmer wanting to protect the coffee I produce from being counterfeited. Please include roasted coffee in the list of items that cannot be falsely labeled. Please make the effective date July 1, 2025.

respectfully submitted, Sammi Piasecki

Submitted on: 2/11/2025 1:59:05 PM Testimony for CPC on 2/12/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
RICHARD COHEN	Individual	Support	Remotely Via Zoom

Comments:

We stand on the written testimony already submitted.

I am available from the Measurement Standards Branch for questions.