

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



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

SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

FRIDAY, JANUARY 31, 2025
10:00 a.m.
CONFERENCE ROOM 325

HOUSE BILL NO. 1291
RELATING TO AGRICULTURE

Chair Kahaloa, Vice Chair Kusch 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 the fines on page 2 line 12 in Hawaii Revised Statutes 708-871.5 this is 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.



RE: SUPPORT for HB1291
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.**

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. The technology exists to test the authenticity of both grade and origin of Hawaiian 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!

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@SHACHawaii.org



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

January 31, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HB 1291
RELATING TO AGRICULTURE

Conference Room 325 & Videoconference
10:00 AM

Aloha Chair Kahaloe, Vice-Chair Kusch, 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, 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% Hawaiian 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 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.



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Aloha Chair Kahaloa, Vice Chair Kusch, and Members of the House Agriculture & Food Systems 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. **HFUU 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 Heavilin
Advocacy Director
Hawai'i Farmers Union



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!

A handwritten signature in black ink, reading "Mark Petersen".

Mark Petersen
President

HB-1291

Submitted on: 1/28/2025 3:51:30 PM

Testimony for AGR on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support HB 1291 RELATING TO AGRICULTURE.

Mahalo,

Theresa Thompson

HB-1291

Submitted on: 1/28/2025 5:55:04 PM

Testimony for AGR on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqueline S. Ambrose	Individual	Support	Written Testimony Only

Comments:

YES to - 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.

HB-1291

Submitted on: 1/30/2025 2:39:45 PM

Testimony for AGR on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Bateman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Kahaloa and Committee:

It is critical that the fraud penalties for misrepresenting Hawaiian coffees apply to roasted coffee also. This the stage at which most of ongoing fraud occurs.

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

Mahalo Nui,

Dave Bateman, President

Heavenly Hawaiian Farms

Holoualoa HI