

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**SHARON HURD**  
Chairperson, Board of Agriculture

**DEAN M. MATSUKAWA**  
Deputy to the Chairperson

State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON JUDICIARY**

**THURSDAY, FEBRUARY 20, 2025**  
**10:01 AM.**

**CONFERENCE ROOM 016 & VIDEOCONFERENCE**

**SENATE BILL NO. 1276, SD1**  
**RELATING TO AGRICULTURE**

Chair Rhoads, Vice Chair Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No.1276, SD1. This bill extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee, and 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, which is under commerce and consumer protection and is criminal not HRS 486-32 Measurement Standards civil 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 for the opportunity to testify on this measure.



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February 20, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON JUDICIARY

**TESTIMONY ON SB 1276, SD1**  
RELATING TO AGRICULTURE

Conference Room 016 & Videoconference  
10:01 AM

Aloha Chair Rhoads, Vice-Chair Gabbard, 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 SB 1276, SD1**, which extends the offense of false labeling of Hawai'i-grown coffee to include roasted coffee and imposes a \$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. SB 1276, SD1 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.

**SB-1276-SD-1**

Submitted on: 2/18/2025 11:22:34 AM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
David Bateman	Testifying for Heavenly Hawaiian Farms	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Committee Members.

We are Heavenly Hawaiian Farms, a Kona coffee farm located in Holualoa, HI. We **strongly support** SB1276.

The roasted phase of coffee production is the phase where the vast majority of fraud occurs. Extending the penalties for false labeling and fraudulent misrepresentation to roasted coffee will have its greatest impact at this stage in deterring such activity.

We **strongly support** SB1276 and request that your committee votes favorably on this important measure and passes it out of committee.

Mahalo nui,

Dave Bateman, President

Heavenly Hawaiian Farms

Holualoa HI

**SB-1276-SD-1**

Submitted on: 2/19/2025 2:09:34 AM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Megan Fox	Testifying for Malama Kaua'i	Support	Written Testimony Only

Comments:

This is an obvious and easy way to support our local food systems and agriculture industry. Please help to prevent the fraud that hurts our farmers by supporting this bill.



**RE: SUPPORT for SB1276 SD1**  
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

**SB-1276-SD-1**

Submitted on: 2/19/2025 9:59:43 AM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cecelia Smith	Testifying for smithfarms kona coffee	Support	Written Testimony Only

Comments:

**Heartily support thiis Bill.**

**Mahalo plenty for your help!**

**LATE**

**SB-1276-SD-1**

Submitted on: 2/19/2025 2:52:05 PM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
James Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and members of the Senate Committee on the Judiciary,

I am writing on behalf of the Hawaii Coffee Growers Association who represent over 70% of the coffee growing acreage in Hawaii. We are in Strong Support of SB 1276 SD1. As in the past, we continue to support any legislation that will help alleviate false labeling on our products. While we have made great progress to date in this area, so far we have only created laws that protect our 'green' coffee. This leaves a large loophole for those intent on misleading the public. Here they would falsely use a Hawaiian origin on their label, but instead put inferior, foreign (cheaper) coffee into the roasted coffee bag. The roasted portion of our market is where most fraud occurs. SB 1276 specifically corrects this by adding "roasted coffee" to the current law.

We humbly ask for your support in passing this measure. Mahalo for the opportunity to testify.



**LATE**

**IN SUPPORT OF SB1276**  
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 SB1276, 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  
President



**LATE**

**RE: STRONG SUPPORT for SB1276; 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. SB1276 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.

SB1276 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 SB2103.**

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.

*Fred Cowell*

**SB-1276-SD-1**

Submitted on: 2/19/2025 8:07:45 AM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jan K Baldado	Individual	Support	Written Testimony Only

Comments:

Aloha,

I SUPPORT SB 1276.

Mahalo nui.

**LATE**

**SB-1276-SD-1**

Submitted on: 2/19/2025 3:20:06 PM

Testimony for JDC on 2/20/2025 10:01:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alla Kostenko	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.