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Governor

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Lt. Governor



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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON COMMERCE AND CONSUMER
PROTECTION**

**TUESDAY, FEBRUARY 4, 2025
9:35 a.m.
CONFERENCE ROOM 229**

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

Chair Keohokalole, Vice Chair Fukunaga 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 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 again for the opportunity to testify.

LATE



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February 4, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TESTIMONY ON SB 1276
RELATING TO AGRICULTURE

Conference Room 229 & Videoconference
9:35 AM

Aloha Chair Keohokalole, Vice-Chair Fukunaga, 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, 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 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.



Food+ Policy Internship 2025

food@purplemaia.org

LATE

February 3, 2025

Subject: SB 1276 *Relating to False Labeling of Hawai'i-Grown Coffee*

Aloha Members of the Commerce and Consumer Protection and the Judiciary Committee,

Hawai'i Food+ Policy is in support of SB 1276. Hawai'i is renowned for its unique and high-quality coffee. The distinct flavor profiles and growing conditions found in our islands contribute to a product that is sought after globally. However, this reputation also makes Hawai'i-grown coffee vulnerable to misrepresentation. When consumers purchase coffee labeled as "Hawai'i-grown," they expect authenticity and quality. False labeling undermines this expectation and threatens the livelihoods of local farmers who invest time, resources, and passion into cultivating their crops.

The economic implications of false labeling are significant. Local coffee farmers rely on their reputation and the premium prices associated with authentic Hawai'i-grown coffee. When inferior or non-Hawaiian coffees are falsely labeled as such, it creates unfair competition that can drive down prices for genuine products. This bill imposes a \$10,000 fine for each offense of false labeling related to roasted coffee, which serves as a strong deterrent against deceptive practices. By enforcing strict penalties, we can help safeguard the financial stability of our local agricultural community.

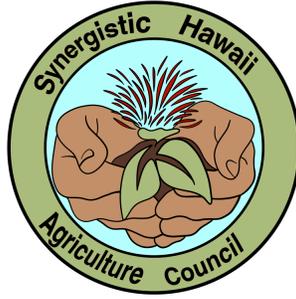
Beyond economic factors and consumer protection, SB1276 plays a vital role in preserving the integrity of Hawai'i's agricultural identity. Our state has worked hard to cultivate a brand synonymous with quality and authenticity in agriculture. Allowing false labeling to persist tarnishes this brand and diminishes the value associated with genuine Hawai'i-grown products.

In conclusion, I urge you to support SB1276 as it addresses critical issues surrounding false labeling in the roasted coffee market. This legislation will protect local farmers' livelihoods, enhance consumer trust, and preserve the integrity of Hawai'i's agricultural identity. Together, let us take a stand against deception in our marketplace and ensure that Hawai'i-grown coffee remains a symbol of quality and authenticity. We kindly appreciate your consideration.

Mahalo, The Hawaii Food+ Policy Team

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2024, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



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RE: SUPPORT for SB1276
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



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

Submitted on: 2/3/2025 5:25:46 PM

Testimony for CPN on 2/4/2025 9:35:00 AM

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

Comments:

Aloha Chair, Vice Chair and members of the CPN committee,

Please support SB 1276 this session as our coffee industry really needs further backing to protect us against continued counterfeiting of our high quality coffee. Our growers especially feel what can only be described as an insult after all the work we put in to guarantee this quality, only to have cheaters steal the credit for themselves. We have made good progress with last year's passing of Act 22, this measure adds "roasted coffee" to that effort and intent. Thank you for your consideration and giving me the opportunity to testify.