



**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
March 21, 2022  
Re: HB 1517 HD2 RELATING TO COFFEE**

Good afternoon, Chairperson Gabbard and Chairperson Wakai and members of the Senate Committee on Agriculture & Environment and the Senate Committee on energy, Economic Development and Tourism. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

The Retail Merchants of Hawaii is in opposition of HB 1517 HD2 Relating to Coffee. This measure requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased into a minimum of fifty-one percent after 7/1/2024. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii. Appropriates moneys for the pesticide subsidy program and for one full-time equivalent position to conduct inspections. Effective 7/1/2050.

While we understand the intent of this measure, we also realize that it may do more harm than good to the local coffee industry. Currently many of our visitors return home with bags of local coffee to reminisce about their stay in the islands. Our local restaurants use our island grown coffee. Residents enjoy local coffee in their homes. The majority are well aware that the coffee they are purchasing is a blend of at least 10% locally grown coffee beans and therefore at an affordable purchase price.

We have strong concerns regarding the phasing in of the minimum percentage of coffee required for the use of geographical regions. Manufactures and retailers of local coffee know the price point that their consumers are willing to pay. By mandating that a minimum of 51% of locally grown coffee be included as the coffee blend, the cost of this product would significantly increase. This may be a deterrent for people and businesses to purchase locally grown coffee if prices are too high and find alternative brands that are not from local coffee growers. We need to help to promote and encourage local business and not deter people from purchasing our local products.

Locally grown coffee like that from Kona is already one of the most expensive coffee beans in the world. To mandate that 51% of the coffee used must come from local beans to be called Kona or Kauai or Waialua coffee as an example would drive the price per bag up significantly. The average businesses, visitors, and locals may stop purchasing bags if the locally grown coffee becomes too expensive.

With the current drop in visitors and customers in restaurants and many retail outlets due to the pandemic, businesses are very cognizant of ordering supplies conservatively as well as the price point. We don't want to see our local coffee become so expensive that many locals are not able to afford to purchase a bag to brew at home or the visitor not willing to pay the price to be able to get a taste of what the islands have to offer with a sip of coffee with locally grown beans.

Retailers like many businesses are struggling to survive and to keep their employees employed. We can't afford to price our local products out of the marketplace and only the wealthy can purchase and not the average local kamaaina. We hope that you hold this measure.

Mahalo for this opportunity to testify.



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State of Hawaii  
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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT  
AND  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

MARCH 21, 2022

1:00 P.M.

CONFERENCE ROOM 224 & VIA VIDEOCONFERENCE

HOUSE BILL NO. 1517 HD2  
RELATING TO COFFEE

Chairpersons Gabbard, Wakai and Members of the Committees:

Thank you for the opportunity to testify on House Bill 1517 HD2. This measure requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees, prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent after 7/1/2024, prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii, and appropriates moneys for the pesticide subsidy program and for one full-time equivalent position to conduct inspections. The Department supports the intent of this bill and offers comments.



The Department supports the Hawaii coffee industry and the use of unique geographic coffee growing regions to market, advertise and sell Hawaii-grown coffee. While the Department can enforce grading and labeling of green Hawaii-grown coffee, the Department lacks the capability to regulate the authenticity of roasted and blended Hawaii-grown coffee labeling. Currently, there is no industry standard to determine the actual content or origin of the roasted and blended coffee and there is no commercially available equipment for effective enforcement and to effectively prove any fraudulent occurrence. The Department supports and appreciates the appropriation of funds for one full-time equivalent position to conduct inspections provided it does not adversely impact the Department's priorities in the Executive Supplemental Budget. This will give the Department capability to enforce packaging and labeling regulations. The inspector will also serve as lead in researching the potential adoption of new inspection and detection technology (such as Fourier Transform Infrared Spectroscopy, Stable Isotope Analysis) in order to effectively regulate the authenticity of roasted and blended Hawaii-grown coffee labeling.

Finally, the Department supports the appropriation of funds to assist coffee growers with subsidizing approved pesticides to treat coffee trees for coffee berry borer and coffee leaf rust. The Department continues to work directly with coffee growers around the state to provide education and outreach for the safe, lawful, and appropriate use of pesticides.

Thank you for the opportunity to testify on this measure.



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Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha, and Members of the Senate Agriculture & Environment and Energy, Economic Development, & Tourism Committees,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. That includes coffee farmers in Kona on Hawaii'i Island. **HFUU strongly supports HB1517.** Many such farmers have testified in support of this Bill. They speak as owners of family farms who are able to make a living because they grow, process and sell a high-value "Origin" coffee from "Kona" and other Hawaii Origins. It is well-recognized, as recounted in HB144, that the way in which Hawaii's current law allows a 10% coffee blend to be labeled "Kona," (or "Ka'u," "Hamakua," "Maui," or "Kauai") is "misleading". The Legislature's 2007 Concurrent Resolution called it "consumer fraud." Hawaii County's 2014 Resolution called it "inherently deceptive and misleading."

It is also economically harmful to Origin coffee farmers. In 2018 the United Nations Food and Agriculture Organization (UN FAO) concluded that these Hawaii Origin brands, like Kona: do "not enjoy any strong protection of its name" and that the result is "downstream stakeholders, rather than farmers, reap the economic benefits of the fame of Kona."

The opponents of this legislation are "downstream stakeholders," who the UN FAO says "reap the economic benefits" of 10% blended coffee. They have testified that "no one can accurately predict" the economic effect of requiring Hawaii's Origin coffee blends to contain 51% Kona, Ka'u, Hamakua, Maui or Kauai coffee. We can predict however, that Hawaii Origin coffee blends will no longer be deceptively marketed. We can also predict that 51% local coffee blends will still be less expensive than 100% local, only now the costs will be linked to the fair value of Hawaii's Origin coffees.

We commend you and your colleagues representing constituencies throughout Hawaii for supporting this long overdue measure and urge your Committee to give it unanimous support.

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF



**RE: SUPPORT for HB1517 HD2**  
RELATING TO COFFEE

*Coffee Labeling; Blended Coffee; Percent of Coffee by Weight; Pesticide Subsidy Program; Appropriations*

Aloha Chairs, Vice Chairs, and Committee Members,

The Kona Coffee Farmers Association (KCFA) stands in support of this Bill. We represent 200 farms and agribusinesses in the Kona district.

We appreciate the Legislature working to protect our growers by increasing the blend ratio of coffee that can legally be labeled "Hawaiian". While many KCFA growers would like to see 100% as a minimum, this phased-in bill is a reasonable compromise that should protect everyone in the industry, from our small farms to the larger processors.

The current demand for Kona coffee far exceeds available supply. Quite simply, there is not enough Kona, Ka'u or Maui coffee to meet the global desire for Hawaiian coffee. To continue to allow a 10% blend ratio is deceptive to consumers, degrades the Hawai'i brand and is damaging to the long-term economic health of our growers.

Regarding the pesticide subsidy, for every \$50 in subsidy costs spent per acre, approximately \$600 in improved crop value is returned to the farmer. This has the potential to increase income by up to \$2.4 million across our statewide coffee communities. The University of Hawai'i estimates that each agricultural dollar circulates 11 times through the community, via local wages, goods and services. Supporting ag is good for the economy.

Please pass this bill in its entirety. Mahalo nui loa!

A handwritten signature in black ink, appearing to read "Suzanne Shriner".

Suzanne Shriner  
President

Senator Mike Gabbard, Chair  
Senator Clarence Nishihara, Vice Chair  
Committee on Agriculture and Environment

Senator Glenn Wakai, Chair  
Senator Bennette Misalucha, Vice Chair  
Committee on Energy, Economic Development, and Tourism

RE: **HB 1517 HD2 - Relating to Coffee - In Opposition**  
March 21, 2022; 1:00 P.M.

Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha and Members of the Committees:

My name is Jacen Ham. I am the current Vice President of The Kona Coffee Council and have been a miller and processor of Kona coffee for 20 years.

The Kona Coffee Council is over 200 members strong and the current board represents over 85% of the Kona coffee industry. I'm also a partner of Holualoa Kona Coffee Company. We do the majority of custom processing for 400 farms on Hawaii Island. Our company certifies over 50% of the lots of coffee.

HB 1517 HD2 would jeopardize our current Kona market. These changes would be devastating to the industry, especially the small to mid-size farms who depend on the green coffee market. We urge you to hold this bill.

Jacen Ham  
Kona Coffee Council Vice President

# HAWAII COFFEE COMPANY™

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TO: Senator Mike Gabbard, Chair  
Senator Clarence Nishihara, Vice Chair  
Committee on Agriculture and Environment

Senator Glenn Wakai, Chair  
Senator Bennette Misalucha, Vice Chair  
Committee on Energy, Economic Development, and Tourism

FROM: Gerard Bastiaanse  
President- Hawaii Coffee Company

RE: **HB 1517 HD2 Relating to Coffee – In Opposition**  
March 21, 2022; 1:00 p.m.

Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha and members of the committees:

Hawaii Coffee Company is in opposition to HB 1517 HD2, which would increase blend requirements for Kona coffee sold from a 10% Kona bean requirement up to a 51% requirement on July 1, 2024 and continuing thereafter.

Hawaii Coffee Company offers a range of coffee, from 10% Kona blend to 100% Kona coffee as well as similar consumer coffee blend options from other Hawaii coffee growing regions. All product labels clearly reflect whether the coffee is a blend of Kona coffee or 100% Kona coffee to ensure that customers are fully informed of the composition of the coffee product. Based on available market information, we believe Hawaii Coffee Company sells significantly more volume of 100% Kona coffee to consumers in Hawaii than any other company. In a typical year, approximately half of the Kona coffee purchased by Hawaii Coffee Company from Kona farmers goes into 100% Kona products.

We believe it is important to offer consumers a range of coffee products from 10% Kona blend to 100% Kona coffee for several reasons.

First, Kona coffee has a distinctive taste and, therefore, the amount of Kona coffee in a blend can change the taste of the coffee. Some consumers prefer the milder taste of the lighter blends, while others prefer the robust taste of a higher-percentage blend. Thus, providing a range of coffee products, all of which are accurately labeled, allows consumers to make an informed decision and to choose their coffee product based on their taste preferences.

Second, Kona coffee commands a premium price. The greater the percentage of Kona coffee included in a blend, generally, the higher the cost. The more affordable 10% Kona blend coffee is served at restaurants as well as purchased in traditional grocery or similar retailers.

Eliminating 10% blends will force consumers and our restaurant partners to either select another affordable alternative roasted on the mainland or abroad, by a mainland or foreign company, which includes no Hawaiian coffee, or to pay a five times higher price for a 100% Kona coffee product. Offering a range of coffee products allows consumers to choose taking into account its affordability and their own budget. This also ensures that consumers can continue to support our local economy.

Third, including a range of coffee products will allow us to continue to support our local farmers and to reduce food waste. By eliminating all 10% coffee blends, the overall demand for Kona coffee purchased from farmers by Hawaii Coffee Company, and other roasters, will significantly decline and will have corresponding negative impact on the coffee cherry price. This reduction in the price Kona farmers receive for their coffee may challenge the commercial viability of many multi-generational farms. If the demand for coffee products falls, coffee farmers may be left with unsold and unused coffee cherry that without a buyer will go to waste. This waste would be unfortunate as it could be avoided by maintaining the ability to allow for a range of coffee products.

Fourth, HB 1517 HD2 will reduce the volume of coffee purchased, roasted and packaged by Hawaii Coffee Company at our facility in Kalihi. As a result, the number of employees we currently employ would not be sustainable and a reduction in workforce would occur. This would also have an adverse impact on the local suppliers we work with and the revenues to the State. Local businesses have been struggling through the pandemic and if this bill passes, it will increase financial hardships.

Additionally, HB 1517 HD2 as written, has the potential to conflict with trademark rights. A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of goods or services. Paradise Beverages, Inc. dba Hawaii Coffee Company is the owner of a number of well-known and widely recognized federal and state trademarks (“HCC Marks”). Hawaii Coffee Company has spent significant time, energy, and expense promoting the HCC Marks and the HCC Marks have accrued considerable value and goodwill to Hawaii Coffee Company as a result thereof. Hawaii Coffee Company’s claims of ownership in the HCC Marks are based upon long existing and clearly delineated common law and statutory rights. These rights constitute legally protectable property.

In particular, as to the HCC Marks for which Hawaii Coffee Company holds federal registrations, it is well-established that the federal trademark laws are designed to promote and encourage uniform trademark use, and to discourage activities which would result in confusion among purchasers. Local trademark display regulations which require alterations of federally registered marks for local use conflict with federal law and underlying public policy.

For these reasons, we ask you to hold this measure. Thank you for the opportunity to submit testimony.





Senate Committees on:  
Agriculture and Environment  
AND  
Energy, Economic Development and Tourism  
March 21, 2022

RE: Testimony in support of HB1517 HD2

Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha and members of the committees,

I'm Fred Cowell, the General Manager of Kauai Coffee Company located in Kalaheo, Kauai.

Our company currently farms nearly 3000 acres of coffee here on Kauai. As of today, we have about 125 employees on our payroll which puts nearly \$6 million per year into our local economy in wages and salaries alone. Depending on annual conditions around the state, our farm's crop will be about 30% of all the coffee produced in the state. Every pound of coffee that we grow, process, roast, package, and sell into the Hawaiian marketplace is 100%.

We host thousands of guests to our farm every week. I can tell you from first-hand conversations with our guests that our consumers want a genuine, authentic, traceable, and sustainably grown product. They know that this coffee represents the hard work and dedication of our team members and benefits our local community.

As a member and board member of the Hawaii Coffee Association, I stand with the testimony submitted by the HCA in support of HB1517 HD2. Executive Director Manfredi has articulately outlined our shared position on Enforcement, Downward Price Pressure, Unfair Competition + Quality Concerns, and the Increased Risk of Invasive Species Introduction.

I speak not just as a large farmer. My family continues to farm coffee on a small family farm in Captain Cook, right in the middle of the Kona Coffee Belt. As many of you know, this debate has been going on for nearly 30 years. My father and others began trying to get this through our legislature around 1990. Consumer behavior has changed since then, and our buyers demand more a just a "mystery" coffee.

The pressure on our coffee farmers is perhaps as great as it's every been. I believe the phased move toward requiring 51% to earn the name of our prized origins is needed now more than ever.

I appreciate the significance of this matter and your consideration.

Respectfully,

Fred Cowell, General Manager, Kauai Coffee Company, LLC  
[fcowell@kauaicoffee.com](mailto:fcowell@kauaicoffee.com), [kauaicoffee.com](http://kauaicoffee.com), (808) 335-3440



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TO:

Committee on Agriculture and Environment  
Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

Committee on Economic Development and Tourism  
Senator Glenn Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: March 21, 2022

TIME: 1pm

PLACE: Via Videoconference

RE: HB1517 HD2 Relating to Coffee

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

We believe in encouraging and supporting local food and drink production. This law would make it harder for businesses selling Hawaii coffee to create labels that best suit their brand and make it harder to promote local coffee to consumers. The existing coffee label regulations are clear and provide ample information to customers about what type of coffee they are getting.

Different ways of blending, roasting, and even brewing coffee create different products with different flavors and characteristics. Decisions about developing and marketing these different types of coffees should be left to coffee growers, blenders, roasters, brewers, and coffee drinkers. These are not the type of things that should be mandated by government bodies. For these reasons we ask that you hold this measure. Thank you for the opportunity to testify.



PO Box 168, Kealahou, HI 96750

Senate Committees on:  
Agriculture and Environment  
AND  
Energy, Economic Development and Tourism  
March 21, 2022

**RE: Testimony in support of HB1517 HD2**

Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha and members of the committees,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA).

The Hawaii Coffee Association's is a non-profit organization with broad-based membership that includes producers and businesses, large and small, positioned throughout the supply chain, including growers, processors, wholesalers and retailers. Our member ranks include the largest farm in the state and independent smallholders. Additionally, our elected leadership includes other coffee organizations like the Maui Coffee Association (MCA), the Hawaii Coffee Growers Association (HCGA) and the Kona Coffee Farmers Association (KCFA).

**The Hawaii Coffee Association supports HB1517 HD2.**

We like that the measure features a phased approach.

We like that "Foreign Grown Coffee" is an option for sellers who may not want to disclose country of origin for their blends.

**ENFORCEMENT:**

We appreciate and support that the HD2 includes additional funding for enforcement. Previous testimony has wrongly suggested that the measure is not enforceable. It's important to note the HDOA is currently charged with enforcement of coffee labeling laws irrespective of the percent of the blend. The agency is tasked with enforcement at the current 10% level, 51% and everything in-between.

**DOWNWARD PRICE PRESSURE:**

Counterfeit and poor-quality blended coffee introduced into the marketplace undermines the hard work of Hawaii's growers and producers, who are forced to compete with fake and foreign-grown products that carry the name of Hawaii's growing regions. These fakes are often priced below the cost of production of genuine Hawaiian coffee. This creates downward price pressure during a time when costs are sharply increasing for producers. Labor is up. Fertilizer is up. Fuel is up. Pest control is up. Transportation is up.

**UNFAIR COMPETITION + QUALITY CONCERNS:**

Hawaii's coffee growers work tirelessly to produce some of the finest coffee grown anywhere. This is necessary so they can command a high price; to stay in business, pay their employees and feed their families. When they visit the supermarket, they are outraged that coffee is offered on the same shelves as their own at a price lower than their cost of production. This is possible because some sellers introduce foreign grown coffee into their packaging and represent it as a Hawaii-grown product.

Hawaii's coffee growers are squeezed between a high cost of production and unfair competition. We have heard opponents to this measure testify that the taste of their blends is "different". We agree with those statements. We find many of their blends to be below minimum grade standards for Hawaii-grown coffee as outlined in HAR 4-7-143. Hawaii's producers are regulated and bound by these minimum grade standards, yet the imported coffee used in these blends is unregulated by Hawaii's strict minimum grade standards. This means it can be past crop, insect damaged or have defective flavors. This is unfair to Hawaii's producers and undermines Hawaii's premium reputation and brands built on high quality.

**INCREASED RISK OF INVASIVE SPECIES INTRODUCTION:**

Further, one must question the wisdom of importing raw, foreign-grown coffee into our coffee growing regions and fragile ecosystems. These shipments are, at least, a prime vector for the introduction of invasive species.

PART III of the measure appropriates funds for the existing pesticide subsidy program. This program has been a lifeline for Hawaii's coffee growers in the battle against invasive pests and disease; most notably Coffee Berry Borer and Coffee Leaf Rust.

A report released on January 21, 2022 by USDA National Agricultural Statistics Service (NASS) suggests the value of Hawaii's green coffee crop in the 2021-22 exceeds \$113,000,000. This figure places coffee near the top of the charts in statewide crop value, yet does not account for upstream and downstream revenue in terms of value-added products and ancillary businesses. It's also important to note the coffee industry promotes tourism, and preserves open space, view planes and watersheds.

The typical coffee farm in Hawaii is a small family farm, yet the largest farm in the state is also a coffee farm. For more details regarding Hawaii's coffee industry impacts on the State's economy, please see the attached document: *What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver.*

Coffee leaf rust (CLR) has been discovered on Hawaii Island, Kauai, Maui, Oahu and Lanai. CLR poses a devastating threat to Hawaii's coffee industry. CLR is known to spread rapidly and leads to defoliation and tree death. Coffee Berry Borer (CBB) remains a significant threat in all coffee producing regions.

Hawaii's coffee farmers have the highest cost of production anywhere, particularly with recent labor shortages and inflationary pressures. The cost to manage layers of threats caused by invasive species and COVID are squeezing Hawaii's farmers more than ever before. Yet we still compete in a global market with our counterparts across the globe who do not share our high costs. We respectfully ask that the Pesticide Subsidy Program be continued and be adequately funded, at least until we can transition to coffee varieties that are resistant to Coffee Leaf Rust. Your support is vitally important to Hawaii's coffee growers and the many families and businesses that depend on our industry.

Please pass HB1517 HD2.

Please accept our thanks and respect on behalf of the hard-working coffee producers located throughout the State of Hawaii.



Released January 21, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

## Coffee Utilized Production Up 17 Percent from Last Season

Hawaii utilized coffee production is forecast at 26.7 million pounds (cherry basis) for the 2021-2022 season, up 17 percent from the previous season. Bearing acreage totaled 7,100 acres, up 300 acres from the previous year. Average yield, at 3,820 pounds (cherry basis) per acre, was up 310 pounds from the previous year.

## Coffee Bearing Acreage, Yield, Production, Price, and Value – Hawaii and United States: 2019-2020, 2020-2021, and 2021-2022

State	Bearing acreage			Yield per acre <sup>1</sup>		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(acres)	(acres)	(acres)	(pounds)	(pounds)	(pounds)
Hawaii .....	6,900	6,800	7,100	3,952	3,510	3,820
United States .....	6,900	6,800	7,100	3,952	3,510	3,820
State	Total production <sup>1</sup>			Utilized production <sup>1</sup>		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)
Hawaii .....	27,270	23,870	27,120	26,880	22,715	26,690
United States .....	27,270	23,870	27,120	26,880	22,715	26,690
State	Price per pound <sup>1</sup>			Value of utilized production <sup>1</sup>		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(dollars)	(dollars)	(dollars)	(1,000 dollars)	(1,000 dollars)	(1,000 dollars)
Hawaii .....	2.02	2.13	2.25	54,298	48,383	60,053
United States .....	2.02	2.13	2.25	54,298	48,383	60,053

<sup>1</sup> Cherry basis.

## Coffee Utilized Production and Price on Equivalent Basis – Hawaii: 2019-2020, 2020-2021, and 2021-2022

Basis and State	Utilized production			Price per pound		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(dollars)	(dollars)	(dollars)
<b>Parchment</b>						
Hawaii .....	6,400	5,390	6,510	14.10	13.40	12.40
<b>Green</b>						
Hawaii .....	5,120	4,312	5,208	20.10	19.40	21.70

**Coffee Harvested Not Sold Production – Hawaii and United States: 2019-2020, 2020-2021, and 2021-2022**

State	Harvested not sold <sup>1</sup>		
	2019-2020 (1,000 pounds)	2020-2021 (1,000 pounds)	2021-2022 (1,000 pounds)
Hawaii .....	390	1,155	430
United States .....	390	1,155	430

<sup>1</sup> Cherry basis.

**Definition of Terms**

**Bearing acreage:** An orchard or grove is considered to be of bearing age when it can normally be expected to produce a commercially significant quantity of the crop. Bearing age is a function of many factors including variety, rootstock, year planted, etc.

**Harvested not sold:** Fruit of marketable quality that was picked but not sold for various reasons.

**Total production:** The quantity of a crop actually harvested.

**Unutilized production:** The difference between total and utilized production, which is marketable fruit harvested not sold or utilized.

**Utilized production:** The amount of a crop sold plus the quantity used at home or held in storage.

**Yield per acre:** Unless otherwise stated, yield per acre is based on total production.

**Value:** Crop value estimates in this report cover the marketing season or crop year and should not be confused with cash receipts which are based on a calendar year.

**Statistical Methodology**

**Survey Procedures:** Standardized probability grower surveys are conducted semiannually to collect acreage, yield, production, and price data. All millers are also surveyed semiannually to determine quantity handled. Data from operators is collected by mail, internet, telephone, or personal interview to ensure adequate coverage.

**Estimating Procedures:** Information obtained from the coffee grower and miller surveys along with federal administrative data is used to establish estimates of bearing acres, yield, total production, utilized production, price, and value. These estimates are reviewed for errors, reasonableness, and consistency with historical estimates.

**Revision Policy:** End-of-season estimates will be published in the *Noncitrus Fruits and Nuts – Summary* released in May. Revisions the following year are based on a thorough review of all available data.

**Reliability:** Survey indications are subject to sampling variability because all operations growing coffee are not included in the sample. Survey results are also subject to non-sampling errors such as omission, duplication, imputation for missing data, and mistakes in reporting, recording, and processing the data. These errors cannot be measured directly, but they are minimized through rigid quality controls in the data collection process and a careful review of all reported data for consistency and reasonableness.

## Information Contacts

Listed below are the commodity statisticians in the Crops Branch of the National Agricultural Statistics Service to contact for additional information. E-mail inquiries may be sent to [nass@usda.gov](mailto:nass@usda.gov)

Lance Honig, Chief, Crops Branch.....	(202) 720-2127
Fleming Gibson, Head, Fruits, Vegetables and Special Crops Section .....	(202) 720-2127
Fleming Gibson – Blueberries, Cranberries, Cucumbers, Pistachios, Potatoes, Pumpkins, Raspberries, Squash, Strawberries, Sugarbeets, Sugarcane, Sweet Potatoes .....	(202) 720-2127
Deonne Holiday – Almonds, Apples, Asparagus, Carrots, Coffee, Onions, Plums, Prunes, Sweet Corn, Tobacco.....	(202) 720-4288
Robert Little – Apricots, Dry Beans, Lettuce, Macadamia, Maple Syrup, Nectarines, Pears, Snap Beans, Spinach, Tomatoes .....	(202) 720-3250
Krishna Rizal – Artichokes, Cauliflower, Celery, Garlic, Grapefruit, Hazelnuts, Kiwifruit, Lemons, Mandarins and tangerines, Mint, Mushrooms, Olives, Oranges,.....	(202) 720-5412
Chris Wallace – Avocados, Bell Peppers, Broccoli, Cabbage, Chickpeas, Chile Peppers, Dates, Floriculture, Grapes, Hops, Pecans .....	(202) 720-4215
Antonio Torres – Cantaloupes, Dry Edible Peas, Green Peas, Honeydews, Lentils, Papayas, Peaches, Sweet Cherries, Tart Cherries, Walnuts, Watermelons .....	(202) 720-2157

## Access to NASS Reports

For your convenience, you may access NASS reports and products the following ways:

- All reports are available electronically, at no cost, on the NASS web site: [www.nass.usda.gov](http://www.nass.usda.gov)
- Both national and state specific reports are available via a free e-mail subscription. To set-up this free subscription, visit [www.nass.usda.gov](http://www.nass.usda.gov) and click on “National” or “State” in upper right corner above “search” box to create an account and select the reports you would like to receive.
- Cornell’s Mann Library has launched a new website housing NASS’s and other agency’s archived reports. The new website, <https://usda.library.cornell.edu>. All email subscriptions containing reports will be sent from the new website, <https://usda.library.cornell.edu>. To continue receiving the reports via e-mail, you will have to go to the new website, create a new account and re-subscribe to the reports. If you need instructions to set up an account or subscribe, they are located at: <https://usda.library.cornell.edu/help>. You should whitelist [notifications@usda-esmis.library.cornell.edu](mailto:notifications@usda-esmis.library.cornell.edu) in your email client to avoid the emails going into spam/junk folders.

For more information on NASS surveys and reports, call the NASS Agricultural Statistics Hotline at (800) 727-9540, 7:30 a.m. to 4:00 p.m. ET, or e-mail: [nass@usda.gov](mailto:nass@usda.gov).

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Hawaii Coffee Association  
PO Box 168, Kealahou, HI 96750  
February 2022

### **What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver**

As growers of one of the State's most important agricultural crops, we are nearly 1,500 strong tending more than 10,000 acres. Not only do we preserve open space and watersheds, we are a pillar of the local economy: For the 2021-2022 season, the USDA values Hawaii's unroasted coffee at \$113.01 million<sup>1</sup>. The roasted equivalent is worth more than \$161.45 million<sup>2</sup>. These narrow statistics fall short of accounting for upstream and downstream revenues from increased tourism and ancillary businesses. They do not account for the countless citizens and their families who depend on Hawaii-grown coffee for their livelihoods.

After more than 200 years of growing coffee on these islands, our industry is facing the most destructive coffee disease in the world: Coffee Leaf Rust (CLR), a fungus that can kill an entire farm in a matter of weeks. Annually, CLR causes \$3 billion in damage and lost income around the world.

In Hawaii, the stakes are higher than elsewhere. While most other coffee-growing regions have planted rust-resistant varieties, all of the ones commercially grown in Hawaii are not resistant. And the best fungicides used to fight this disease have not been approved here.

CLR has been found and is spreading rapidly on Hawaii Island, Maui, Oahu, Kauai and Lanai. Its spores are spread by wind, workers, rain, equipment and tourists. As a result, farmers are facing defoliation, a loss of yield up to 70% or more and significantly higher production costs. So far, in the 2021-2022 season, many farmers have had to raise their prices for unroasted coffee between \$1.50 and \$3.00+ per pound.

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<sup>1</sup> 2021-2022 season estimate, pounds of utilized production (green beans) x price per pound: 5,208,000 pounds x \$21.70/pound = \$113.01 million. Source: USDA-NASS. Jan 2022. "Coffee".

[https://www.nass.usda.gov/Statistics\\_by\\_State/Hawaii/Publications/Fruits\\_and\\_Nuts/Coffee%20Data%20Release%202022.pdf](https://www.nass.usda.gov/Statistics_by_State/Hawaii/Publications/Fruits_and_Nuts/Coffee%20Data%20Release%202022.pdf)

<sup>2</sup> This is a wholesale roasted estimate of the value of the 2021-2022 season crop, priced at \$31.00 per pound: 5,208,000 pounds of green beans x \$31.00/pound = \$161.45 million. The \$31.00/pound is an average statewide value for the season that takes into account the lower wholesale prices of mechanically harvested coffee (Kauai, Oahu and Maui beans) and the higher prices of hand-harvested beans (Kona, Ka'u). It also reflects rising cost of production due to CLR.



**To help save our industry, as well as the communities and families that depend on it, we need State, Federal and private support and we need it NOW.**

Without action, we stand to lose hundreds of millions of dollars in Hawaii's economy – a contribution that far exceeds the value of the beans themselves. To grow our coffee, we hire thousands of workers and buy from local industries such as transportation and vendors of agricultural supplies. For the 2021-2022 season, this so-called “downstream economic impact” is estimated at about \$231.67 million<sup>3</sup>.

Then there is the “upstream economic impact” of Hawaiian coffee, which is unquantified. Compared to most other crops grown here, coffee offers two advantages: 1) Its worldwide popularity boosts the tourism potential of events such as the Kona Coffee Festival. 2) It is shelf stable. That makes Hawaiian coffee a major attraction for the souvenir market, drawing tourists to shops, cafes and agritourism operations statewide. In turn, these visitors create more worldwide demand for Hawaiian coffee once they return home. For example, foreign exports of coffee from Hawaii, valued at \$10.60 million<sup>4</sup> in 2020, are an ongoing international advertisement for the Hawaii islands.

The economic losses from CLR would have an outsized impact in rural areas, where few other industries exist. Remember the collapse of the local sugar industry? We can expect similar results: dramatically increasing unemployment – especially of historically underserved and minority populations – accompanied by increasing crime and drug use. Not to mention the harm to the cultural heritage of our islands.

#### **What We Need:**

- Statewide approval of the most effective CLR fungicides, and subsidies for farmers to purchase them.
- Support for development of the best CLR-management strategies in Hawaii, as well as support to educate farmers of them.
- Support for research of the best CLR-resistant varieties that will maintain the quality of Hawaii coffees. Also support for the importation, propagation and distribution of CLR resistant varieties, including expanded plant-quarantine facilities. (This is a 5–10-year project.)
- Support for farmers to replace their existing fields with rust-resistant varieties.
- *Support for other ways to build capacity and resilience within farm communities.*

#### **Contact:**

- Chris Manfredi Executive Director, Hawaii Coffee Association, [cmanfredi@hawaiicoffeeassoc.org](mailto:cmanfredi@hawaiicoffeeassoc.org)
- Suzanne Shriner Administrator, Synergistic Hawaii Ag Council, [suzanne@shachawaii.org](mailto:suzanne@shachawaii.org)

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<sup>3</sup> Using multiplier of 2.05, applied to the 2021-2022 season value of the State's green beans: \$113.01 million x 2.05 = \$231.67 million. Multiplier from correspondence between HDOA chair P. Shimabuku and USDA Secretary S. Perdue, dated November 19, 2020.

<sup>4</sup> Worldwide exports of \$4.46 million in roasted coffee from Hawaii + \$6.14 million in unroasted coffee (green beans) from Hawaii. Source: USDA Global Agricultural Trade System. 2020 data.



In Cooperation with the United States Department of Agriculture  
 National Agricultural Statistics Service, Pacific Region

## Top 20 Agricultural Commodities Produced State of Hawaii, 2019

Commodity	Rank	Value of Production (1,000 dollars)
Seed Crops	1	109,500
Coffee	2	54,298
Macadamia Nuts	3	48,840
Other Aquaculture <sup>1</sup>	4	47,937
Cattle	5	41,387
Algae	6	32,652
Basil	7	28,030
Food Crops Grown Under Protection	8	11,000
Milk	9	9,492
Landscape Palms	10	7,914
Orchids-Other Potted Orchids <sup>2</sup>	11	6,685
Papayas	12	4,943
Bananas	13	4,659
Dendrobiums-Potted	14	4,091
Sweet Potatoes	15	3,630
Phalaenopsis-Potted	16	3,509
Palms-Potted for indoor or patio use	17	3,426
Lettuce-Leaf	18	3,260
Anthuriums-Cut	19	3,192
Cabbage-Chinese	20	2,830

<sup>1</sup> Excludes algae and ornamental aquaculture. <sup>2</sup> Excludes dendrobium, oncidinae and phalaenopsis potted orchids.

Sources:  
 USDA-NASS and HDOA-MANB

**HB-1517-HD-2**

Submitted on: 3/19/2022 12:57:42 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Roger Kaiwi	Testifying for Kona Coffee Council	Oppose	Remotely Via Zoom

Comments:

Aloha Chairs Gabbard and Wakai, vice chairs Nishihara and Misalucha and members of the committee's.

My name is Roger Kaiwi And I am the current president of the Kona Coffee Council. The council was formed in 1984 and has over 200 members, including coffee farmers and processors. New sentence our board members sell approximately 85% of all Kona coffee.

And I am the current president of the Kona Coffee Council. The council was formed in 1984 and has over 200 members, including coffee farmers and processors. New sentence our board members sell approximately 85% of all Kona coffee.

The Kona Coffee Council is in opposition to HB1517 HD2. I have been in the industry since 1987 and I have watch the industry go from \$.45 a pound for coffee cherry to \$2.45. New sentence the farm gate value is currently at a all time high. New sentence the bill, if past, would send our industry in a downward spiral. New sentence by eliminating 10% coffee blends, the overall coffee purchases from farmers by roasters would significantly decline and Will have a negative impact on the cherry price. New sentence this reduction in the price Kona farmers receive for their cherry milk financial challenges for many.

Will have a negative impact on the cherry price. New sentence this reduction in the price Kona farmers receive for their cherry milk financial challenges for many.

We recommend an economic impact study to be completed before passing legislation, and ask you to hold this measure.Mahalo For the opportunity to submit testimony.

Roger Kaiwi

kona Coffee Council President

March 20, 2022

Re: HB 1517 as heard by Senate Agriculture and Environment Committee and Energy, Economic Development & Tourism Committee

Greetings Chairs and Committee Members:

Please accept this as a genuine thank-you for scheduling a hearing for this important piece of legislation. With all due respect, HB1517 should be supported, and passed by the joint Committee.

Recently completing my voluntary service as Board President, for an organization who represents Kona coffee farmers, Kona Coffee Farmers Association has approximately 200 members. Remember that farming is a vital piece of Hawaii's economy and well-being. Coffee is a back-bone of Hawaii agriculture. Kona coffee is consumed worldwide.

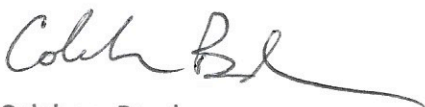
Kona Coffee Farmers Association (KCFA) is a proud member of oriGIn, an international organization based in Geneva, Switzerland, which stands up for consumer information and legal protection of products which are place-based. Around the world oriGIn has over 600 members, which include Idaho potatoes, Napa Valley wine and Vermont maple syrup as but examples. Lets' exemplify the integrity of Kona coffee, which is recognizable via tasting for its' unique characteristics.

Shifting Hawaii label laws so that they properly reflect what is in the bags of coffee is helpful to the KCFA farmer members, and more-so is honesty and integrity in terms of consumer perception of what is being consumed. Since we are all consumers, and we all want to know what we are consuming, we should recognize how the proposed changes will serve Hawaii at many levels. We need to defend the origin of our products.

The needed appropriations for subsidy programs are also vital, as this has not happened for several years. As a course of improvement, the subsidy should not only be for pesticides, but also for farmers improving tree health through additional fertilizing and/or other non-pesticide inputs. Hawaii-produced (and not imported with a heavy carbon footprint) organic fertilizer can have as much of an impact on the "new" pest (Coffee Leaf Rust, or CLR), which farmers are currently faced with. Please seriously consider such an amendment of broadening the CLR subsidy program, since HDOA can readily facilitate that -- it was left out of negotiations last legislative cycle because HDOA says that there is not a program to include non-pesticide subsidization. But HDOA has now had plenty of time to place the full subsidy, and we need to work together to save the environment of Hawaii and the world...

Please pass this piece of legislation with the requested subsidy amendment.

Sincerely,



Colehour Bondera

[colemel2@gmail.com](mailto:colemel2@gmail.com)

**HB-1517-HD-2**

Submitted on: 3/17/2022 1:30:39 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jim Monk	Individual	Support	Remotely Via Zoom

Comments:

Hello - Thank you for dealing with this very important to your coffee farmer voting constituents bill! My name is Jim Monk and I am a small coffee farmer in the Kona coffee district. We are being badly mauled by the blenders who want to keep making large profits by using foreign coffee and calling it Kona, or Kau, or Maui coffee. Please stop this travesty of the misuse of the Hawaiian name. Please pass this bill. Thank you, Jim Monk

**HB-1517-HD-2**

Submitted on: 3/17/2022 11:44:21 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

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

Comments:

Just as companies cannot use brand names to sell their inventory, they should be prohibited from using Hawaii to sell their products when we do not get the profits.

To Chair Gabbard & Chair Wakai  
Senate Agriculture & Environment Committee  
Senate Energy, Economic Development & Tourism Committee  
Hawaii State 31<sup>st</sup> Legislature  
Honolulu, Hawaii 96813

March 14, 2022

Re: House Bill (HB) 1517 Relating to Coffee

Cyanotech Corporation supports HB 1517 and increasing the percentage of coffee grown in Kona, Hawaii from 10% to 51% in order to use geographical names such as “Kona” on labels of this specialty agriculture product.

As a grower of microalgae for dietary supplements on the island of Hawaii, we are proud of and know the value of labeling and advertising Hawaii grown products. We are a publicly held company, which employs close to 100 people, and generates more than \$30 million in annual revenue. Part of our success comes from the fact that we are located in a unique geographical region that enables us to grow high quality products. Competitors that falsely claim Hawaii origin are not only misleading consumers but minimizing the consumer’s experience of products made from the region and degrading the reputation of Hawaii grown products.

Therefore, we further support this legislation that will prohibit the term “All Hawaiian” in labeling of coffee not produced and processed entirely in Hawaii as it may set precedent for and protect other specialty products grown and processed in Hawaii.

We understand that the Kona Coffee Farmers have lobbied for many years to achieve the goal of increasing the percentage to 51. They produce something special from the islands and we hope that the legislature will protect it, similar to the “Idaho Potato” or “Napa Wine”. We appreciate your consideration and hope that you pass HB 1517 this year.

Sincerely with Aloha,

Jen Johansen  
Vice President of Quality, Regulatory & Government Affairs  
Cyanotech Corporation  
[jjohansen@cyanotech.com](mailto:jjohansen@cyanotech.com)  
808-334-9407



**HB-1517-HD-2**

Submitted on: 3/17/2022 3:21:54 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

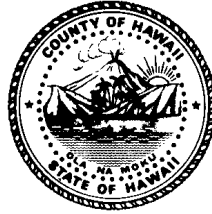
<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
lynne matusow	Individual	Support	Written Testimony Only

Comments:

Proud to say I am addicted to 100% kona coffee. Proud to say I get my fix from a subscription which keeps me supplied. Mislabeling is a travesty and hurts our local coffee growers/farmers. I urge you to move this bill forward. These growers deserve our support. This should have been law many years ago. No more stalling.

Proud to say I object to defective effective dates. They are a cop out and are often the kiss of death on a bill. Please change the defective date to effective upon approval.

REBECCA VILLEGAS  
Council Member  
District 7, Central Kona



PHONE: (808) 323-4267  
FAX: (808) 323-4786  
EMAIL: [Rebecca.villegas@hawaiicounty.gov](mailto:Rebecca.villegas@hawaiicounty.gov)

HAWAI'I COUNTY COUNCIL  
*West Hawai'i Civic Center, Bldg. A*  
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 17, 2022  
TESTIMONY OF REBECCA VILLEGAS  
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL  
ON HB 1517 HD2, RELATING TO COFFEE  
Committee on Agriculture and Environment  
Committee on Energy, Economic Development, and Tourism  
Monday, March 21, 2022 at 1:00pm

Aloha Chair Gabbard, Chair Wakai, and Members of the Committees:

I thank you for the opportunity to testify in support of HB 1517 HD2. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

The purpose of this measure is to help protect the authenticity of Kona Coffee and codify standards for the industry, as well as provide additional support to our hard-working coffee farmers.

Hawaii has been the only region in the world that statutorily regulates the uses of its geographic names, such as "Kona", "Maui", and "Kau", on labels of its specialty agricultural products but requires that only ten per cent of the product originate in the geographic area indicated. The low ten per cent requirement directly damages and degrades the reputation of world-famous Hawaii-grown coffees and inhibits the economic interests of Hawaii coffee farmers. The legislature notes that a 2018 publication entitled "Strengthening sustainable food systems through geographical indications: An analysis of economic impacts" by the Food and Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development concluded, among other things, that Kona coffee "does not enjoy any strong protection of its name" from the State and, as a result, downstream stakeholders, rather than farmers, "reap the economic benefits of the fame of Kona."

The purpose of this Act is to support Hawaii's coffee growers by requiring disclosure on the label of coffee blends of the respective geographic and regional origins and per cent by weight of the blended coffees. Making it a violation of the coffee labeling law to use a geographic origin in labeling or advertising for roasted or instant coffee blends that contain less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one per cent. Prohibiting use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

For the reasons stated above I urge the Committee on Agriculture and Environment, and Committee on Energy, Economic Development, and Tourism to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.



Rebecca Villegas  
Council Member, Hawai'i County Council

**HB-1517-HD-2**

Submitted on: 3/17/2022 3:56:39 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Franz Weber	Individual	Support	Written Testimony Only

Comments:

As a member of the Kona Coffee Farmers Association, I am aware of the need for labeling regulations, as you can see everywhere else in the world, except for the Kona region. Allowing the Kona name (or other Hawai'i regions) on a label that can have 90 % inexpensive import is detrimental to the reputation of Kona Coffee.

Other countries and regions are much stricter. The negative financial impact on coffee farmers is substantial.

The Hawaii County Council passed a resolution, asking the legislature to pass a law with this content.

This is step in the right direction, for both consumers/customers and farmers

**HB-1517-HD-2**

Submitted on: 3/17/2022 7:06:46 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Robert Culbertson	Individual	Support	Written Testimony Only

Comments:

Aloha Senators!

In 2007 the Legislature made a factual finding that existing coffee blend labeling laws cause "consumer fraud and degrade the Kona coffee name."

Last fall the Hawaii County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.

Even as a 'hobby' farmer on the Big Island I know the value and work it takes to produce this premium beverage. I can do this as a hobby to enjoy the unique flavors of coffee from my land. *The fellows that do this for a living and to support their families need your help to realize the full potential of their land and labor!*

Please, let's get this done this year!

Mahalo,

R A Culbertson

Honokaa

**HB-1517-HD-2**

Submitted on: 3/17/2022 9:27:47 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Bronsten Kossow	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please continue to support HB 1517. This will support our small local farmers with important labeling laws, and provide funding to prevent serious invasive species, CBBB, and the CLR.

Mahalo,

Bronsten Kossow



**Greg Maples, Chairman** – Polynesian Cultural Center    **Ryan Tanaka, Incoming Chair**- Giovanni Pastrami

**Ave Kwok, Vice Chair**- Jade Dynasty    **Tambara Garrick, Secretary** – Hawaii Farm Project

**Kahili Soon, Treasurer** – Hukilau Marketplace    **Tom Jones, Past Chair** – Gyotaku

**Sheryl Matsuoka, Executive Director**    **Chivon Garcia, Executive Assistant**    **Holly Kessler, Director of Membership Relations**

Date:    March 17,2022

To:    Sen. Mike Gabbard, Chair  
Sen. Clarence K. Nishihara, Vice Chair  
Committee on Agriculture and Enviroment

Sen. Glenn Wakai, Chair  
Sen. Bennette E. Misalucha, Vice Chair  
Committee on Energy, Economic Development, and Tourism

From:    Victor Lim, Legislative Lead

Subj:    HB 1517, HD2 Relating to Coffee Labeling

The Hawaii Restaurant Association representing 3,400+ restaurants stand in opposition to HB 1517, HD 2, that will change the 10% Kona Bean requirement moving up to 51% after 7/1/24 for the Kona Blend.

Many of our local restaurants have been using the Kona Bend with a 10 %Kona bean content for 10 years, 20 years and some restaurants like McDonald's have been at it for over 50 years, supporting our local economy by buying from our local coffee processors.

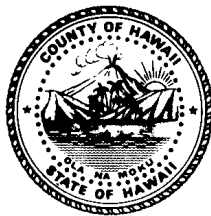
We all know that Kona coffee commands a premium price and have a stronger distinctive taste. Requiring a higher percentage will change the taste profile that many of our current restaurants customers enjoy and another consequence will be that our cost of buying locally blended coffee will significantly increase, all of this while our restaurant industry is one of the most severely hit by the Covid Pandemic. This will add to the unprecedented food cost increases our industry is currently facing.

Eliminating the 10% blends will be forcing our's and many commercial users' hand to eventually move away to a less expensive national brands, causing a loss of business for our local processors.

We urge that you hold this bill. Thank you for giving us the opportunity to share our industry's concerns.



**Holeka Goro Inaba**  
Council Member, District 8, N. Kona



Office: (808) 323-4280  
Email: holeka.inaba@hawaiicounty.gov

## HAWAI'I COUNTY COUNCIL

County of Hawai'i  
West Hawai'i Civic Center, Bldg. A  
74-5044 Ane Keohokalole Hwy.  
Kailua-Kona, Hawai'i 96740

March 18, 2022

Committee On Agriculture and Environment  
Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

Committee On Energy, Economic Development, and Tourism  
Senator Glenn Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

Re: Testimony in support of HB1517 HD2, RELATING TO COFFEE LABELING  
Videoconference Hearing: March 21, 2022 at 1:00 p.m.

Dear Chair, Vice Chair, and Members of the above referenced Committee,

On behalf of myself and constituents of Council District 8 in North Kona, I would like to express support for the above referenced bill, and submit a brief testimony as follows:

We support HB1517, HD2 which requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. This measure also prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased into a minimum of 51% after July 2024, as well as prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

In November 2021, I introduced Resolution 223-21 related to Coffee Labeling at the Hawai'i County Council where it received unanimous support from my colleagues. Similar to Resolution 223-21, the current measure before you makes is essential to protect our coffee farmers on the Big Island and the largest agricultural crop in the State of Hawai'i. Without remedy and the protections called for in this bill, there will be devastating long-term impacts to Hawai'i's economy.

I strongly urge the passing of HB1517 HD2.

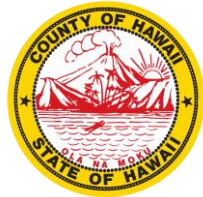
Sincerely,

---

HOLEKA GORO INABA, Council Member  
District 8, North Kona



**Maile Medeiros David**  
Council Chair  
Council District 6  
(Portion N. S. Kona/Ka'ū /Volcano)



Phone: (808) 323-4277  
Fax: (808) 329-4786  
Email: maile.david@hawaiicounty.gov

## HAWAI'I COUNTY COUNCIL

County of Hawai'i  
West Hawai'i Civic Center, Bldg. A  
74-5044 Ane Keohokalole Hwy.  
Kailua-Kona, Hawai'i 96740

March 18, 2022

Honorable Mike Gabbard, Chair  
Honorable Clarence K. Nishihara, Vice Chair  
Committee on Agriculture and Environment  
415 South Beretania Street  
Honolulu, HI 96813

Honorable Glenn Wakai, Chair  
Bennette E. Misalucha, Vice Chair  
Committee on Energy, Economic  
Development and Tourism  
415 South Beretania Street  
Honolulu, HI 96813

Re: H.B. No. 1517 HD2 – Relating to Coffee

Honorable Chairs Gabbard and Wakai and Vice Chairs Nishihara and Misalucha:

On behalf of myself and as Councilmember representing the rural districts of South Kona, Ka'ū and Volcano Village (Council District 6), I express my strong support of HB 1517 HD2 relating to coffee labeling.

On November 3, 2021, the Hawai'i County Council unanimously approved Resolution No. 223-21 urging the Hawai'i State Legislature to amend the coffee labeling requirements for blends of geographically named Hawai'i-grown coffee and therefore I fully support the intent of HB 1517 HD2 relating to coffee.

I again reiterate the unanimous approval of Resolution No. 223-21 by the Hawai'i Council, and strong support of HB 1517 HD2. Mahalo a nui loa for your positive consideration.

Very truly yours,

*Maile David*

Maile David, Council Member  
Council District 6, S. Kona, Ka'ū, and Volcano Village



Lions Gate, Inc  
PO Box 761  
Honaunau, HI 96726

Phone: 808-989-4883  
Fax: 866-475-8602  
sales@coffeeofkona.com  
www.coffeeofkona.com

**RE: SUPPORT for HB1517**  
RELATING TO COFFEE

Aloha Chairs and Committee Members,

The ten-percent minimum blend law has long been a drag on Hawaii's flagship crop. Consumers who buy a Kona Blend often think they are getting a blend of different Kona coffees when in reality, they are drinking 90% foreign beans. It dilutes and reduces the reputation of our coffee in the global specialty marketplace. If there is a place in the market for blends, it is at or above the 51% level, where Kona, Ka'u, Maui, Molokai or Kauai can rightly take the top percentage on the bag.

The blenders will continue to argue that we should "study" this issue. They will testify that coffee prices will crash should they stop buying Kona for blends. But this is not economic reality. COVID destroyed the local sale of blends due to a lack of tourists, yet cherry prices to the farmers are at their highest point ever. This year has been a "market study".


Over the last two decades the market for Hawaii coffee has changed drastically and many growers now sell out their entire crop online. The worldwide demand for Kona far exceeds supply and the value of our crop is at record highs. Selling 100% Hawaiian coffee direct-to market has made small farms financially viable.

To maintain these record prices, it's vital that the State protect our distinctive brand from those who wish to use the name simply for profit. We must protect our origin products.

Blenders will disingenuously argue that selling 10% blends allow more consumers to "taste" Kona. But our market is not the tourist market, nor is it blends sold by the cup at fast food restaurants. Such pricing comes at the expense of a sustainable living for our Hawaii growers.

My family has three generations who farm coffee and we support ourselves on 100% Kona. Your support makes a difference for over 1,400 Hawaii coffee farmers.

Mahalo nui loa!

  
Jacqueline Wikum  
Vice President

**HB-1517-HD-2**

Submitted on: 3/18/2022 10:31:14 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<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:

Chairs Gabbard and Wakai and members of the joint chamber's Ag committees,

Please support HB 1517. Hawaii's world reknown coffee high quality is dealing with an unfair disadvantage by blending entities that use poor quality coffee as a base in their blends and are allowed to use Hawaii origin names on their bags as false advertizing. It is pushing the "real" Hawaiiin coffee growers out of the market.

In Addition, the Pesticide Subsidy program to help farmers battle Coffee Berry Borer and Coffee leaf rust as been a successful rescue method to assist farmers while they get comfortable finding a means to treat these new pests.

Please support this bill.

Mahalo for the opportunity to testify.

**HB-1517-HD-2**

Submitted on: 3/18/2022 11:27:26 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sarah Burns	Individual	Support	Written Testimony Only

Comments:

- For more than 30 years, Hawai‘i has been the only region anywhere in the world to authorize the use of its geographic names ( i.e “Kona”) on its specialty agricultural products labels with only 10% genuine content.
- Using Kona, Ka‘u, Maui, or Kaua‘i on packages containing 90% imported coffee, which is often less expensive, has damaged the reputation of Hawai‘i-grown coffee with consumers.
- In 2007, the Legislature made a factual finding that existing coffee blend labeling laws cause “consumer fraud and degrade the Kona coffee name.”
- As indicated by an [analysis](#) from resource economist Marvin Feldman, 10% Kona “blends” reduce the income of the average Kona coffee farm by about \$20,000 per year.
- Last fall, the Hawai‘i County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.
- Across the globe, various areas already implement laws to ensure that products associated with them are authentic. France requires sparkling wine to use grapes that are 100% grown in the Champagne region in order to use “Champagne” on the label. For “Idaho Potatoes”, Idaho requires 100% of packaged potatoes to be grown in their state. Vermont requires 100% of syrup contents to be from Vermont in order to label a product as “Vermont Maple Syrup”. While Hawai‘i coffee farmers would very much prefer a 100% labeling law, 51% is a long-overdue step in the right direction.

**HB-1517-HD-2**

Submitted on: 3/18/2022 12:08:28 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Barbara Penn	Individual	Support	Written Testimony Only

Comments:

We must protect our coffee farmers.

**HB-1517-HD-2**

Submitted on: 3/18/2022 1:26:45 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cecelia Smith	Individual	Support	Written Testimony Only

Comments:

I whole heratedly support HB1517! **Please pass this Bill.** The damage done by “10% blends” to the reputation of Hawaii-Grown coffee and to the economic interests of 100% Kona farmers must end! The identification on the label of the % of foreign grown coffee in “blends”; funding for an HDOA position to enforce labeling requirements; and for additional funding of the CBB/CLR subsidy program are extremely imortant to us farmers. **PLEASE.**

Aloha and Mahalo

Senator Mike Gabbard, Chair  
Senator Clarence Nishihara, Vice Chair  
Committee on Agriculture and Environment

Senator Glenn Wakai, Chair  
Senator Bennette Misalucha, Vice Chair  
Committee on Energy, Economic Development, and Tourism

RE: **HB 1517 HD2 - Relating to Coffee - In Opposition**  
March 21, 2022; 1:00 P.M.

Aloha Chairs Gabbard and Wakai, Vice Chairs Nishihara and Misalucha and Members of the Committees:

My name is Rainoldo Cancino. I am the owner of Cancino Family Farm and have been a farmer, miller, and processor of Kona coffee for roughly 12 years. We are currently one of the largest millers of Kona coffee.

We produce, purchase, and resell a very significant percentage of the Kona coffee here on island.

We believe HB 1517 HD2 would jeopardize the current Kona market. The Kona coffee industry is at an all-time high and farm gate value is higher than ever. It would be financially irresponsible to make any changes without an Economic Impact Study. For this reason we strongly urge you to hold this bill.

Rainoldo Cancino  
Owner, Cancino Family Farm

**HB-1517-HD-2**

Submitted on: 3/18/2022 1:33:14 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Celle Galarza	Individual	Support	Written Testimony Only

Comments:

I support coffee being labeled correctly in Hawai'i. The coffee farmers deserve to make money off coffee from Hawai'i and not have non local companies profit from the names.

Sincerely, Michelle Galarza



**HB-1517-HD-2**

Submitted on: 3/18/2022 2:28:13 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Senators:

Please support HB1517 concerning proper coffee labeling.

Thank you,

Melissa Barker

Kapaa, HI

## Coffee: The Senate 31<sup>st</sup> Legislature Regular Session Of 2022

### **Comments & Support from Ka'u Coffee Growers Cooperative, Pahala, Hawaii**

The Ka'u Coffee Farmers' Cooperative representing 95% of the coffee farmers in the District of Ka'u of Hawaii Island is pleased to support the **Coffee Plant Health Initiative Amendment Act** and request adequate funding and research, to manage the risks associated with climate change, devastating plant pathogens and pests, affecting coffee farmers all across the State of Hawaii.

Although Hawaii accounts for less than 1 % of the global coffee production, the crop is in excess of \$50 million for the State of Hawaii, the only coffee growing region in the United States. Coffee related economic activity represents 1.6% of total U.S. GDP, responsible for 1.7 million jobs and generates \$28 billion in taxes (Source: NCA USA Economic Impact).

The growth of the coffee industry in Ka`u District on the Island of Hawaii, is a testament to the hard working farmers, their willingness to learn a new trade and the assistance that was brought to the community.

This legislation HB1517 HD will further support the coffee farmers to stay in business and protect the market from aggressive and unethical marketing techniques. Passage of this legislation will develop a more independent and successful business community that will take the internationally recognized U.S. grown coffee to consumers on the world stage.

Miles Mayne

Director – Kau Coffee Growers Cooperative.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
ON  
HOUSE BILL NO. 1517, H.D. 2

**March 21, 2022**  
**1:00 p.m.**  
**Room 224 and Videoconference**

RELATING TO COFFEE

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1517, H.D. 2, amends Section 486-120.6, HRS, to require coffee blend labels to disclose geographic and regional origins and their percentages by weight in the coffee blend; prohibit using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51% by July 1, 2024; prohibit use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in the State; appropriate an unspecified amount of general funds in FY 23 to the Department of Agriculture (DOA) for 1.00 position to conduct inspections; and appropriate an unspecified amount of general funds in FY 23 for the Pesticide Subsidy Program within the DOA to effectuate this bill.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

**HB-1517-HD-2**

Submitted on: 3/18/2022 3:20:08 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gregory Colden	Testifying for Kokoleka Lani Farms	Support	Written Testimony Only

Comments:

My name is Gregory Colden and I own and operate Kokoleka Lani Farms located at 78-6749 Mamalahoa Highway, Holualoa, Hawai'i 96725. I purchased the land in 2004 and I have resided here full time since moving from California. My farm consists of five acres of mainly Kona Typica Coffee Trees and Cacao Trees. We practice biodiversity attempt to minimize the use of pesticides, herbicides and fertilizers. This practice is to ensure that we are being friendly to the environment while producing the best agriculture products that we can. In fact, our cacao beans won best chocolate in the world in 2019 in Paris awarded by the Institute of Biodiversity. I am proud to produce 100% Premium Estate Kona Coffee under our label. We have had numerous challenges over the years with twig borer beetle, coffee borer beetle and now coffee leaf rust. Labor costs and fuel costs have risen dramatically eroding what little profit we make from the direct sales of our Kona Coffee. I have actively testified in the past to eliminate 10% Kona Coffee and to modify labelling practices that have been deceptive to the consumer. I believe that if this HP1517 bill were to pass, the profit margin for the blenders would diminish and it would not be profitable for them to continue selling any Kona Coffee blends. Please pass this bill in its entirety. Mahalo nui loa -- GREG COLDEN -- Kokoleka Lani Farms

**HB-1517-HD-2**

Submitted on: 3/18/2022 3:40:35 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lois Crozer	Individual	Support	Written Testimony Only

Comments:

Let's support our coffee industry by disallowing other growers to use Hawaii's good name for profit.

**HB-1517-HD-2**

Submitted on: 3/18/2022 3:52:49 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Momi Ventura	Individual	Support	Written Testimony Only

Comments:

Alohamai my name is Momi Ventura, I live in Kihei, Maui. My family and I Support the fact the Labels should include the absolute truth of what's in its package, clearly stated. My family and friends all read labels, mainly for a guarantee that nothing "bad" is in it because we will be eating it or serving it to our family and grandchildren. I've seen many older people place items in their carts without reading the labels, this scares me because that particular food may be detrimental to their health. We al have a responsibility and right to know clearly what's in the food products we purchase. What is Made In Hawai'I should be made here, with our own products and produce. Please continue to support this. Mahalo and thank you for your time and consideration.

**HB-1517-HD-2**

Submitted on: 3/18/2022 3:53:20 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Deniz Tek	Individual	Support	Written Testimony Only

Comments:

Please support HB1517. Strike a blow against labeling fraud, and protect the integrity of our unique heritage brand from abuse by profiteering mainland-owned corporate blenders. We small local farmers and consumers need your help more than ever before.

Thank you.

Deniz Tek



**HB-1517-HD-2**

Submitted on: 3/18/2022 4:40:46 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gloria Biven	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senator Gabbard and Senator Wakai,

I am writing in strong opposition to HB 1517 HD2.

I strongly feel that any changes without any Economic Impact Studay, would send the industry into an economic downward spiral.

Mahalo for you considerations on this extremely crucial matter.

Gloria Biven

Royal Kona Coffee Center

Captain Cook, Hawaii

Manager

**HB-1517-HD-2**

Submitted on: 3/18/2022 4:49:20 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Judith White	Individual	Support	Written Testimony Only

Comments:

Please support and pass to protect our coffee!

**HB-1517-HD-2**

Submitted on: 3/18/2022 4:50:06 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

I am writing in support of Bill HB1517 HD2, which supports full transparency on the geographic origin of coffee blends.

This bill will require all coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased into a minimum of 51% after 7/1/2024. Although I would much prefer it to be 100 percent, 51 percent is a start and better than the current standard of 10 percent pure product to use the honor of the ‘Hawai‘i’ label.

I appreciate how the bill also prohibits the use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawai‘i.

For more than 30 years, Hawai‘i has been the only region anywhere in the world to authorize the use of its geographic names ( i.e “Kona”) on its specialty agricultural products labels with only 10% genuine content.

Using Kona, Ka‘u, Maui, or Kaua‘i on packages containing 90% imported coffee, which is often less expensive, has damaged the reputation of Hawai‘i-grown coffee with consumers.

In 2007, the Legislature made a factual finding that existing coffee blend labeling laws cause “consumer fraud and degrade the Kona coffee name.”

As indicated by an analysis from resource economist Marvin Feldman, 10% Kona “blends” reduce the income of the average Kona coffee farm by about \$20,000 per year. Our farmers need to be self-sustaining, and their hard work rewarded for harvesting a superior agricultural product such as Kona coffee, a product that is revered by many.

Last fall, the Hawai‘i County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.

There is plenty of precedent for this kind of labeling across the globe, laws to ensure that products associated with them are authentic. France requires sparkling wine to use grapes that are 100% grown in the Champagne region in order to use “Champagne” on the label. For “Idaho

Potatoes”, Idaho requires 100% of packaged potatoes to be grown in their state. Vermont requires 100% of syrup contents to be from Vermont in order to label a product as “Vermont Maple Syrup”.

While Hawai‘i coffee farmers would very much prefer a 100% labeling law, 51% is a long-overdue step in the right direction.

This bill also acknowledges that the coffee industry has been assailed by the invasive pest called the coffee borer. I believe in any funding that would allow the holistic elimination of this pest that would save not only the coffee industry but protect the health and safety of the farmers and those who harvest the berries from inhaling poisons while also protecting the coffee harvest.

Please help our farmers and sign this bill into law. Mahalo for taking the time to hear my views on this subject and for your hard work.

**HB-1517-HD-2**

Submitted on: 3/18/2022 6:46:58 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Robert Boudreaux	Individual	Support	Written Testimony Only

Comments:

Hawaii's coffee industry is beset with imposters and posseurs that threaten the integrity of Hawaii's coveted beans. This legislation is a step in the right ddirection toward mitigating this problem.

**HB-1517-HD-2**

Submitted on: 3/19/2022 5:27:40 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Brianna Ansley	Individual	Support	Written Testimony Only

Comments:

To whom it may concern,

I am in support of HB1517 regarding coffee labeling. It is important for Hawaii to create and maintain integrity of product and product labeling. I am a farmer and small scale food producer of farm products. The labels we use matter and reflect upon our products our Hawaii farms and our agricultural industry. As we move forward in increasing Hawaii's food production it is important to support local farmers and local products by not diminishing what what being Hawaii grown means. This bill is about coffee labeling, but it is also about misrepresentation or deceptive in labeling as a whole and I urge you to vote in favor of HB1517 to help rebuild trust in the Hawaii label.

Mahalo,

Brianna Ansley

Aloha Ola Farms

**HB-1517-HD-2**

Submitted on: 3/19/2022 7:12:31 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
laurel brier	Testifying for Kauai women's caucus	Support	Written Testimony Only

Comments:

Support the local economy and local coffee growers

**HB-1517-HD-2**

Submitted on: 3/19/2022 8:21:36 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cynthia Maryanoff	Testifying for KCFA	Support	Written Testimony Only

Comments:

**Testimony in strong support of HB1517 HD2—COFFEE LABELING**

Dear **Senate Agriculture and Environment Committee and the Energy, Economic Development & Tourism Committee**

I submit this written testimony in **STRONG SUPPORT** of **HB1517 HD2—COFFEE LABELING**

Our entire family are members of **Kona Coffee Farmers Association** .On behalf of the more than 300 members of the **Kona Coffee Farmers Association**, we are submitting this written testimony. We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.** We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] and trying to recover from the “Kona LOW cyclone” damage of December 2021. **WE NEED YOUR SUPPORT of HB1517 HD2 now more than ever! We expect next year’s yields of KONA coffee to be diminished due to CLR and weather damage so we need this passed now please!** It is unbelievable how many trees were felled by the KONA low storm. SO sad.

The new law does require more information about the remaining 49% but does not make blenders specify that it is *Arabica* so the remaining 49% could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent start, requiring 51% Kona coffee. Requiring 49% to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger as Kona Typica is Arabica!

**Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity**



**as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.**

Our reasons for strong support of HB1517 HD2:

1. **Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been sent].

2. **Use of the name without requiring the content exploits the region and deprives farmers of income. Further, not even identifying the 49% as Arabica or Robusta is also misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB1517 HD2.**

3. **Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with Robusta coffee also damages the brand.**

The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee, which may not even be *Arabica* as "Kona" or "Ka'u," or "Maui" to unsuspecting customers.

**Hawai'i needs to step up and protect the brand integrity of its premier Arabica coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of HB1517 HD2.**

Sincerely,

Cynthia Maryanoff

cmaryanoff@comcast.net

Co-CEO and CTO, Absolute Palate LLC

19 Mar 2022

**HB-1517-HD-2**

Submitted on: 3/19/2022 8:30:52 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bruce Maryanoff	Individual	Support	Written Testimony Only

Comments:

**Testimony in strong support of HB1517 HD2—COFFEE LABELING**

Dear **Senate Agriculture and Environment Committee and the Energy, Economic Development & Tourism Committee** representatives

I submit this written testimony **in STRONG SUPPORT of HB1517 HD2—COFFEE LABELING**

We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.** We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] and trying to recover from the “Kona LOW cyclone” damage of December 2021. **WE NEED YOUR SUPPORT of HB1517 HD2 now more than ever! We expect next year’s yields of KONA coffee to be diminished due to CLR and weather damage so we need this passed now please!**

The new law does require more information about the remaining 49% but does not make blenders specify that it is *Arabica* so the remaining 49% could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent start, requiring 51% Kona coffee. Requiring 49% to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger as Kona Typica is *Arabica*!

**Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to**

**be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.**

Our reasons for **strong support of HB1517 HD2:**

1. **Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been sent].

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The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee, which may not even be *Arabica* as "Kona" or "Ka'u," or "Maui" to unsuspecting customers.

**Hawai'i needs to step up and protect the brand integrity of its premier Arabica coffee brands** that are grown throughout the islands. Thank you for your positive consideration and passage of **HB1517 HD2**.

Sincerely,

Bruce Maryanoff

bmaryano@comcast.net

Co-CEO, and CSO, Absolute Palate LLC

19 March 2022

**HB-1517-HD-2**

Submitted on: 3/19/2022 10:01:24 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Bhagavan S. Buritz	Individual	Support	Written Testimony Only

Comments:

Aloha,

No need to give our valuable names.terroir away for free. Kona Coffee has already sued and won \$15,000,000 and counting for misusing the Kona name. Support our farmers by having "Kona Blend" be at least 51%. The blenders can still do business and demand for Kona Coffee will increase. The same applies to other Hawaiian terroirs. Just look at Idaho potatoes and Napa wine etc. Want to support local agriculture? This bill does it

**HB-1517-HD-2**

Submitted on: 3/19/2022 10:10:30 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jennifer Azuma Chrupaluk	Individual	Support	Written Testimony Only

Comments:

All products that bear the label "Made in Hawai'i" or indicating 100% from Hawai'i, should be subject to rigorous labeling practices. Don't forget to get rid of chem-ag companies that tell us that GMOs are safe, too.

**Senate Agriculture and Environment Committee and the Energy, Economic Development & Tourism Committee**

**House Bill 1517 Joint Hearing**

March 21, 2022

Aloha Committee Members,

My wife and I (Polly and Mark Petersen) as small, hands-on diversified cacao and coffee farmers, (The 4 Sens, LLC., Captain Cook) coffee roasters and members of the Kona Coffee Farmers Association, our business functions at a sub optimal economic rate due to competition from blended coffee products using the Kona Brand or Hawaii regional identification when mixed with high proportions of inferior imported filler coffee. In fact a noted resource economist Marvin Feldman has suggested that the sale of 10% Kona coffee blends cost farmers \$20,00 per year.

We ask you to support HB1517 the 51% Initiative.

The current system which allows 10% Kona/Hawaiian blends hurts Hawaiian producers because consumers attribute the palatability of blended products to the name on the label such as Kona or Hawaiian and when the coffee consumed possesses only 10% by weight of the label stated coffee origin. Unknowingly, the consumer then relates the inferior coffee flavor not to the major contributor of the 10% Kona coffee blended product but to the label identification. If a coffee product uses an identity as Kona or Hawaiian, it should at the minimum, be composed of at least 51% of the brand on the packaging. Across the globe, various areas already implement laws to ensure that products associated with them are authentic. France requires sparkling wine to use grapes that are 100% grown in the Champagne region in order to use "Champagne" on the label. For "Idaho Potatoes", Idaho requires 100% of packaged potatoes to be grown in their state While Hawai'i coffee farmers would very much prefer a 100% labeling law, 51% is a long-overdue step in the right direction.

As coffee is the number 2 agricultural food exported from the state it is important for the economy of the State of Hawaii to foster, protect and enhance successful coffee enterprises that utilize Agricultural Land, provide opportunities for small business entrepreneurs, provide opportunities for allied businesses such as processors, roasters and coffee shops while creating a specialty prestige reputation product. Coffee is consumed by 62% of all Americans. Many drinks coffee every day and the opportunity for growth of consumption of Hawaiian coffees is tremendous.

Thirty years ago, 10% blended coffee products may have enhanced marketing Kona Coffee but today with the keen interest in Specialty Coffees the 10% blends product is a detriment to our brand. Your support for Coffee, a sustainable product, produced by the people you represent is needed. Please be fair to Hawaiian small coffee farmers and support **HB1517 The 51% Initiative**.

Mahalo for your support, Polly and Mark Petersen  
The Four Sens, LLC  
PO Box 1967, Kealahou 96750



**HB-1517-HD-2**

Submitted on: 3/19/2022 10:14:32 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thomas Greenwell	Individual	Support	Written Testimony Only

Comments:

I am Thomas Greenwell, President and owner of Greenwell Farms in Kona Hawaii.

We are a farming, processing, roasting and retail coffee company. We farm upwards of 200 acres of coffee, as well as supporting 2-300 individual farmers. Greenwell Farms supports passing HB1517 and asks for your full support as well. With the introduction of CBB and more recently CLR, we need your support more than ever. This subsidy will help farmers fight these pests and diseases.

Greenwell Farms also strongly supports the phasing in of 51% minimum blend of Hawaiian origin coffee's, to be legally labeled as a Hawaiian origin blend. We humbly ask your support in passing this bill.

Sincerely,

Tom Greenwell,

President Greenwell Farms inc.

March 19, 2022

RE: HB1517, Truth in Labeling

Aloha Committee Chairs and Members,

My husband and I have been growing, processing and selling 100% Kona coffee for 22 years. We strongly support HB 1517 HD2. Requiring that by July 2024, at least 51% of the coffee in a bag labeled Kona blend, and requiring the origin of the remainder of the coffee be listed will greatly benefit Hawaii's Kona coffee farmers. The same applies for all regions of coffee grown in Hawaii.

For too long, the State has allowed misleading labeling of coffee and that has been detrimental to Hawaii's coffee farmers. Not only has it kept the price of coffee low, it has fooled the consumer into thinking that a 10% blend of Kona coffee represents the flavor of Kona coffee – it doesn't! This results in the loss of future sales, while the offshore blenders make more money.

The increased cost of coffee production due to the need to treat for CBB and CLR has definitely affected our net income. Continuing to subsidize pesticides is important to try to keep all the coffee farms viable while we try to control these pests.

Please support the growers of fine Hawaii coffees and pass this bill.

Mahalo,  
Clare & Phil Wilson  
Huahua Farm  
Holualoa, Hawaii

Member, KCFA



P.O. Box 37158, Honolulu, Hawai`i 96837-0158  
Phone: 927-0709 [henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

**COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

**COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Senator Glenn Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

DATE: Monday, March 21, 2022

TIME: 1:00 PM

PLACE: Conference Room 224 & Videoconference

HB 1517 HD 2 RELATING TO COFFEE

**STRONG SUPPORT**

Aloha Chairs Gabbard & Wakai, Vice Chairs Nishihara & Misalucha, and Committee Members

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 52 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

As a graduate student studying economics, I became fascinated with agricultural futures. I first examined the international coffee industry and coffee commodity trading on international exchanges.

Hawaii law allows coffee to be identified as Kona coffee even if 90% of the coffee is cheap imports. The proposed "truth-in-advertising" bill is long overdue.

Opposition to the bill is being pushed by those who market the value of local coffee while selling cheap imports.

The Retail Merchants of Hawaii is in opposition since “many of our visitors return home with bags of local coffee to reminisce about their stay in the islands.” The Hawaii Restaurant Association opposes the bill because requiring truth in labelling “will change the taste profile that many of our current restaurants customers enjoy.” Hawaii Food Industry Association opposes the bill because it would “make it harder to promote local coffee to consumers.”

Mahalo,

Henry Curtis,  
Executive Director



— CORKERS' —

RANCHO ALOHA

estate grown • certified organic

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March 19, 2022

Chair Gabbard, Chair Wakai, and Committee Members:

I am a coffee farmer in the North Kona District of Hawaii County and a Board Member of the Kona Coffee Farmers Association.

**I STRONGLY SUPPORT HB1517**, and offer 2 points in favor of passage:

1—**Hawaii is Out of Step.** For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its regional names (“Kona”, “Ka’u”, “Maui”, “Kauai”) on labels of an agricultural product with only 10% of the contents from the named region. By contrast, France prohibits word “Champagne” on the label unless 100% of the wine in the bottle is from grapes grown in the Champagne Region; Idaho requires 100% genuine content to use the words “Idaho Potatoes” on a label; and Vermont requires 100% genuine content for labeling “Vermont Maple Syrup”. Although Hawaii coffee farmers would prefer this type of 100% requirement for the labeling of our product, HB1517 represents a compromise and an important step toward addressing the consumer fraud and the damage to the economic interests of farmers that have been caused by Hawaii’s 10% coffee blend labeling law.

2—**Support is Needed for Hawaii Farmers.** In Resolution No. 223-21 (unanimously passed last November), the Hawaii County Council asked the Legislature to adopt a 51% minimum and noted that past efforts to enact truthful labeling provisions “have failed due to fierce opposition from ‘coffee blender’ entities motivated by their desire to advance their own economic benefit at the expense of Hawaii’s coffee industry and local coffee farmers.” Along with the Hawaii County Council, I ask you to support Hawaii’s farmers.

Please pass HB1517.

Bruce Corker  
Rancho Aloha  
Holualoa, Hawaii County

**HB-1517-HD-2**

Submitted on: 3/19/2022 5:14:05 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joanie Wynn	Testifying for Kona Earth, LLC	Support	Written Testimony Only

Comments:

Kona Coffee: A Brand Worth Protecting

Kona Coffee is known around the world as a high-quality, specialty coffee with distinct characteristics of the region in which it is grown. Why then, does it not receive protected status under current Hawaii labeling laws?

As it stands, any brand can claim to be “Kona Coffee” with as little as 10% of beans sourced from Kona. Visitors to the Big Island pick up a bag of this “Kona Coffee” and wonder – “What’s the big deal? Doesn’t taste special to me”. Well, no wonder. These so-called Kona blends mix in less expensive beans imported from other regions and pass it off as “Kona coffee” to unsuspecting tourists or to shoppers on Amazon looking for “Kona coffee”.

This inauthenticity is a disservice not only to consumers but to local coffee farmers who go to great expense and care to produce the real thing. It dilutes the value of the brand and tarnishes the reputation of Kona coffee overall. It’s deceptive, dishonest, and unfair.

[HB1517](#) is a bill under consideration to rectify this long-standing injustice, though it only gets half the job done. The new bill, if it passes, will require blends – if they want to use the word Kona – to include at least 51% of beans from that region. Labels will have to detail what other beans are included and at what percentage.

Even though it doesn’t go far enough to be truly fair, HB1517 has near-universal support among authentic Kona coffee farmers. Who doesn’t support it? Large, coffee importers, (many on the mainland), and retailers who want to claim they serve “Kona coffee” without having to pay for the real deal. Who gets left holding the burlap bag? The local farmers with less political heft and more to lose.

Lawyers are stepping in where legislators have previously failed. Recently, there was a [settlement](#) from a lawsuit brought against retailers including Albertsons, Safeway, Kroger, and [Hawaiian Isles Kona Coffee Co, Ltd.](#) All were selling mislabeled Kona coffee. Perhaps lawsuits and monetary damages – and the unwelcome publicity that comes with them – will be a deterrent for continued deception or at least provide a measure to promote more complete labeling information.

Protected designation of origin (PDO) identifies products that are produced, processed and prepared in a specific geographical area, using the recognized know-how of local producers and ingredients from that region – think “Idaho potatoes”, “Florida orange juice”, or “Napa Valley wine”. Why doesn’t Hawaii value “Kona coffee” in this same way?

The Kona Coffee Belt is a tiny strip of land on the western side of the Big Island of Hawaii. Just a few miles wide and about 30 miles long, the area has ideal conditions for growing exceptionally fine Arabica coffee, with a mild, tropical climate and mineral-rich, volcanic soil. Only grown in this region, the Kona Typica variety has a well-earned reputation for excellence.

True 100% Kona Coffee can *only* be grown in the specific Kona coffee belt region and must contain, as the name implies, 100% Kona-grown coffee. The resulting signature 100% Kona Coffee is known for its rich, aromatic flavor with little bitterness or aftertaste, appealing to coffee aficionados around the world. It is considered a premium, gourmet product and is prized by coffee lovers everywhere.

100% Kona Coffee is internationally known and commands some of the highest prices in the world. One of the few specialty coffees grown in the United States, Kona Coffee supports many small, family-run farms and, unlike in many other coffee-growing regions, farmworkers are paid a living wage.

Kona coffee – true 100% Kona coffee – is a gourmet specialty product. It is produced in a very small geographic area and is limited in quantity. Its rarity makes it all the more valuable. Unlike many other coffee-producing regions, Kona does not produce a mass commodity intended for mass consumption. It is a gourmet product that directly reflects the special character of the region in which it is grown. Kona Coffee is a brand worth protecting.



**Senate Committee on Agriculture & Environment /  
Senate Committee on Energy, Economic Development and Tourism**

**Hawai'i Alliance for Progressive Action (HAPA) Supports: HB1517 HD2**

Monday, March 21st, 2022 1:00 p.m., Conference Room 224

Aloha Chair Gabbard/Wakai, Vice Chair Nishihara/Misalucha and Members of the Committees,

HAPA is in support of HB1517 HD2 which requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. This measure prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent after 7/1/2024. It also prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii.

We believe that HB1517 HD2 will require coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent after 7/1/2024. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii.

For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its geographic names ("Kona", "Kau", "Maui") on labels of one of its specialty agricultural products with only 10% genuine content.

Using the Kona name (or the Ka'u or Maui or Kauai names) on packages containing 90% inexpensive imported coffee has damaged the reputation of Hawaii-Grown coffee with consumers.

In 2007 the Legislature made a factual finding that existing coffee blend labeling laws cause "consumer fraud and degrade the Kona coffee name."



As indicated by analysis from the resource economist Marvin Feldman, 10% Kona “blends” reduce the income of the average Kona coffee farm by about \$20,000 per year.<sup>1</sup>

Last fall the Hawaii County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.<sup>2</sup>

France requires sparkling wine be 100% from grapes grown in the Champagne region in order to use the word “Champagne” on the label; Idaho requires 100% of the potatoes in the package be grown in that state to use the name “Idaho Potatoes”; Vermont requires that 100% of the contents be from Vermont to label a product as “Vermont Maple Syrup”. While Hawai‘i coffee farmers would very much prefer our state to provide a similar 100% labeling law— 51% is a long overdue step in the right direction.

We support HB1517 HD2 and encourage you to support all measures to protect and support local farmers.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'Anne Frederick', with a long horizontal flourish extending to the right.

Anne Frederick  
Executive Director

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<sup>1</sup> Feldman, Marvin Ph.D. *Economic Effects of Blending Kona Coffee - A Preliminary Analysis*  
<https://konacoffeefarmers.org/wp-content/uploads/2012/03/Economic-Efforts-of-Blending-Kona.pdf>

<sup>2</sup> Hawai‘i County Resolution No. 501 14 (Draft 2) *A Resolution Requesting the Hawai‘i State Legislature To Adopt Provisions for Truth-In-Labeling for Hawai‘i Grown Coffees - 2014*

**HB-1517-HD-2**

Submitted on: 3/20/2022 8:09:13 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Wicklander	Testifying for Aloha Hills Kona Coffee, LLC	Oppose	Written Testimony Only

Comments:

The businesses I own and represent, Kainaliu-Kona Coffee Company and Aloha Hills Kona Coffee, have been successfully doing business in Hawaii for 21 years under the current Kona Coffee Blending Laws.

It is absurd and frightening to think the current laws could be changed without there first being an economic impact study. A study that would show how my business could operate just as successfully under new laws as it does presently.

I, Richard Wicklander, Jr., of Aloha Hills Kona Coffee, LLC oppose HB 1517.

**HB-1517-HD-2**

Submitted on: 3/20/2022 8:48:24 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support.

How many years... decades, have Hawai`i lawmakers drug their feet on supporting Hawaii farmers & thrown up every obstacle to prevent them from succeeding?

Testifying on this bill year after year with no action from legislators is completely disgusting. Shame on those of you constantly throwing up the roadblocks.



335 Hahani Street #342132 \* Kailua, HI 96734 \* Phone/Fax (808) 262-0682 E-Mail: [htf3000@gmail.com](mailto:htf3000@gmail.com)

March 21, 2022

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Senator Glenn Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

HB 1517 HD2  
RELATING TO COFFEE

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization, supports HB 1517 HD2, which requires coffee blend labels to disclose geographic and regional origins and percent by weight of blended coffees.

For thirty plus years our state has authorized the use of geographic names such as Kona, Kau, Maui, Kauai etc. on coffee labels that contain only 10% of the coffee from that region.

Allowing coffee to not contain 100% of the coffee from the region where it is grown deprives farmers of receiving full value of their regionally grown coffee.

Vermont requires that the content of a bottle of syrup with the label Vermont Maple Syrup must contain 100% syrup from Vermont. Requiring that Hawaii's coffee from various places around the state to contain 100% of the coffee grown from the region is no different.

We urge you to pass HB 1517 HD2 to give our farmers a fair shake and ensure the public that when purchasing coffee labeled *Kona* the coffee beans are actually from Kona. It is called truth in advertising.

**HB-1517-HD-2**

Submitted on: 3/20/2022 10:44:37 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mary Lacques	Individual	Support	Written Testimony Only

Comments:

**STRONG SUPPORT** for this bill which protects farmers and the unique Kona Coffee heritage name from the misrepresentation of blenders selling an inferior product.

**HB-1517-HD-2**

Submitted on: 3/20/2022 11:04:42 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
shantee brown	Individual	Support	Written Testimony Only

Comments:

i support accurate labeling of kona coffee and would love to see this expanded to all products grown in hawaii. many coffee farmers also grow other crops. as farming becomes more diversified in hawai'i, we will benefit from having a cohesive labeling system for all products.

**HB-1517-HD-2**

Submitted on: 3/20/2022 11:39:00 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Maki Morinoue	Individual	Support	Written Testimony Only

Comments:

My name is Maki Morinoue, a fourth generation Kona Coffee farmer. We have experienced much invasive species more than ever with a vicious increase over the past 20 years that makes smaller farms not sustainable. On top of which the continued misrepresentation of our hard work to be ruined by these sales marketing corporations to profit off of our good reputation. This bill is dumbed down from previously higher demand in Kona Coffee percentage to today's ask for 51%....1% over 50% to be able to technically 'market' our high quality bean as mostly Kona Coffee. I am also in support of the additional funding support for CBB/CLR subsidy program.

It is shameful that farmers work hard and invasive species and bad quality blends using our Kona Coffee name continues to bring much problem to the credentials of our farmers.

Please pass HB1517.

Aloha  
Maki Morinoue  
Holualoa  
96725

# Testimony of Bruce Silverglade

## in Support of HB1517 HD2

### March 20, 2022

#### Introduction:

I am Bruce Silverglade, former legal director of the Washington, D.C. – based Center for Science in the Public Interest (CSPI), the nation’s leading consumer advocacy organization on food policy. I am writing in support of passage of HB1517 and to suggest ways in which this bill could be enforced.

This testimony is submitted in my personal capacity; I served as Director of Legal Affairs of CSPI from 1981 to 2010. (I now reside full-time in the State of Hawaii and consult on food and agriculture legal and regulatory issues).

During my tenure at CSPI, I helped lead the fight for the enactment of the Nutrition Labeling and Education Act, including *inter alia*, provisions ensuring that the State of Vermont could maintain special labeling provisions regarding maple honey and provisions requiring the percentage of real juice to be declared on the labels of juice beverages.

#### Background:

At the present time, coffee blenders are engaging in what food regulatory lawyers call “economic adulteration,” i.e. engaging in the dilution of a premium product (Kona coffee) with inferior coffee varieties. Such practices have long plagued segments of the food industry since the days when unscrupulous sellers would water-down milk, see <https://docstudio.org/2018/11/25/no-use-crying-over-spilt-milk/#:~:text=How%20watered%20down%20milk%20showcased,were%20mi shandling%20their%20milk%20supplies>.

As discussed in CSPI’s publication, *Food Labeling Chaos* (2010), such problems still exist today. Chapter IX of this publication details the need for the type of requirements that would be mandated by HB 1517, see [https://www.cspinet.org/sites/default/files/attachment/food\\_labeling\\_chaos\\_report.pdf](https://www.cspinet.org/sites/default/files/attachment/food_labeling_chaos_report.pdf).



## **Enforcement Strategies:**

I would like to specifically address strategies for enforcing this legislation. Parties opposed to the bill say it will be difficult to enforce given the lack of technological capacity in the State to test blended coffees to determine their authenticity. The U.S. Food and Drug Administration (FDA) faced an analogous challenge when it promulgated regulations requiring the amount of “added,” as opposed to naturally occurring, sugars to be listed on the Nutrition Facts label. It was argued that testing methods could not distinguish between naturally occurring and added sugars in a product like apple sauce.

The U.S. FDA solved the problem by requiring food processors to keep and maintain records as to the amounts of added sugars they were using, see FDA Guidance Statement, Section III (4) - Compliance Issues:

<https://www.fda.gov/media/117402/download#:~:text=We%20require%20that%2C%20when%20a,as%20part%20of%20a%20package>. (Attached in pertinent part as Appendix A).

The same type of record keeping requirement could be instituted for food manufacturers engaged in coffee blending. The State could require records to be kept and made available for inspection. This approach would help ensure that the bill is enforceable.

## **Conclusion:**

As a permanent full-time resident of the State of Hawaii since 2019, I can now understand first-hand the consequences of economic adulteration not only on consumers, but also on Hawaii’s farmers. Passage of HB1517 is necessary to both protect the public and ensure a level competitive playing field within the coffee industry.

I urge the committee to ensure that this bill is enacted. Thank you for consideration of my views.

Bruce Silverglade

3920 Wyllie Road, Unit 12

Princeville, HI 96722

## **Appendix A: U.S. FDA Guidance for Industry**

### **Nutrition and Supplement Facts Labels:**

#### **Questions and Answers Related to the Compliance Date, Added Sugars, and Declaration of Quantitative Amounts of Vitamins and Minerals:**

#### **Guidance for Industry**

#### **Office of Nutrition and Food Labeling**

#### **Center for Food Safety and Applied Nutrition**

**Food and Drug Administration 5001 Campus Drive College Park, MD 20740  
(1) 240-402-1450**

**<https://www.fda.gov/FoodGuidances>**

\* \* \*

“4. Who is responsible for the accuracy of the Nutrition Facts label on a food product’s label? Who is responsible for maintaining the records needed to verify the accuracy of certain nutrient declarations, including where a firm may perform operations that include those of an ingredient supplier, a manufacturer of a finished food sold under their own brand name, and/or a labeler that labels the product under the firm’s or another firm’s brand name? The Federal Food, Drug, and Cosmetic Act prohibits a person from introducing or delivering for introduction, or causing the delivery or introduction, into interstate commerce a misbranded food (21 U.S.C. 331(a)).

For example, a supplier has responsibility to ensure that the information about the amount of a nutrient in an ingredient it sells to a manufacturer is accurate, where there is no suitable analytical method available that the manufacturer can use to measure the nutrient’s quantity. The manufacturer has responsibility for the accuracy of the nutrient declarations on the label of its food and a manufacturer generally would receive information from its supplier about the amount of the nutrient in the ingredient to ensure the accuracy of the nutrient declaration on the finished food. A distributor that purchases a finished food and then labels the product under its own brand name has responsibility for the accuracy of its food label. Such a distributor also generally would

receive information from its supplier (the manufacturer) about the amount of the nutrient in the finished food product to ensure the accuracy of the nutrient declaration on the finished food.

Food manufacturers must make and keep records to support certain nutrient declarations on their product labels (21 CFR 101.9(g)(10)). The recordkeeping requirements specified in 21 CFR 101.9(g), are only for foods for which Association of Official Analytical Chemists (AOAC) International or other reliable and appropriate analytical methods are not available (81 FR 33742 at 33775). The manufacturer of a finished food must make and keep records to support nutrient declarations, as required by 21 CFR 101.9(g)(10) and to make the records Contains Nonbinding Recommendations 7 available during an inspection. The manufacturer would be expected to have information from its ingredient supplier if an ingredient contains a nutrient added by the supplier for which there is no suitable analytical method available that the manufacturer can use to measure the nutrient's quantity. In such a case, the amount of the nutrient added may be known only to the supplier.

In situations where we inspect a distributor that distributes a product labeled under its own brand name, and that product includes a nutrient for which there is no suitable analytical method available to measure the nutrient's quantity, we intend to ask the distributor to provide information from the manufacturer that supports the nutrient declaration on the distributor's label for product the distributor introduced, or delivered for introduction, into interstate commerce. Without such information, it is not clear how a distributor could ensure its labeled nutrient declarations do not misbrand its product."



March 20, 2022

RE: HB 1517 HD2 Relating to Coffee,

Dear Chair Gabbard and the Senate Committee on Agriculture and Environment and Senator Wakai and the Senate Committee on Energy, Economic Development and Tourism,

The Kona-Kohala Chamber of Commerce **supports** House Bill 1517 HD2 Relating to Coffee.

Since our founding in 1968, the Kona-Kohala Chamber of Commerce works to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With 425 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

Protecting Hawai'i's brand is vital to the success of our local economy and this is especially true with the well-earned reputation of quality coffee grown in Kona. We believe that increasing labeling percentages from 10% to 51%, as proposed in HB 1517, helps to address this issue. Additionally, this bill prohibits the use of the term "All Hawaiian" in labeling and advertising if the roasted or instant coffee is not produced entirely from green beans grown in Hawai'i.

We ask legislators to please pass HB 1517. This measure will strengthen our local economy while protecting Kona's brand reputation.

Sincerely,

A handwritten signature in cursive script that reads "Wendy J. Laros".

Wendy J. Laros, President and CEO  
Kona-Kohala Chamber of Commerce

**HB-1517-HD-2**

Submitted on: 3/20/2022 12:54:02 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sherri Thal	Individual	Support	Written Testimony Only

Comments:

I support HB1517 HD2. It is good for our local coffee farmers!

Mahalo,

Sherri Thal, Kea'au, HI 96749

**HB-1517-HD-2**

Submitted on: 3/20/2022 3:57:54 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
David Bateman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members:

Heavenly Hawaiian Farms strongly supports this bill. Please pass it out of committee.

Mahalo,

Dave Bateman, President

Heavenly Hawaiian Farms

**HB-1517-HD-2**

Submitted on: 3/20/2022 4:34:11 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Susan Bambara	Individual	Support	Written Testimony Only

Comments:

Please support this bill HB1517 HD2, and be a voice for our local coffee farmers.

Thank you!

**HB-1517-HD-2**

Submitted on: 3/20/2022 7:33:30 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Pam Shultise	Individual	Support	Written Testimony Only

Comments:

I support this bill. It has been too long in coming.



**HB-1517-HD-2**

Submitted on: 3/20/2022 7:34:46 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gary Bachmann	Testifying for South Kona Estate	Support	Written Testimony Only

Comments:

I fully support this bill. Please pass it!

**HB-1517-HD-2**

Submitted on: 3/20/2022 7:47:30 PM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mark Shultise	Testifying for LavaRock Farm	Support	Written Testimony Only

Comments:

10% blends have been a thorn in the sides of all Coffee Farmers. It allows for cheap non-US coffee to be pass off as a locally produced product. Current labeling allows confusion and deception in the presentation of the product.

Note that the people and company who have fought this all along are those who blend and create that product.

One blender used 2 different excuses why they did not list where their 'filler' coffee came from. The first reason was that the blend was proprietary, meaning it was a trade secret. On the other hand he also said that he would have to keep changing the label as the origin coffee changed often. That told me that they were buying any coffee they could at market and thus it was not a specific coffee they were trying to hide, rather they bought as is, where is.

Years ago, a large supermarket chain representative, when told that their Kona Blend was being sold in Hawaii and did not have the 10% blend label, came back and told us that their supplier assured them he could INCREASE the Kona to 10% to comply. Thus it was not even a 10% blend. That meant even more cheating of the farmers trying to earn a living.

When you allow people to put a smidgen of Kona in a bag and allow the public to believe the rest of the product is close to the same quality, they are deceived.

These 10% blends are ADULTERATED. (adulterated: render (something) poorer in quality by adding another substance, typically an inferior one.).

The public deserves to know what is in their product and where their product comes from.

I fully support this bill!



Chair Mike Gabbard  
Vice-Chair Clarence K. Nishihara  
Senate Committee on Agriculture & Environment  
Monday, March 21, 2022  
1:00 PM  
Conference Room 224 & Videoconferencing  
Written Testimony Only

**RE: Support of HB1517 HD2 with Amendments - 100% Truthful Coffee Labels**

Dear Chair Gabbard, Vice-Chair Nishihara & Committee Members,

Thank you for the opportunity to testify on behalf of the Chamber of Sustainable Commerce in support of HB1517 HD2 with amendments. As business owners who believe in strengthening our economy without hurting employees, communities and the environment, we urge this committee to amend HB1517 HD2 to immediately require 100% honesty in coffee labeling.

If one only reads the testimony in opposition to this bill, one would have the false impression that this bill prohibits companies from selling 10% Kona coffee blends; but, in fact, this bill simply requires companies be slightly more truthful to their customers regarding percentages of locally grown coffees versus imported coffees being used in their blends.

France requires sparkling wine be 100% from grapes grown in the Champagne region in order to use the word “Champagne” on the label; Idaho requires 100% of the potatoes in the package be grown in that state to use the name “Idaho Potatoes”; Vermont requires that 100% of the contents be from Vermont to label a product as “Vermont Maple Syrup”.

It is absurd that a state that has “invested” more than \$80M/year building its brand and marketing Hawaii to the world, would turn around and tell its local coffee farmers that a 100% requirement for labeling is out of reach for them — that they should be content with a 51% minimum requirement.

There are “truth-in-labeling” laws — and then there is HB1517’s “more-than-half-truthful-labeling” house draft. Where else could a commercial industry be so powerful that it could force state lawmakers to compromise on “truth” itself? We urge you to protect truth in labeling, not half-truths in labeling or 51% truthful labeling; please amend the bill to require 100% genuine Hawaii grown coffee when no other coffee regions except Hawaii’s are on the label.

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<b>Hawaii Legislative Council</b>	Kim Coco Iwamoto AQuA Rentals, LLC Honolulu	Elle Cochran Maui Surfboards Maui	Russel Ruderman Island Naturals Hilo / Kona	Joell Edwards Wainiha Country Market Kauai	Maile Meyer Na Mea Hawaii Honolulu
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**HB-1517-HD-2**

Submitted on: 3/21/2022 8:00:44 AM

Testimony for AEN on 3/21/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

Across the globe, various areas already implement laws to ensure that products associated with them are authentic. France requires sparkling wine to use grapes that are 100% grown in the Champagne region in order to use “Champagne” on the label. For “Idaho Potatoes”, Idaho requires 100% of packaged potatoes to be grown in their state. Vermont requires 100% of syrup contents to be from Vermont in order to label a product as “Vermont Maple Syrup”. While Hawai‘i coffee farmers would very much prefer a 100% labeling law, 51% is a long-overdue step in the right direction