
SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF AGRICULTURE TO STUDY LABELING REQUIREMENTS RELATING TO THE USE OF HAWAII-GROWN COFFEE NAMES AND STUDY THE EFFECTIVENESS OF THE ADMINISTRATIVE RULES RELATING TO INSPECTION, CERTIFICATION, AND AUDIT REQUIREMENTS FOR HAWAII-GROWN COFFEE.

1 WHEREAS, specialty agricultural crops, such as coffee,
2 tropical fruit, macadamia nuts, chocolate, and vanilla,
3 constitute one of the fastest expanding areas of agricultural
4 production for the state; and

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6 WHEREAS, coffee requires a specific combination of sun,
7 soil, and water, and is successfully grown in only a limited
8 number of locations around the world; and

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10 WHEREAS, the Kona weather pattern of bright, sunny
11 mornings, humid rainy afternoons, and mild nights create
12 favorable coffee growing conditions; and

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14 WHEREAS, the care, skill, and cultivation practices of Kona
15 coffee farmers, most of whom operate small family-owned farms,
16 have built a reputation for quality among coffee consumers; and

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18 WHEREAS, the Kona coffee name only applies to coffee beans
19 grown in North and South Kona, thus, coffee that is grown
20 elsewhere in Hawaii cannot be called "Kona coffee"; and

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22 WHEREAS, under section 486-120.6, Hawaii Revised Statutes
23 (HRS), the Kona coffee name is permitted to be used on a package
24 of blended coffee that contains at least ten percent coffee by
25 weight from Kona; and

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27 WHEREAS, the origin and percentage of the other coffees
28 contained in the package of blended coffee is not required to be
29 listed on the package label or advertisement; and



1 WHEREAS, as a result, a package of blended coffee could be
2 labeled as "Kona coffee" even though it only contains ten per
3 cent of real Kona coffee and ninety per cent of coffee grown in
4 foreign countries; and

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6 WHEREAS, there is disagreement among Kona coffee growers
7 and processors concerning the minimum percentage of Kona coffee
8 beans that should be contained in a blend of Kona beans and
9 other coffee beans, many from out of the country, labeled as
10 "Kona coffee blend" or similar terms; and

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12 WHEREAS, a number of Kona coffee growers and processors
13 feel that this percentage should be 75 percent at minimum; and

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15 WHEREAS, other Kona coffee growers and processors are
16 concerned about the impact that a 75 percent requirement may
17 have on the overall price and market for Kona coffee as an
18 industry; and

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20 WHEREAS, many small growers market their coffee as "100
21 percent Kona" on the Internet; and

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23 WHEREAS, larger growers and processors are concerned about
24 "shelf space" in retail facilities that smaller growers and
25 processors are not concerned with; and

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27 WHEREAS, existing labeling requirements for Kona coffee
28 causes consumer fraud and confusion and degrades the "Kona
29 coffee" name; and

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31 WHEREAS, furthermore, coffee roasters on the mainland are
32 not bound by any labeling requirements relating to the use of
33 Kona coffee or the "Kona coffee" name, which adds to consumer
34 confusion; and

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36 WHEREAS, in the December 2004, issue of *Consumer Reports*, a
37 writer confused Kona coffee blends with Kona coffee, and
38 mistakenly rated Kona coffee as "second rate" without
39 differentiating between pure and blended Kona coffees; and

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41 WHEREAS, in 2005, United States Congressman Ed Case
42 introduced H.R. No. 3535 to amend the Agricultural Marketing Act
43 of 1946 to require country of origin labeling for macadamia
44 nuts; and



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2 WHEREAS, similar legislation efforts for Hawaii-grown
3 coffee, whether on the national or state level, could establish
4 better truth-in-labeling standards for Hawaii-grown coffee and
5 lessen coffee consumer confusion; and
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7 WHEREAS, furthermore, the high quality standards of Hawaii-
8 grown coffee beans are due to laws and administrative rules
9 enacted for the purposes of ensuring superior grade and quality;
10 and
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12 WHEREAS, under section 147-7, HRS, all Hawaii-grown green
13 coffee beans (coffee beans that are milled and ready for
14 roasting) need to be inspected and certified by the Department
15 of Agriculture (DOA) for grade and origin unless otherwise
16 specified by rules adopted by the DOA; and
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18 WHEREAS, title 4, chapter 143, Hawaii Administrative Rules
19 (HAR), establishes standards for coffee, including labeling
20 requirements, grade standards, inspection requirements, and a
21 coffee quality verification program; and
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23 WHEREAS, under section 4-143-2, HAR, the inspection and
24 certification of green coffee for origin, grade, or both, are
25 required by the DOA, except for a few exceptions; and
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27 WHEREAS, under section 4-143-10, HAR, dry millers may
28 participate in a coffee quality verification program, which is a
29 self-certification program that authorizes dry millers to
30 certify green coffee and issue a coffee quality verification
31 program certificate; and
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33 WHEREAS, the DOA must follow a coffee quality verification
34 program audit scheme consisting of three levels of audits
35 depending on production output for dry millers participating in
36 this self-certification program; and
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38 WHEREAS, the audit scheme ensures that a consistent level
39 of quality is maintained for all green coffee beans grown in
40 Hawaii because poor quality coffee degrades the "Kona coffee" or
41 "Hawaii Seal of Quality" names; and



1 WHEREAS, the inspection and certification requirements
2 under section 147-7, HRS, and title 4, chapter 143, HAR, apply
3 to green coffee beans, and not roasted coffee beans; and
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5 WHEREAS, roasted coffee beans are considered processed
6 foods under part IV, chapter 147, HRS; and
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8 WHEREAS, although roasted coffee beans must also be
9 inspected for grade or origin, it does not follow the same
10 inspection and certification processes as green coffee beans;
11 and
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13 WHEREAS, further studies need to be performed on current
14 administrative rules relating to the certification, inspection,
15 and audit requirements for green coffee beans, and whether a
16 uniform inspection and certification process should be required
17 for all coffee beans grown in Hawaii, whether green or roasted,
18 to ensure a better and higher quality of all Hawaii-grown
19 coffee; now, therefore,
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21 BE IT RESOLVED by the Senate of the Twenty-fourth
22 Legislature of the State of Hawaii, Regular Session of 2007, the
23 House of Representatives concurring, that the DOA is requested
24 to:
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26 (1) Study existing labeling requirements relating to the
27 use of the "Kona coffee" or other Hawaii-grown coffee
28 names; and
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30 (2) Study the effectiveness of current administrative
31 rules relating to the inspection, certification, and
32 audit requirements for all Hawaii-grown coffee beans;
33 and
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35 BE IT FURTHER RESOLVED that the DOA is requested to:
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37 (1) Examine existing labeling requirements relating to the
38 use of the "Kona coffee" or other Hawaii-grown coffee
39 names;
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41 (2) Identify problems with the existing labeling
42 requirements for Hawaii-grown coffee;



- 1 (3) Develop stricter labeling requirements under state law
2 and department rules for the use of the "Kona coffee"
3 and other Hawaii-grown coffee names;
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- 5 (4) Perform a thorough economic analysis of the probable
6 impact of increasing the minimum content requirement
7 to 50 percent upon each segment of the Kona coffee
8 industry, and each segment of the coffee industry in
9 other parts of the state, such as Ka'u and on islands
10 other than the island of Hawaii;
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- 12 (5) Determine the fiscal impact that stricter labeling
13 requirements or a uniform national labeling
14 requirement standard will have on farmers of small
15 coffee bean farms in Hawaii;
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- 17 (6) Develop ideas for a uniform national labeling standard
18 and requirements for coffee roasters to abide by for
19 the use of the "Kona coffee" or other Hawaii-grown
20 coffee names; and
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- 22 (7) Seek input from and collaborate with Hawaii's
23 Congressional delegation, the United States Department
24 of Agriculture, and the Federal Food and Drug
25 Administration on establishing and enforcing a uniform
26 national labeling standard for the use of the "Kona
27 coffee" or other Hawaii-grown coffee names;

28 and

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30 BE IT FURTHER RESOLVED that the DOA is requested to:

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- 32 (1) Examine the effectiveness of current administrative
33 rules relating to the inspection, certification, and
34 audit requirements of green coffee beans grown in
35 Hawaii and current statutes relating to the inspection
36 of roasted Hawaii-grown coffee beans;
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- 38 (2) Seek input from and collaborate with coffee
39 associations and coffee growers statewide on current
40 statutes and administrative rules relating to the
41 grade and quality assurance of Hawaii-grown coffee
42 beans;



- 1 (3) Identify any problems with current statutes or
- 2 administrative rules relating to the grade and quality
- 3 assurance of Hawaii-grown coffee beans;
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- 5 (4) Determine the feasibility of establishing and
- 6 implementing uniform inspection and certification
- 7 requirements for Hawaii-grown coffee beans, whether
- 8 green or roasted, to ensure a better grade and higher
- 9 quality commodity; and
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- 11 (5) Determine the fiscal impact that a uniform inspection
- 12 and certification scheme for all Hawaii-grown coffee
- 13 beans will have on growers of small coffee bean farms;
- 14 and

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16 BE IT FURTHER RESOLVED that the DOA is requested to submit

17 a written report to the Legislature of its findings and

18 recommendations, including any proposed legislation, no later

19 than 20 days prior to the convening of the 2009 Regular Session;

20 and

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22 BE IT FURTHER RESOLVED that certified copies of this

23 Concurrent Resolution be transmitted to the Chairperson of the

24 Board of Agriculture; Dean of the College of Tropical

25 Agriculture and Human Resources, University of Hawaii; President

26 of the Hawaii Farm Bureau Federation; President of the Hawaii

27 Coffee Association; President of the Kona Coffee Council;

28 President of the Kona Coffee Farmers Association; and any other

29 statewide coffee organizations.

