

STAND. COM. REP. NO. 2026

Honolulu, Hawaii

April 12, 2007

RE: H.C.R. No. 109

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred H.C.R. No. 109 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF  
BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO PROVIDE AN  
ECONOMIC ANALYSIS OF THE IMPACT OF CHANGES TO HAWAII'S KONA  
COFFEE MINIMUM CONTENT LAWS, AND REQUESTING THE DEPARTMENT OF  
THE ATTORNEY GENERAL TO STUDY WAYS TO IMPROVE ENFORCEMENT OF  
THOSE LAWS,"

beg leave to report as follows:

The purpose of this concurrent resolution is to promote and  
protect Kona coffee by:

- (1) Requesting the Department of Business, Economic  
Development, and Tourism (DBEDT) to report to the  
Legislature on Hawaii's coffee industry, including a  
thorough economic analysis of the probable impact on  
each segment of the coffee industry in the state of  
increasing the minimum Kona coffee content requirement  
to fifty per cent; and
- (2) Requesting the Department of the Attorney General (AG)  
to review existing laws and programs related to the  
enforcement of Kona coffee minimum content requirements  
and submit a report to the Legislature that includes  
ways to improve enforcement of Kona coffee laws.

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DBEDT offered various comments on the measure. DBEDT suggested that the study would have to include the following: (1) impact of Kona coffee price change, due to the minimum content law, on the quantities demanded for Kona coffee, which is called the price elasticity of demand; (2) impact of Kona coffee price change on the demand of non-Kona coffee in the state, which is called cross elasticity of demand; (3) impact of Kona coffee price change on other crops on the Big Island; and (4) the impact by segment within the coffee industry.

DBEDT also commented that study would have to be obtained through surveys of all types of purchasers of Kona coffee, including businesses, residents, visitors, and internet shoppers on hypothetical basis. DBEDT went on to say that they do not have the expertise nor the resources to conduct this study.


The Department of the Attorney General supports the intent of this concurrent resolution, with some changes. The Department believes a more comprehensive study is needed to determine what per cent content of locally produced coffee should be used in a coffee blend, so as to not cause a negative economic impact on the coffee industry. The Department believes this would be impossible to complete without financial or personnel resources within the limited allotted time indicated in the resolution. The department would recommend that this part of the resolution be amended to include significant monetary resources and an extended completion date so that a thorough and comprehensive economic analysis could be completed.

Greenwell Farms, Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, and several concerned individuals supported this measure. Honolulu Brewing Company LLC, DFS Group, Ltd., Royale Island Coffee Hawaii, Tropical Taste Distribution, Hawaii Coffee Company, Inc., Hawaii Coffee Association, and a concerned individual supported this measure with amendments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 109 and recommend its adoption.

Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,

  
for TOMMY WATERS, Chair

  
for. ROBERT N. HERKES, Chair



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State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

**Record of Votes of the Committee on Judiciary**

<b>Bill/Resolution No.:</b> <div style="text-align: right;">HCR 109, (HSCR 1634)</div>		<b>Date:</b> 4/11/07		
<b>Committee Referral:</b> <div style="text-align: right;">CPC/JUD</div>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Pass, unamended  <input type="checkbox"/> Hold         </div> <div> <input type="checkbox"/> Pass, with amendments  <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
<b>JUD Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. WATERS, Tommy (C)	✓			
2. OSHIRO, Blake K. (VC)	✓			
3. CALDWELL, Kirk				✓
4. EVANS, Cindy		✓		
5. GREEN, Josh, M.D.	✓			
6. ITO, Ken	✓			
7. LUKE, Sylvia				✓
8. McKELVEY, Angus L.K.	✓			
9. MORITA, Hermina M.	✓			
10. SONSON, Alex M.				✓
11. SOUKI, Joseph M.				✓
12. TSUJI, Clift	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. PINE, Kymberly Marcos				✓
17. THIELEN, Cynthia	✓			
<b>TOTAL</b>	11	1		5
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Adopted  <input type="checkbox"/> Not Adopted         </div> <div>           If joint referral, _____ did not support recommendation.  <div style="text-align: center;">committee acronym(s)</div> </div> </div>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				