SENATE CONCURRENT RESOLUTION

REQUESTING A FEASIBILITY STUDY ON THE CONTRACTING OF THIRD PARTY AGENTS TO INSPECT AND CERTIFY HAWAII-GROWN GREEN COFFEE BEANS.

WHEREAS, the reduction in force and imposition of furlough days has resulted in the Department of Agriculture being too understaffed to meet the needs of the State's agricultural sector: and

WHEREAS, in the past five years, the value of sales for Hawaii-grown coffee beans has increased by thirty-two per cent, ranking fourth in value of diversified agricultural commodities in the State; and

WHEREAS, the Kau coffee industry alone has a gross minimum farm gate value of \$2,300,000, and a value-added value of \$9,800,000, which does not include employment figures or revenues generated by collateral businesses; and

WHEREAS, all Hawaii-grown green coffee beans are required by law to be inspected and certified by the Department of Agriculture; and

WHEREAS, the Agricultural Commodities Marketing Specialists who certify Hawaii-grown green coffee beans have been subject to a reduction in force, causing grave concern in Hawaii's coffee industry that the certification services for coffee will be negatively affected; and

WHEREAS, the remaining Agricultural Commodities Marketing Specialists and Agricultural Commodities Aides, not subject to the reductions in force, who certify Hawaii-grown green coffee beans are able to reasonably service those farmers within a fifty-mile vicinity of the respective Department of Agriculture inspection office; and

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WHEREAS, the small, remotely located farmers and producers not within that fifty-mile vicinity are particularly concerned about the reductions in force, and are worried that they will be unable to meet the statutory requirements for mandatory certification to export Hawaii-grown green coffee beans and this may cause marketing problems; and

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WHEREAS, some Kau farmers, for example, have had to ship coffee beans from Hilo to Kauai for certification before the coffee beans reach their final destination in Honolulu or on the mainland, which increases the cost of the coffee approximately a dollar per pound and increases the risk of exposure to moisture; and

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WHEREAS, there are private individuals in these small communities who are knowledgeable about coffee production, and have the requisite skills and knowledge to certify Hawaii-grown coffee beans; and

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WHEREAS, if the Department of Agriculture designated private agents as certified green coffee bean graders, who are authorized to inspect or classify Hawaii-grown green coffee beans for these underserved, remote areas located more than fifty miles from the nearest Department of Agriculture inspection office, the farmers would have additional options to attain the necessary certification; and

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WHEREAS, the ramifications of having no available inspectors could cause the coffee industry in more remote locations, like Kau, to close, result in the loss of customers due to lack of protections for the integrity of certification, and result in a loss of the regional identities for the various coffee districts; now, therefore,

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BE IT RESOLVED by the Senate of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2010, the House of Representatives concurring, that the Department of Agriculture is requested to conduct a feasibility study on the contracting of third party agents to inspect and certify Hawaiigrown green coffee beans; and

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BE IT FURTHER RESOLVED that the Department of Agriculture is requested to include an analysis of the economic impact on Hawaii's coffee industry if the Department of Agriculture does

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not either fill the positions or authorize third party agents to certify Hawaii-grown green coffee beans; and

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BE IT FURTHER RESOLVED that the Department of Agriculture is requested to submit a report on its findings and recommendations to the Legislature no later than twenty days prior to the Regular Session of 2011; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to Chairperson of the Board of Agriculture and the Chairperson of the Board of Directors of the Hawaii Coffee Association.

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OFFERED BY: Russells. Koht