THE SENATE TWENTY-FIFTH LEGISLATURE, 2010 STATE OF HAWAII

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S.C.R. NO. <sup>217</sup> S.D. 1

## SENATE CONCURRENT RESOLUTION

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

1 WHEREAS, the reduction in force and imposition of furlough 2 days has resulted in the Department of Agriculture being too 3 understaffed to meet the needs of the State's agricultural 4 sector; and

6 WHEREAS, in the past five years, the value of sales for 7 Hawaii-grown coffee beans has increased by thirty-two per cent, 8 ranking fourth in value of diversified agricultural commodities 9 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

16 WHEREAS, all Hawaii-grown green coffee beans are required17 by law to be inspected and certified by the Department of18 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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1 WHEREAS, the small, remotely located farmers and producers 2 not within that fifty-mile vicinity are particularly concerned 3 about the reductions in force, and are worried that they will be 4 unable to meet the statutory requirements for mandatory 5 certification to export Hawaii-grown green coffee beans and this 6 may cause marketing problems; and 7

8 WHEREAS, some Kau farmers, for example, have had to ship 9 coffee beans from Hilo to Kauai for certification before the 10 coffee beans reach their final destination in Honolulu or on the 11 mainland, which increases the cost of the coffee approximately a 12 dollar per pound and increases the risk of exposure to moisture; 13 and

15 WHEREAS, there are private individuals in these small 16 communities who are knowledgeable about coffee production, and 17 have the requisite skills and knowledge to certify Hawaii-grown 18 coffee beans; and

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

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 the lack of protections for the integrity of certification, and result in a loss of the regional identities for the various coffee districts; now, therefore, 34

35 BE IT RESOLVED by the Senate of the Twenty-fifth 36 Legislature of the State of Hawaii, Regular Session of 2010, the 37 House of Representatives concurring, that the Department of 38 Agriculture is requested to facilitate and submit a feasibility 39 study on the contracting of third party agents to inspect and 40 certify Hawaii-grown green coffee beans; and

42 BE IT FURTHER RESOLVED that the Department of Agriculture 43 is requested to facilitate a task force consisting of:



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(2) Two members to be designated by the Speaker of the 3 4 House of Representatives; and One member to be designated by the Chairperson of the (3) Board of Agriculture; and 8 BE IT FURTHER RESOLVED that the Task Force is requested to 9 include an analysis of the economic impact on Hawaii's coffee 10 industry if the Department of Agriculture does not either fill the positions or authorize third party agents to certify Hawaiigrown green coffee beans; and 13 14 BE IT FURTHER RESOLVED that the Department of Agriculture is requested to submit the Task Force's report on its findings 16 and recommendations to the Legislature no later than twenty days 17 prior to the Regular Session of 2011; and 18 BE IT FURTHER RESOLVED that certified copies of this 20 Concurrent Resolution be transmitted to Chairperson of the Board 21 of Agriculture, the Senate President, the Speaker of the House 22 of Representatives, and the Chairperson of the Board of 23 Directors of the Hawaii Coffee Association. 24

Two members to be designated by the Senate President;

