# HB280 HD1

Testimony

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN Chairperson, Board of Agriculture

> SCOTT E. ENRIGHT Deputy to the Chairperson

# State of Hawaii DEPARTMENT OF AGRICULTURE 1428 South King Street

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# TESTIMONY OF RUSSELL S. KOKUBUN CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE
Tuesday, March 13, 2012
Room 229
2:50 P.M.

# HOUSE BILL NO. 280, HOUSE DRAFT 1 RELATING TO AGRICULTURE

Chairperson Nishihara and Members of the Committee

Thank you for this opportunity to provide testimony on House Bill No. 280, House Draft 1 that seeks to repeal the requirement that all Hawaii-grown green coffee beans shall be inspected and certified by the Department of Agriculture and repeals the requirement that no Hawaii-grown green coffee beans shall be shipped outside the area of their geographic origin unless they have been inspected by the Department. The Department supports the intent of this measure as advocated by various coffee industry members.

Prior to 1997, green coffee certification was conducted on a voluntary basis for users requesting for certification. Following a counterfeit scandal, a coffee dealer was indicted for fraud for selling counterfeit green Kona coffee at depressed prices in the mainland. This prompted legislation that required all Hawaii-grown green coffee be certified prior to leaving the geographic region of production. However, this requirement did not apply to roasted Hawaii-grown coffee.



As a result of the reduction in force within the Department in 2009, currently, there is only one full-time Agricultural Commodities Marketing Specialist in the West Hawaii district to inspect Kona coffee. This has resulted in a delay of inspections with a turnaround time of up to 3 to 4 weeks, and a subsequent delay for the Kona coffee industry to export their coffee which limits cash flow needed to pay their coffee producers in a timely manner.

Following discussions with various coffee industry members, the Department feels that a voluntary certification program, and mandatory compliance to grading standards and origin documentation under proposed changes to the Hawaii Administrative Rules, will provide sufficient protection for Hawaii's coffee industry. Furthermore, the Department remains committed to providing unannounced inspections to ensure that voluntary certification is not being abused.

The Department does want to clarify that while the proposed bill will make certification voluntary, this measure would not trump the current quarantines in place that are meant to prevent the spread of coffee berry borer or other potential invasive pests or diseases.

Thank you for the opportunity to testify on this measure.



2343 Rose Street • Honolulu, Hawaii 96819 Phone: (808) 848-2074 • Neighbor-Islands: (800) 482-1272 Fax: (808) 848-1921 • Email: <u>info@hfbf.org</u> www.hfbf.org

March 13, 2012

# HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE

# TESTIMONY ON HB 280, HD1 RELATING TO AGRICULTURE

Room 229 2:50 PM

Chair Nishihara, Vice Chair Kahele, and Members of the Committee:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF supports HB 280, HD1 which proposes to remove the requirement that all Hawaii-grown green coffee beans be inspected and certified by the Hawaii Department of Agriculture (HDOA) unless otherwise specified by rules of the HDOA. It also removes the requirement that no Hawaii-grown green coffee beans shall be shipped outside the area of their geographic origin unless they have been inspected by the HDOA.

State budgetary cutbacks in recent years have hindered HDOA's ability to effectively execute the coffee certification program. This has led to long delays, hurting customer relations and crimping cash flows for growers and processors. HFBF supports this measure provided that STIFF, ENFORCEABLE PENALTIES IN THE LAW will punish and deter the act of counterfeiting Hawaiian grown coffee.

It is expected that minimum grade standards will be regulated by the free marketplace. The repeal of mandatory inspection and certification for origin leaves a gap that may lead to coffee counterfeiting. We need to give law enforcement the tools they need to protect Hawaii's valuable coffee industry.

HFBF will continue to work with HDOA, industry and law enforcement to ensure that amendments are made to this measure making counterfeiting of coffee a criminal offense.

HFBF respectfully requests your assistance in passing this measure.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to submit comments on this important measure.

# Ka'u Farm Bureau PO Box 1109 Naalehu Hawaii 96772 808-929-9550

**TESTIMONY ON HB280** 

COMMITTEE ON AGRICULTURE Senator Clarence K. Nishihara, Chair

Senator Gilbert Kahele, Vice Chair

Tuesday, March 13, 2012 2:50 p.m. Conference Room 229

Aloha Chair Nishihara, Vice Chair Kahele, and Members of the Committee:

# Ka'u Farm Bureau supports HB280 with proposed language to be adopted as SD1.

Recent State budgetary cutbacks have hindered Hawaii Department of Agriculture's ability to effectively execute the coffee certification program. This has led to long delays, hurting customer relations and crimping cash flows for growers and processors. Ka'u Farm Bureau supports this measure provided that STIFF, ENFORCEABLE PENALTIES IN THE LAW will punish and deter the act of counterfeiting Hawaiian grown coffee.

Hawaiian grown coffee counterfeiting is what originally led to the mandatory certification program. The scandal that ensued threatened the entire Hawaiian coffee industry. It is our understanding that certification for grade and origin will still be made available by the Department on a voluntary basis and that HDOA will adopt rules that mandate enhanced record keeping.

It is expected that minimum grade standards will be regulated by the free marketplace. The repeal of mandatory inspection and certification for origin leaves a gap that may lead to coffee counterfeiting. The proposed language will give law enforcement the tools they need to protect Hawaii's valuable coffee industry.

Ka'u Farm Bureau has worked with HDOA, industry and law enforcement to ensure that proposed amendments to this measure will make Hawaiian coffee counterfeiting an enforceable felony offense.

Please pass this measure with amendments.

Thank you for the opportunity to submit testimony this important measure.

Mahalo,

Chris Manfredi President

# PART I. FRESH FRUITS, VEGETABLES, NUTS, HONEY, AND COFFEE Note

Part heading amended by L 2008, c 167, §2.

§147-1 Definitions. As used in this part, the term:

"Agricultural commodity" means fresh fruits and fresh vegetables of every kind and character, whether or not frozen or packed in ice, whether produced in the State or imported, nuts, and coffee, whether cherry or parchment, or green beans, which have been produced in the State, and raw unprocessed honey, whether produced in the State or imported.

"Consumer" means any person or firm purchasing agricultural commodities for human consumption or animal consumption.

"Department" means the department of agriculture.

"Offgrade" is a descriptive term applicable to agricultural commodities which have a market value, and designates a quality lower than the lowest applicable in Hawaii, other states or the United States grade for each agricultural commodity.

"Produce dealer" means any person other than a producer who is engaged in the selling, marketing, or distributing of any agricultural commodity or in the business of soliciting or negotiating the sale of any farm product, but does not include any person selling solely at retail. For the purposes of this definition, sales to the United States army or navy, restaurants, hotels, hospitals, or other institutions are not retail sales.

"Producer" means any person engaged within the State in the growing or production for market of any agricultural commodity, or any cooperative association of such persons.

"Raw unprocessed honey" means honey that has not been heated above one hundred twenty degrees Fahrenheit, or filtered through a fine screen of less than one-sixty-fourth inch mesh, or treated with diatomaceous earth, or in any other way that results in the loss of any natural constituent of honey, such as plant pollen and enzymes. [L 1945, c 252, §1; RL 1955, §22-1; am L Sp 1959 2d, c 1, §22; am L 1961, c 64, §1 and c 132, §2; am L 1965, c 73, §§1 to 3; HRS §147-1; am L 1983, c 257, §2; am L 2008, c 167, §3]

- §147-2 Duties of department; violations; proceedings; penalties. The department shall administer and enforce this part and rules adopted by the department pursuant thereto.
- The following penalties, remedies, procedures, and actions shall apply in instances of violations and complaints of violations of this part, or of the rules adopted by the department under the authority of this part:
- (1) Administrative penalty. The department may, after notice and opportunity for hearing, fine any person who violates this part or any rule adopted under this part, not more than \$1,000 for each separate offense. Each day or instance of violation shall constitute a separate

- offense. Any action taken to impose or collect the penalty provided for in this paragraph shall be considered a civil action;
- (2) Nuisance may be enjoined, abated. Violation of this part or of any rule adopted thereunder is declared a public nuisance and may be enjoined or abated as such in a suit filed and prosecuted in the circuit court by the department or the attorney general. The several circuit courts are hereby vested with jurisdiction to prevent and restrain violation of this part or of any rule effective thereunder;
- (3) Misdemeanor. Any person who violates this part or any rule adopted under this part shall be fined not more than \$1,000 or imprisoned not more than one year, or both;
- (4) The penalties and remedies prescribed in this section with respect to any violation mentioned in this section shall be concurrent and alternative and neither singly nor combined shall the same be exclusive and either singly or combined the same shall be cumulative with any and all other civil, criminal, or alternative rights, remedies, or penalties provided or allowed by law with respect to any such violation. [L 1945, c 252, §2; RL 1955, §22-2; am L Sp 1959 2d, c 1, §§14, 22; am L 1961, c 132, §2; am L 1963, c 114, §1 and c 193, §8; HRS §147-2; am L 1983, c 257, §3; am L 1985, c 111, §1]

§147-3 REPEALED. L 1991, c 134, §2.

**§147-4 Rules.** The department may make rules, subject to chapter 91:

- (1) Defining grades and grade labeling requirements of agricultural commodities and standard containers for packing of particular agricultural commodities;
- (2) Prohibiting the sale, offering for sale, or transportation of agricultural commodities unless packed in standard containers and labeled with the appropriate grade or offgrade designation; provided that this prohibition shall not apply to the sale, offering for sale, or transportation to a plant for grading, packing, or processing, or transportation to a warehouse for storage;
- (3) Prohibiting the use of grade terms or abbreviations of grade terms on agricultural commodities for which no grades have been established under this part;
- (4) Defining "suitable shipping condition" for agricultural commodities which are to be shipped for sale from one island to another within the State or to points outside the State, and prohibiting such shipment for sale of agricultural commodities which do not meet the minimum standards set for "suitable shipping condition";

- (5) Prescribing records to be kept in connection with purchases of agricultural commodities by persons, other than produce dealers purchasing from a producer or producers, for purposes of resale five or more tons of agricultural commodities during any one calendar month; and
- (6) Prescribing records to be kept by produce dealers in connection with the purchase, sale, transport for sale, solicitation, or negotiation of sale with respect to an agricultural commodity.

In making the rules the department shall take into account, among other things, the factors of maturity, condition, soundness, color, shape, size, and freedom from defects of the agricultural commodity in question and shall also take into consideration the official standards, grades or classifications adopted by the secretary of the Department of Agriculture of the United States, commonly known as U.S. Grades. [L 1945, c 252, §4; RL 1955, §22-4; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; am L 1965, c 73, §4; HRS §147-4; am L 1991, c 134, §1]

§147-5 Prohibition of deceptive packing. No person shall sell, expose, or offer for sale, or transport for sale in open or closed packages agricultural commodities packed in such manner that the face or shown surface is so superior to the unexposed portion as to quality, size, condition, or in any other respect as to materially misrepresent the contents. [L 1945, c 252, §5; RL 1955, §22-5; HRS §147-5]

# §147-6 REPEALED. L 1991, c 134, §3.

- \$147-7 Inspection and classification of agricultural commodities; fees. (a) The department may contract with the United States Department of Agriculture for obtaining the services of a supervising inspector employed by the federal department and the establishment of a cooperative inspection service with the United States government. The department, or the supervising inspector, with the approval of the department, may designate any competent employee or agent of the department as an inspector to inspect or classify agricultural commodities in accordance with rules of the department, and at the time and places designated by the supervising inspector or the department.
- (b) The inspectors shall be authorized to inspect or classify agricultural commodities at the request of persons having a financial interest in the commodities, or as mandated by subsection (d), and to ascertain and certify to the persons the grade, classification, quality, condition, or origin of them and other pertinent facts.
- (c) The department may fix, assess, and collect or cause to be collected fees for the services when they are performed by employees of the department. The fees shall be on a uniform basis and in an amount reasonably necessary to cover the cost of inspection and the administration of this part; provided that

the department may prescribe a reasonable charge for traveling expenses and extraordinary services when the performance of the services involves unusual cost in their performance. No fee shall be charged for an inspection unless the inspection was requested by a person having a financial interest in the inspected commodity or the inspection was mandated by subsection (d).

- (d) All Hawaii grown green coffee beans shall be inspected and certified by the department for grade and origin unless otherwise specified by rules of the department.
- (e) The department may adopt rules establishing the requirements, procedures, restrictions, and other criteria necessary for establishing a program of self inspection and certification of agricultural commodities. [L 1945, c 252, §7; RL 1955, §22-6; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §147-7; am L 1978, c 12, §1; am L Sp 1995, c 8, §2; am L 1997, c 345, §2]

#### **§147-7.5 REPEALED.** L 2003, c 49, §11.

\$147-8 Appeal for classification; fee. Whenever any quantity of any agricultural commodity has been inspected under section 147-7 and a question arises as to whether the certificate issued with respect to the inspection shows true grade, class, quality, condition, or origin of the product, any person having a financial interest in the inspected commodity, subject to any rules adopted by the department, may appeal to the department for a reinspection and the department may reinspect and conduct appropriate tests to determine and issue a written certificate of the true grade, class, quality, condition, or origin of the product.

Whenever any appeal is made to the department under this section it shall charge and collect or cause to be collected a reasonable fee. The amount of the fee shall be fixed by rule and shall be refunded if the appeal is sustained. [L 1945, c 252, §8; RL 1955, §22-7; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §147-8; am L 1997, c 345, §3]

§147-9 Certificate as evidence. Any certificate made by an inspector pursuant to section 147-7 or any written finding of the board of agriculture pursuant to section 147-8 shall be admissible in evidence in all courts of the State as presumptive evidence of all facts and matters therein stated. [L 1945, c 252, §9; RL 1955, §22-8; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §147-9]

§147-10 Income from certification and agriculture control activities. Except for fees collected by the department pursuant to part VII, all fees, expenses, and penalties collected by the department pursuant to this part shall be deposited with the director of finance to the credit of the general fund. [L 1945, c 252, §10; RL 1955, §22-9; am L 1959, c 265, §5; am L Sp 1959 2d, c 1, §§14, 22; am L 1961, c 132, §2; am L 1963, c 114, §1;

HRS §147-10; am L 1969, c 95, §1; am L Sp 1995, c 8, §3; am L 2003, c 49, §3]

Section 4. Chapter 147, Hawaii Revised Statutes is amended by the addition of a new section to be appropriately designated and to read as follows:

## §147-11 Hawaii Coffee Counterfeiting

- (a) The department shall adopt rules specifying documentation reporting required for the movement of any Hawaii grown coffee beans from the origin in which it was grown.
- (b) Failure to report or provide accurate information pertaining to the movement of Hawaii grown coffee beans outside of the geographic origin of production per rules established by the department shall constitute Hawaii coffee counterfeiting.
- (c) Any person who knowingly transports, distributes, advertises, offers for sale, sells, or possesses with the intent to sell any Hawaii coffee beans identified with an incorrect geographic origin or in violation of the departments Hawaii coffee beans origin documentation protocol(s) is guilty of Hawaii coffee counterfeiting.
  - (d) Hawaii coffee counterfeiting is a class C felony.
- §147-21 Definitions. For the purposes of this part, unless otherwise required by the context:
- "Agricultural commodity" means fruits, [vegetables], nuts, coffee, and raw unprocessed honey.
- "Coffee Cherry" means the fruit of the coffee plant.
- "Coffee Parchment" means the dried product that remains when coffee cherries are processed by disengaging the coffee seeds from the pulp.
- "Commercial exporter" means any person who is engaged in the business of exporting fresh or processed agricultural commodities to points outside the State.
- "Department" means the department of agriculture.
- "Hawaii grown coffee" means coffee beans grown in the State of Hawaii, to include unroasted seeds of the coffee plant in all its forms including coffee cherry(ies) and coffee parchment.
- "Processed" means canned, preserved, frozen, pickled, dried, or otherwise prepared with or without any ingredients added thereto.
- "Raw unprocessed honey" means honey that has not been heated above one hundred twenty degrees Fahrenheit, or filtered through a fine screen of less than one-sixty-fourth inch mesh, or treated with diatomaceous earth, or in any other way that results in the loss of any natural constituent of honey, such as plant pollen and enzymes.
- "Style" means the kind or class of any particular processed agricultural commodity as determined by its physical characteristics, usually the size and shape thereof. [L 1955, c 258, §3; RL 1955, §22-21; am L 1959, c 267, §1; am L Sp 1959 2d,

c 1, §22; am L 1961, c 132, §2; HRS §147-21; am L 1983, c 257, pt of §5; am L 2008, c 167, §5]

§147-22 Rules. The department shall have the necessary powers to carry out and effectuate the purposes of this part, including the following:

To establish, prescribe, modify, or alter, by rules, such grades, standards, grade labels, and classifications as shall be the minimum requirements for fresh and processed agricultural commodities destined for shipment by commercial exporters to points outside the State; provided that the provisions of such grades, standards, grade labels, and classifications shall not excuse failure to comply with the provisions of the federal and state food, drug, and cosmetic acts. The department in establishing such rules shall consult with appropriate state and federal agencies and with any appropriate industry or trade organization. The standards, grades, grade labels, and classifications so established shall be on the basis of what the department may deem best suited to the agricultural, horticultural, or other interests of the State; provided that the minimum requirements for the grades, standards, grade labels, and classifications so established for processed agricultural commodities shall not be higher than that of any standardized product which is sanitary and which has been demonstrated to be a commercially-acceptable product of the class to which it belongs and for which a market has been established; provided further that different minimum requirements may be applied to different styles of processed agricultural commodities; and provided further that any processed pineapple product, in which the fruit ingredient is at least ninety-five per cent pineapple in compliance with the provisions of the federal and state food, drug, and cosmetic acts, may be exported from the State. [L 1955, c 258, §4; RL 1955, §22-22; am L 1959, c 267, §1; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §147-22; am L 1983, c 257, pt of §5; am L 1985, c 5, §1]

- \$147-23 Prohibited acts. (a) No commercial exporter shall ship any fresh or processed agricultural commodities to points outside the State unless such products meet the quality, condition, and labeling requirements of the rules adopted under this part.
- (b) No Hawaii-grown green coffee beans shall be shipped outside the area of their geographic origin to any point within the State or outside the State unless they have been inspected and certified as required in section 147-7(d) or by rules adopted under section [147-7(e)]. Areas of geographic origin shall be defined by rules of the department. [L 1955, c 258, §5; RL 1955, §22-23; am L 1959, c 267, §1; HRS §147-23; am L 1983, c 257, pt of §5; am L 1985, c 5, §2; am L 1997, c 345, §4]



# P O Box 5436 \_ Kailua-Kona \_ Hawaii \_ 96745 www.KonaCoffeeFarmers.org email: info@KonaCoffeeFarmers.org

RE HB280, HD1 Kona Coffee Farmers Association (KCFA) OPPOSES

Dear Chair Nishihara, Vice-Chair Kahele and Committee Members,

My name is Cecelia Burns Smith. I am the fourth generation of my family that has worked in Hawaiian agriculture, and the current President of the Kona Coffee Farmers Association. My husband and I operate one of the many hundreds of small family farms in the Kona geographic origin.

KCFA was founded in 2006 when it became obvious that the existing coffee associations represented the interests of blenders, large-scale processors, their employees in Honolulu and the sister islands, but not the interests of the actual Kona growers. KCFA has grown rapidly as other growers and supporting business recognized this fact. KCFA has more than 320 members and continues to add new members every month.

I speak for these grower/members and we strongly urge you to VOTE NO on HB280, HD1. THIS BILL IS BOTH UNNECSSSARY AND DANGEROUS. If enacted it will cause significant economic harm to the hundreds of small family farms both in Kona and in other Hawaiian geographic origins statewide that are developing a reputation for superior quality. We Kona farmers depend on the mandatory inspections to ensure that grade and geographic origin are certified to maintain Kona's reputation for outstanding quality and the price it commands in the market.

No one knows if the current buyers of "Kona" coffee will continue to buy it at its justifiable premium price if they can't be sure it is really Kona coffee. The same is true of all the other "origin" coffees now being grown throughout Hawaii. This bill explicitly strips the protections of both grade and geographic origin enacted after the infamous Kona Kai scandal. Voluntary certification will not work. Adding penalties will not work. The large-scale interests simply ignore the voluntary statutes related to coffee.

Many of those who testified in "support" of the bill in the House Ag Committee, recognized the importance of inspection and certification, but didn't seem to understand the danger of passing this bill. For example, the Hawaii Farm Bureau supported the measure but vowed to continue working with HDOA and others "to ensure that amendments are made to this measure making counterfeiting of coffee a criminal offense." No such amendments have been made, and it would likely require

completely separate legislation amending the Hawaii criminal code.

Thomas F. Greenwell also supported HB280, but was "hopeful" that as the: "bill passes through the legislative process, industry, and the Department of Agriculture can make alterations to HB 280 that will strengthen the enforcement of grading standards and reporting of origin." No such alterations have been made. Instead, after discussing it with 'various coffee industry members" (but not KCFA) HDOA Chairman Kokubun assured the House Ag and Finance Committees that HDOA would adopt "mandatory compliance to grading standards and origin documentation" that "will provide sufficient protection for Hawaii's coffee industry." THIS IS A HALLOW PROMISE AS HB280, HD1 REPEALS HRS 147-7(d), THE AUTHORITY HODA NOW HAS TO ADOPT THOSE RULES

HDOA already has the power under HRS 147-7(d) to make any necessary adjustments to the current mandatory grade and origin inspection and certification program. It simply has to specify the rules to do so. If there is to be a change in the inspection and certification requirements, it should be left to a more deliberate process, as apparently HDOA and others in the coffee industry have agreed, but only after appropriate notice and opportunity to comment from all affected interests. Let's not play dangerous games with the current market. Let's think about and get complete consensus before we risk peoples' livelihoods in all parts of Hawaii where coffee is grown.

The current statute has been instrumental in keeping counterfeit coffees at bay. Let's not open the door to the unscrupulous and return to the bad old days. The end result would be to diminish the worth of Hawaii's unique coffees with resulting harm to family farms not only in Kona but statewide.

Do not compromise a true agricultural jewel of old Hawaii, please!

Mahalo.

Sincerely,
Cecelia Burns Smith, President
Kona Coffee Farmers Association

Tel: 808-328-8060

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 11:24 AM

To:

AGL Testimony

Cc:

michae.conway@dole.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: Yes Submitted by: Michael Conway

Organization: Hawaii Coffee Growers Association (HCGA)

E-mail: michae.conway@dole.com

Submitted on: 3/12/2012

#### Comments:

Chair & Demonstrate of the Senate Committee on Agriculture, my name is Michael Conway. I am a Board Member of the Hawaii Coffee Growers' Association (HCGA), which, together with the Hawaii Coffee Association (HCA) represent the entire Hawaii Coffee Industry.

HCGA supports HB 280 and urges your support of the bill in its'current language.

HCGA membership includes both growers and processors and there is unanimous agreement that changes and provisions to the existing certification law are necessary. Association members prefer the Hawaii State Department of Agriculture focus its' limited resources toward enforcement of an ammended program of voluntary certification with tough penalities for violators.

Thank you for the opportunity to testify in support of HB 280.



# RANCHO ALOHA, PO BOX 417, HOLUALOA, HAWAII 96725 808-322-9562

Dear Chair Nishihara and Members of the Senate Agriculture Committee:

I am a coffee farmer in Holualoa in the North Kona District, Hawaii County, and testify in **OPPOSITION** to HB280/HD1.

This is a measure that first appeared as a matter of record on February 13—with ZERO prior consultation with the Kona Coffee Farmers Association and its members.

This is a measure that threatens grave consequences for Hawaii coffee growers. The abolition of a longstanding inspection, certification, and enforcement system designed to protect the reputation of Hawaii-grown coffees would be a mistake. This is a bill that should only be considered after full review with and input from the State's coffee farmers.

HB280/HD1 seeks to undo the protective system put in place after the counterfeiting of Kona coffee by Kona Kai was discovered and prosecuted by the federal government in the 1990s.

The State of Hawaii should not be abandoning its anti-counterfeiting systems.

The only rationale advanced in support of SB280 by the Coffee Middlemen and 10% Coffee Blenders is that a reduction in the number of HDOA inspectors has increased the time needed for inspection and certification. If delay, in fact, is the concern, the obvious solution is to hire more inspectors paid for by inspection fees. Abandoning a protective system that has worked well for many years is foolish.

Rather than moving backwards, the State of Hawaii should be strengthening its systems to provide for Hawaii-grown coffee protections similar to what Florida provides for Florida Orange Juice, the State of Georgia for Vidalia Onions, Idaho for Idaho Potatoes, and California for Napa Wines.

This bill will return Hawaii agriculture and the State of Hawaii to the risks of "international embarrassment" similar to that which resulted from the Kona Kai Coffee Fraud Scandal.

This is an ill-conceived bill. Please do not pass it out of Committee.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 8:08 AM

To:

AGL Testimony

Cc;

sandrascar@aol.com

Subject: Attachments: Testimony for HB280 on 3/13/2012 2:50:00 PM Kona coffee farmers' Response to HB280v2.doc

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Sandra Scarr

Organization: Daily Fix Coffee (Kona)

E-mail: <a href="mailto:sandrascar@aol.com">sandrascar@aol.com</a>
Submitted on: 3/12/2012

Comments:

#### **BACKGROUND:**

In the 1990's it was discovered that some blenders and marketers of coffee were lying about the coffee they were selling. They were marketing the coffee as "Hawaii grown" when in fact, it wasn't. The coffee growers and the consumers were being cheated. This became an international embarrassment and is known as the "*Kona Kai Scandal*." This scandal took place on the mainland involving a coffee dealer who rebagged foreign coffee into bags of Kona coffee certified by the HDOA.

As a response to the *Kona Kai Scandal* the State of Hawaii implemented a simple "inspection and certification" system to combat counterfeiting of Hawaii-grown coffee. The system requires that Hawaii-grown coffee beans be inspected and certified by the Department of Agriculture before being shipped out of the "area of their geographic origin." The DOA inspectors certify the amount of coffee being shipped by origin (TMK), grade, and amount. This system enables the DOA to determine if blenders (or others) are lying about either the Hawaiian origin or quality of the coffee they market.

This should be a self-sustaining inspection system. Each grower is charged (travel plus service) for the inspection services and these funds are collected and then put into the general fund. The income from the inspections were intended to offset the cost of the inspections, but apparently the funds were not always made available to DOA for that purpose. This system was used without controversy until the 2009 reduction-in-force (RIF). This RIF impacted the Big Island by the loss of one of two full-time inspector positions in Kona and all of the full-time inspector positions in Hilo. This left the Division with only one inspector to cover all of the Big Island. Although the RIFed Kona position was restored, the department has not been able to fill this position yet. It is scheduled for recruitment by the Dept. of Human Resources and Development at the end of March 2012. Income for personnel costs of coffee inspections are deposited into the General Fund. Revenue from inspections should be deposited with the HDOA for support of the coffee inspectors.

At the December West Hawaii Governor's Council meeting, several farmers brought this matter to the attention of HDOA Chair Kokubun. They were adamant that DOA hire the necessary number of inspectors to get the work done and to charge the amount necessary to cover the costs. Chair Kokubun indicated that this was merely a matter of "processing the paper work." At that time there was consensus that the system should continue and that the inspectors should be rehired so that the inspections can be accomplished. Failure by DOA to rehire the inspectors and to operate the system has caused some to conclude that the system should be abandoned because the State government is incapable of managing it — "at least they could sell their coffee." In other words, "the government doesn't work so let's just close it down." As of March 8, 2012, we understand that recruitment to hire a full-time ACMS in Kona is in process.

#### HB280/HD1:

HB280 was introduced last year (1/21/11) as a short form "vehicle bill" with the title "relating to agriculture". This blank bill was carried over to this session, and on Monday,

February 13, 2012, the "blank" bill was amended by SB280/HD1. The purpose as described on the Legislature's website: "Removes the requirement that all Hawaii-grown green coffee beans shall be inspected and certified by the Department of Agriculture unless otherwise specified by rules of the Department. Removes the requirement that no Hawaii-grown green coffee beans shall be shipped outside the area of their geographic origin unless they have been inspected by the Department of Agriculture.

PROBLEM created by HB 280: It ignores the lessons learned from the 1990's Kona Kai Scandal.

- It reopens the coffee industry to those prone to counterfeiting Kona coffee and fraudulent marketing practices.
- It will create a situation that permits unethical sellers to cheat honest farmers and producers.
- It will create a situation that permits unethical sellers to cheat consumers.
- It will undermine the good name of Hawaii's origin-based, high-quality coffee.
- It undermines people's confidence in the ability of government to perform basic functions necessary for the conduct of business.

## CONCLUSION:

Inspection and certification of Hawaii-grown coffee is a proper function of State government and is necessary to ensure and facilitate honest and reliable business transactions within the Hawaii coffee industry and to protect coffee farmers in Hawaii, consumers world-wide, and the international reputation of Hawaii. If the problem to be solved is to secure the revenue to pay for the Inspector positions, then that issue should be directly addressed: secure the money from the inspections to compensate the inspectors.

HB 280 represents a "failure to govern", is a disservice to producers and consumers alike, and will further undermine peoples' confidence in government. **Kona coffee farmers adamantly oppose HB 280.** 

LavaRock Farm PO Box 1002 Captain Cook, HI 96704-1002

March 11, 2012

I am AGAINST HB280/HD1 (Repeal of Mandatory Coffee Inspection and Certification).

Inspection and Certification of Kona Coffee was devised after the Kona Kai scandal as a way of protecting the Kona Coffee name and the farmers against the blenders who abuse the product in the name of profits. When sales plummeted, the large processors pushed a 10% blend law into effect to protect their profits.

The individual farmers are not the ones who would counterfeit coffee; it would be the large blenders who move Kona and foreign coffee around freely, storing it outside Kona and even on the mainland. We have recently caught a big blender mislabeling his coffee, which was on store shelves here in Kona. George Santayana said: "Those who cannot remember the past are condemned to repeat it."

Think for a minute why none of the blenders or processors has suggested a way to keep certification. By having no outside party inspect and certify the coffee, they could downgrade their beans. My belief is that blenders have proposed and supported this bill due to the Kona Coffee Borer Beatle damage. They are having trouble fulfilling their contracts for specific grades of Kona. This "self policing" makes it easy for them to change grades. The inspection and certification process needs to be performed and kept out of the hands of the stakeholders. The larger the lot Kona Coffee lot, the more they need to bear the cost of that inspection process as the small farmers are not the ones the process was meant to oversee. Small farms cannot affect the marketplace; only the large processors and blenders can. Removing inspection and certification is NOT the way to solve this issue!

The appropriate way is to hire inspectors than to open the floodgates and allow the fox to tend the hen house. Inspection fees can cover the cost.

Were you on the mainland, would you remove government inspection and certification of beef, poultry and pork, leaving it up to self-inspection? No, of course you would not. If you think this is just "coffee" then why did the Hawaii Legislature considered a bill that would have taken by force and sold, coffee land that was not treated for the Coffee Bearer Borer? Luckily that ill-conceived (and unconstitutional) bill was dropped.

You should note that the farmers (the actual growers of the product) oppose this bill and the blenders are all for it. You must consider the actual farmers needs and not those of the blenders and their employees.

Also consider the consumer. They have already been cheated, abused and confused by imitation Kona coffee. Removing the inspection guarantees that the consumer will NOT be assured they are buying a quality, inspected and certified product.

Vote AGAINST this bill.

Mark Shultise LavaRock Farm Captain Cook, HI

# Greenwell Farms, Inc.

P.O. Box 248 Kealakekua, Hawaii 96750

TESTIMONY ON HB280

Senate Committee on Agriculture

Senator Clarence K. Nishihara, Chair Senator Gilbert Kahele, Vice Chair

> Monday, March 12, 2012 Conference Room 229

Mr. Chairman, Members of the Agriculture Committee

Greenwell Farms, Inc. has a long history in the coffee industry in Kona. Since the 1980's, our company has been purchasing coffee cherry, parchment, and green bean from Kona Farmers in order to provide high quality certified green bean to the specialty coffee markets in Hawaii, across the main USA, in Europe and around the Pacific Rim. Our customers have come to rely upon the certification standards developed in Hawaii.

We STRONGLY SUPPORT HB 280 which eliminates Mandatory Certification of Hawaii coffee grading while strengthening Mandatory Origin Documentation in the Ag Department Rules.

The current certification process for coffee in Hawaii has evolved to focusing more on quality issues and less on verification of origin. We believe that stronger documentation requirements for origin of coffees sold from Hawaii are as important now as they were when the industry suffered from the highly public Kona Kai counterfeiting case back in the 1990's. We need to relieve the Hawaii Department of Agriculture from the burden of third party certification on EVERY lot of coffee leaving Hawaii origins so that they can focus as well on origin documentation by Hawaii producers. The current origin documentation requirements are severely lacking.

Greenwell Farms will likely continue to have grade certifications performed by the Hawaii Department of Agriculture as many of our customers rely on this process. However, we have many customers who we have dealt with over decades that trust our grading abilities. These customers have been penalized significantly due to the recent constraints in the Hawaii Department of Agriculture's quality assurance programs.

We respectfully request that you pass HB280.

Sincerely,

Steve Hicks, CFO

Ster Kich

# Hawaii 100% Kona Coffee Company

# Princess Radha Farm

84-5090 Mamalahoa Hwy.

Captain Cook, HI 96704

To: Rep. Oshiro and Members of the House Finance Committee

From: Page Trygstad, Kona Coffee Farmer

Re: HB280

Opposed

This bill, HB280 is a grave mistake on the part of the blenders/processors and supporters. This only benefits them and their supporters. The bill does nothing to solve the CBB problem and will only hurt the reputation and credibility of 100% Kona coffee in the world market.

Jamaica, yesterday, in an effort to assist Jamaican Blue Mountain Coffee farmers approved \$9 million dollars over the next two years to control and mitigate the damage from CBB. They are assisting their farmers who bear the brunt of the costs including lost crop and sales, increased labor costs, increased pesticide costs, trap costs etc...They are not eliminating inspections or lowering standards.

Is Jamaica more capable than Hawaii and the USA in dealing with this issue? Are the USA and the state of Hawaii a third world country and state? It would appear to be so if you pass this measure.

Page Trygstad & Yoko Harada

Princess Radha Farm

Hawaii 100% Kona Coffee Co.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 7:55 AM

To:

AGL Testimony

Cc:

darrylhara@hawaii.rr.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: Yes Submitted by: Darryl Hara Organization: Individual

E-mail: darrylhara@hawaii.rr.com

Submitted on: 3/12/2012

#### Comments:

I STRONGLY SUPPORT HB 280 which eliminates Mandatory Certification of Hawaiian coffee grading while strengthening Mandatory Documentation of the coffees Origin in the Ag Department Rules. The current State grading program does little or nothing to guarantee that the origin of the coffee is authentic and has little penalty for cheaters.

From: Sent: mailinglist@capitol.hawaii.gov Sunday, March 11, 2012 6:32 AM

To: Cc: AGL Testimony marlin658@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Steven M. McLaughlin

Organization: Captain Cook Coffee Company Ltd

E-mail: marlin658@aol.com Submitted on: 3/11/2012

#### Comments:

I strongly support HB 280 which eliminates Mandatory Certification of Hawaiian coffee grading while strengthening Mandatory Documentation of coffee Origin in the Ag Department rules. The current State grading program does little or nothing to guarantee that the Origin is authentic with little penalty for those who cheat.

In the past 2 years, Certification of coffee grade has become cumbersome and problematic. This past season, there was only 1 State inspector to Certify all the coffee on the Big Island. The wait for Certification to grade took 4-6 weeks during the peak of the season. As a coffee farmer and coffee processor of Kona coffee, this delay caused tremendous financial hardship.

The current grading Certification program was initiated because of a Kona coffee counterfeiting operation which took place on the mainland, USA. What was needed at the time was a strong program which would document the Origin of Hawaiian coffees. We now have a program that concentrates on grading and quality and not Origin. The proposed change making Grade Certification voluntary and Origin Documentation Mandatory will save money for the State of Hawaii and provide better protection for Hawaiian coffee.

Our company was one of the original 5 coffee companies that worked closely with the State Department of Agriculture to set up the Grading and Origin standards for Hawaiian coffees. We now strongly support HB 280 making Grade Certification Voluntary and Origin Documentation Mandatory.

Respectfully submitted,
Captain Cook Coffee Company Ltd.
Steven M. McLaughlin
Chief Executive Officer

From: Sent: mailinglist@capitol.hawaii.gov Saturday, March 10, 2012 5:11 PM

To:

AGL Testimony

Cc:

bendysart@hawaii.rr.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Ben Dysart

Organization: Dysart Farms; KCFA E-mail: bendysart@hawaii.rr.com

Submitted on: 3/10/2012

#### Comments:

SB280/HD1 appears to be undoing the State's response to the Kona Kai scandal. The HDOA inspection and certification system was designed to guarantee that coffee identified as Kona coffee actually originated with inspection in Kona and that the seller was certifying to the HDOA that it was grown in Kona, and secondarily to establish some quality controls which includes the grading of coffee. The intent was to assure remotely located mainland and foreign buyers that they were actually getting Kona coffee.

As I understand it Michael Norton bought millions of pounds of Central American beans and resold them as pure Kona coffee during the mid 1990s. What became known as the Kona Kai scandal included a federal criminal prosecution that resulted in the sentencing of Michael Norton to prison. There was a subsequent civil lawsuit that ended with a settlement of over a million dollars. This was in spite of an existing state of Hawaii requirement amounting to a "voluntary" self inspection system that applied to the lawsuit defendants. An interesting side effect to the prosecution and lawsuit was that Costa Rica revised and strengthened their laws as a direct consequence of the Kona Kai Scandal. In another 20 years Michael Norton's name will be lost to memory. We should make an effort to remember the damage he inflicted on the specialty coffee community. In our specialty 100% Kona Coffee business where our reputation is everything, Norton sold ethics as a commodity of commerce. Unlike coffee beans, once sold, ethics are worthless.

We had a major problem in the past, what makes us think it won't happen again ? The State of Hawaii should not be abandoning its anti-counterfeiting system--a system that has worked well for many years. As the saying goes, "If it's not broken, DON'T FIX IT".

This is a Bad Bill for the integrity of Hawaii-Grown Coffee. Keep the present law intact (HDOA inspection is self financing).

Mahalo, Ben Dysart, Dysart Farms, member KCFA.

From: mailinglist@capitol.hawaii.gov

Sent: Saturday, March 10, 2012 4:15 PM

To: AGL Testimony

Cc: mrbeankonacoffee@hotmail.com

**Subject:** Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: kathygedeon Organization: Individual

E-mail: mrbeankonacoffee@hotmail.com

Submitted on: 3/10/2012

#### Comments:

The only reason given in HDOA's written testimony to the House Agriculture and Finance Committees is that the 2009 reduction in force has caused time delays for coffee certification. If delay is the problem, the solution is to replace the laid off inspectors. There would be no adverse economic effect on the state because the statute gives HDOA authority to cover the costs with inspection fees-- authority HDOA will not have if mandatory inspection and certification are repealed.

As noted above, money is not the problem. The current law gives HDOA authority to collect inspection fees covering the cost. At a meeting in West Hawaii on December 19, Chair Kokubun told coffee farmers and processors that the laid off inspectors were being replaced. It was news that both farmers and processors attending the meeting welcomed.

Is the State of Hawaii going to throw away a system that has worked for more than a decade because HDOA, its Chair, and some of the coffee blenders and processors want these protections repealed? Why do you think some of these folks want the Coffee Certification System eliminated? Will our elected officials abandon the state's many small coffee farming families and the economy that depends on their ability to sell Hawaii&rsquos growing number of specialty coffees?

From: Sent: mailinglist@capitol.hawaii.gov Saturday, March 10, 2012 1:49 PM

To:

AGL Testimony

Cc: Subject: jprater@hawaii.rr.com Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No

Submitted by: Joan Prater, Pua Kea Coffee

Organization: Individual E-mail: <u>jprater@hawaii.rr.com</u>

Submitted on: 3/10/2012

#### Comments:

Mandatory coffee certification is a useful tool to law enforcement officials and should not be abandoned. The State should not throw away a system that has worked for more than 10 years. The State should be affirmatively moving toward providing greater protection for Hawaii-grown coffee!!

From: Sent: mailinglist@capitol.hawaii.gov Saturday, March 10, 2012 9:23 AM

To: Cc: AGL Testimony konacafe@mail.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: <code>Oppose</code>

Testifier will be present: No Submitted by: Allan Frank Organization: KCC / KCFA E-mail: <a href="mailto:konacafe@mail.com">konacafe@mail.com</a>
Submitted on: 3/10/2012

#### Comments:

Please do not cripple a system that has worked for 10 years and has rebuilt the Kona coffee reputation worldwide. With 10% blender importingmillion of pounds of forign green coffee, how will we know it won't be confused in packaging with 100% Kona coffee. Don't let a temporary economic problem become the reason for the end of a trustworthy worldclass coffee. If more funds are needed wouldn't a tax on Imported green be a good place to start. There already is a fee on inspecting Kona coffeethat should make it self sufficent in covering inspectors salary. I'm afraid the Kona coffee buying world will not look favorably on this measure. The world is watching. Keep Hawaii's reputation intact.

From: Sent: mailinglist@capitol.hawaii.gov Saturday, March 10, 2012 8:02 AM

To:

AGL Testimony

Cc:

larrywilkens@roadrunner.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support
Testifier will be present: No
Submitted by: larry wilkens
Organization: Individual

E-mail: larrywilkens@roadrunner.com

Submitted on: 3/10/2012

#### Comments:

From: Sent: mailinglist@capitol.hawaii.gov Friday, March 09, 2012 9:11 PM

To:

AGL Testimony

Cc:

victor.lim@partners.mcd.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Victor Lim

Organization: McDonald's of Hawaii E-mail: victor.lim@partners.mcd.com

Submitted on: 3/9/2012

#### Comments:

As a business that have been serving Kona Blend Coffee in our restuarants for over 40 years, we strongly support HB 280 which eliminates Mandatory Certification of Hawaii Coffee grading while strenghtening Mandatory Documentation of the Coffees Origin in the Ag Dept Rules. We support the bill as it is currently written.

Thank you for your support.

From: Sent: mailinglist@capitol.hawaii.gov Friday, March 09, 2012 6:45 PM

To:

AGL Testimony

Cc:

kawikamac@hawaiiantel.net

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: David Macdonald Organization: Individual

E-mail: kawikamac@hawaiiantel.net

Submitted on: 3/9/2012

#### Comments:

From: Sent: mailinglist@capitol.hawaii.gov Friday, March 09, 2012 3:31 PM

To:

AGL Testimony

Cc:

johnking16@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No

Submitted by: John King
Organization: Individual
E-mail: johnking16@aol.com
Submitted on: 3/9/2012

#### Comments:

From: Sent: mailinglist@capitol.hawaii.gov Friday, March 09, 2012 3:25 PM

To: Cc: AGL Testimony kingcoffee@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No

Submitted by: Harold L. King & Drganization: Harold L. King & Drganization: Harold L. King & Drg., Inc.

E-mail: <u>kingcoffee@aol.com</u> Submitted on: 3/9/2012

#### Comments:

From: Sent: mailinglist@capitol.hawaii.gov Friday, March 09, 2012 3:13 PM

To:

AGL Testimony

Cc:

jwayman@hawaiicoffeecompany.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: Yes

Submitted by: Jim Wayman

Organization: Hawaii Coffee Association E-mail: jwayman@hawaiicoffeecompany.com

Submitted on: 3/9/2012

#### Comments:

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 5:44 AM

To:

AGL Testimony

Cc:

andrew.yamane@gmail.com

Subject: Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Andrew Yamane Organization: ANKK Ohana Farms E-mail: andrew.yamane@gmail.com

Submitted on: 3/12/2012

#### Comments:

As a small coffee farmer in south Kona (Captain Cook), I strongly oppose HB280 which seeks to remove the state green coffee inspection / certification program. Removal of this program will in all likelihood bring a return to counterfeiting of Kona Coffee (think Kona Kai scandal) and other Hawaii-grown coffees. The program was put in place to help protect the geographic origin of the State's coffee as well as to protect the consumer.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 5:52 AM

To:

AGL Testimony

Cc:

dsayad@socopac.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support
Testifier will be present: No
Submitted by: David S Sayad
Organization: Individual
E-mail: dsayad@socopac.com
Submitted on: 3/12/2012

## Comments:

I stongly support HB280 which eliminates mandatory certication of hawaiian coffee grading while strengthening mandatory documentation of the coffes origin in ag department rules

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 6:39 AM

To:

AGL Testimony

Cc: Subject: jkimof@msn.com Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support
Testifier will be present: No
Submitted by: kimo falconer
Organization: Individual
E-mail: jkimof@msn.com
Submitted on: 3/12/2012

## Comments:

Dear Chair and memebs of the committee,

Please help the coffee growers of the state by passing this bill through.

Growers need the flexibility to choose when and how their product is inspected while insuring

their own quality standards.

Thank you

Kimo Falconer President MauiGrown Coffee, Inc.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 6:32 AM

To: Cc: AGL Testimony jkimof@msn.com

Cc: Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: James Falconer

Organization: Hawaii Coffee Growers Assn

E-mail: jkimof@msn.com Submitted on: 3/12/2012

## Comments:

Dear Chair and Members of the committee, As President of the Hawaii Coffee Growers Assn., I recommend passing this bill through as recognition to some of the hardships growers are having getting their product to market with the current rules.

Growers will continue to maintain strict control of our standards with more flexibility in the inspection process.

Thank you,

James Kimo Falconer, President, HCGA

My husband, Bill, and I have been farming in Kona for over 25 years. We have two farms. One of them is a 6 acre Kona coffee farm. This is where we make most of our income. We are strongly opposed to bill 280. We proudly send our certified Kona green bean to roasters on the mainland. Having our coffee mandated as certified from Kona protects our community's reputation for having the best coffee in the world. PLEASE keep our law intact to protect us.

Sincerely and with aloha,

Bill and H. Brooks Wakefield Wakefield Coffee Wakefield & Sons, Inc.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 6:46 AM

To:

AGL Testimony

Cc:

jlenhart@hicoffeeco.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support
Testifier will be present: No
Submitted by: Jim Lenhart

Organization:

E-mail: <u>jlenhart@hicoffeeco.com</u>

Submitted on: 3/12/2012

Comments:

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 9:07 AM

To:

AGL Testimony

Cc:

harold@hoogasian.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Harold M Hoogasian

Organization: Individual E-mail: <a href="mailto:harold@hoogasian.com">harold@hoogasian.com</a> Submitted on: 3/12/2012

## Comments:

Please do not undo the inspection process! We need MORE, not less, oversight to assure fair dealing and honest representation of the origin of coffee in the islands. Mahalo.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 8:45 AM

To: Cc: AGL Testimony stewkona@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Patrick Stewart

Organization: Individual E-mail: <a href="mailto:stewkona@aol.com">stewkona@aol.com</a> Submitted on: 3/12/2012

#### Comments:

I STRONGLY SUPPORT HB 280 which eliminates Mandatory Certification of Hawaiian coffee grading while strengthening Mandatory Documentation of the coffees Origin in the Ag Department Rules. The current State grading program does little or nothing to guarantee that the origin of the coffee is authentic and has little penalty for cheaters. In the past two years certification of coffee grade has become cumbersome and problematic. Budget cuts to the Department of Agriculture have lead to furloughs and employee head count cuts. There just are not enough certification agents to get the job done. This past season the Big Island had only one inspector to certify all coffee on the Big Island. The wait for certification finalization was over four weeks during the peak of the season. We feel that the Department of Agriculture manpower resources would be better used to enforce the current rules rather that just inspecting coffee. The current grading certification program was brought about by a Kona Coffee Counterfeiting operation which took place on the Mainland USA. What was needed at the time was a strong program in Hawaii which would document the origin of Hawaiian Coffee. Instead we got a program that went too far and required state certification of grading standards to control quality. The program has been costly to Hawaii tax payers and has not produced what was needed (strong mandatory origin documentation). The proposed change making Grade Certification voluntary and origin documentation mandatory will save money for the State of Hawaii and provide better protection for Hawaiian Coffee.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 9:51 AM

To:

AGL Testimony

Cc:

coffee@heavenlyhawaiian.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: David Bateman Organization: Individual

E-mail: coffee@heavenlyhawaiian.com

Submitted on: 3/12/2012

Comments:

Chair Nishihara and Members:

I STRONGLY SUPPORT HB 280 which eliminates mandatory certification of Hawaiian coffee grading while strengthening mandatory documentation of the coffees Origin under the Ag Department Rules. The current state grading program does little or nothing to guarantee that the origin of the coffee is authentic and has little penalty for cheaters and violators. In the past two years, certification of coffee grade has become cumbersome and problematic. Budget cuts to the Department of Agriculture have lead to furloughs and employee cuts. There just are not enough certification agents to get the job done. This past season the Big Island had only one inspector to certify all coffee on the Big Island. The wait for certification finalization was over four weeks during the peak of the season. We feel that the Department of Agriculture manpower resources would be better used to enforce the current rules rather that just inspecting coffee. The current grading certification program was brought about by a Kona Coffee counterfeiting operation 13 years ago which took place on the Mainland USA. What was needed at the time was a strong program in Hawaii which would document the origin of Hawaiian Coffee. Instead we got a program that went too far and required state certification of grading standards to control quality. The program has been costly to Hawaii tax payers and has not produced what was needed (strong mandatory origin documentation). The proposed change making grade certification voluntary and origin documentation mandatory will save money for the State of Hawaii and provide better protection for Hawaiian Coffee.

Thank you for considering my written testimony in support.

David Bateman Heavenly Hawaiian Farms Holualoa Hawaii From:

mailinglist@capitol.hawaii.gov

Sent:

Monday, March 12, 2012 10:17 AM

To:

AGL Testimony

Cc: Subject: hanna.louise@gmail.com

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Louise Hanna

Organization: Luther Coffee Farm E-mail: hanna.louise@gmail.com

Submitted on: 3/12/2012

## Comments:

The current inspection system protects the integrity of our Kona Coffee Crop. I know it takes employees and budget to provide the inspection, but the assurance that only quality Kona grown coffee is being shipped as Kona Coffee is important in protecting our coffee industry.

Sincerely,
Louise Hanna

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:21 AM

To:

AGL Testimony

Cc:

colemel@kanalanifarm.org

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose
Testifier will be present: No
Submitted by: Colehour Bondera
Organization: Kanalani Ohana Farm
E-mail: colemel@kanalanifarm.org

Submitted on: 3/12/2012

Comments:

Aloha Chair & Dommittee members:

Please recognize that as farmers we look out to the State to protect our products from being " used" in terms of counterfeiting, and mis-labelling.

THis piece of legislation takes away the necessary protection for small farmers of Kona coffee.

There is the ability of those who need their coffee inspected to simply seek legislation to ensure that the duties are preformed in what they consider to be a timely fashion.

There should not be instead the option to open the floodgates which will allow no governance by the HDOA of the highest value agricultural commodity in the state.

Let's keep Kona coffee pure and secure and not rely on outside (and often non-Hawaiian owned) business interests to make their profit stream more efficient.

Instead let's ensure that Hawaii farmers are well protected. Please send this piece of legislation back with the suggestion that another law requiring HDOA inspector positions are maintained a particular level be put forth instead.

Sincerely,

Colehour Bondera KANALANI OHANA FARM

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:50 AM

To: Cc: AGL Testimony john@konaloha.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose
Testifier will be present: No
Submitted by: John Koontz
Organization: Konaloha Farms
E-mail: john@konaloha.com
Submitted on: 3/12/2012

## Comments:

I really have trouble following the reasoning behind this bill. .....not enough inspectors, so let's eliminate the law! It's like saying " we don't have enough police officers, let's just make murder legal" Hawaii should be working to protect it's assets (Kona coffee), instead of weakening it's stance. Take a stand and be proud! Do what you know is morally right! So people have to wait a while, the same applies to just about every aspect of government, but to eliminate the law because of a shortage of inspectors is one of the stupidest thing I've ever heard.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:34 AM

To: Cc:

AGL Testimony karenf670@msn.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Karen Fazzio Organization: Individual E-mail: <a href="mailto:karenf670@msn.com">karenf670@msn.com</a>
Submitted on: 3/12/2012

#### Comments:

I STRONGLY SUPPORT HB 280 which eliminates Mandatory Certification of Hawaiian coffee grading while strengthening Mandatory Documentation of the coffees Origin in the Ag Department Rules. The current State grading program does little or nothing to guarantee that the origin of the coffee is authentic and has little penalty for cheaters. In the past two years certification of coffee grade has become cumbersome and problematic. Budget cuts to the Department of Agriculture have lead to furloughs and employee head count cuts. There just are not enough certification agents to get the job done. This past season the Big Island had only one inspector to certify all coffee on the Big Island. The wait for certification finalization was over four weeks during the peak of the season. We feel that the Department of Agriculture manpower resources would be better used to enforce the current rules rather that just inspecting coffee. The current grading certification program was brought about by a Kona Coffee Counterfeiting operation which took place on 'the Mainland USA. What was needed at the time was a strong program in Hawaii which would document the origin of Hawaiian Coffee. Instead we got a program that went too far and required state certification of grading standards to control quality. The program has been costly to Hawaii tax payers and has not produced what was needed (strong mandatory origin documentation). The proposed change making Grade Certification voluntary and origin documentation mandatory will save money for the State of Hawaii and provide better protection for Hawaiian Coffee.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:55 AM

To:

AGL Testimony

Cc:

kkunitake@hawaii.rr.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Melvin S.Kunitake

Organization: Individual

E-mail: kkunitake@hawaii.rr.com

Submitted on: 3/12/2012

## Comments:

I strongly support HB 280 which eliminates Mandatory Certification of Hawaiian coffee grading while strengthening Mandatory Documentation of the coffees Origin in the Ag Department rules. The current State grading progrm does little or nothing to guarantee that the origin of the coffee is authentic and has little penalty for cheaters.

March 12, 2012

Re: Testimony in opposition to HB280 HD-1

Dear Sir or Madam:

My name is DEXTER WASHBURN and I do business as AERIE FARMS, LLC My farm is located 2.5 miles north of Holualoa and produces prize winning Kona coffee marketed as "HAWAIIAN HAWK 100% Kona Coffee". Virtually all of my production is sold as green coffee to buyers in Seattle, Washington. These buyers are sophisticated, knowledgeable coffee professionals who are all well aware of the "Kona Kai" chapter of the history of Kona coffee. They do not all require HDOA certification and documentation, including the stamp on the individual bags, but the largest of these customers insist upon it.

My customers know me, some have visited my farm, and they rely on my integrity. They also take comfort in knowing they have a documentary record of a state inspection and certification which they can provide to their customers. I believe it would be a great mistake to abandon the carefully crafted quality assurance system created to serve a real need, which still exists.

The State of Hawaii plays a vital role in maintaining the reputation of this important agricultural product and no other person or entity can take its place.

It is abundantly clear that no tourist, no housewife, no coffee professional extols the virtues of a 10% Kona blend coffee. These products are a fraud on the public, perpetrated by free-riders on the Kona name. The disaster of Kona Kai can and will reoccur unless we remain always vigilant. We should be very skeptical of a bill designed to weaken enforcement and particularly so when it is sponsored by a segment of the industry already trading in what is essentially a counterfeit product.

Finally, the inspection/certification system is a "user-pay" program. I am informed the existing utilization generates about \$300,000 per year. Since the facilities were paid for a long time ago, these funds are most likely available for operations, including personnel expense, if they are allocated to the agency actually generating the funds.

This bill is a perfect example of the maxim "if it ain't broke don't fix it".

Sincerely,

s/ Dexter Washburn Aerie Farms, LLC

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 11:00 AM

To:

AGL Testimony

Cc:

goldsun@hawaii.rr.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Christine Carrico

Organization: KCFA

E-mail: goldsun@hawaii.rr.com

Submitted on: 3/12/2012

## Comments:

As the owner of a small family Kona Coffee farm, I am against this bill. should be deferred until coffee growers have had full opportunity to review the bill and provide full input to the Legislature.

Rather than retreating from anti-counterfeiting controls, the State of Hawaii should be affirmatively moving toward providing greater protections for Hawaii-grown coffee similar to what the State of Georgia provides for Vidalia Onions, Idaho provides for Idaho Potatoes, and California provides for Napa and Sonoma Wines.

Sincerely, Christine Carrico

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 11:22 AM

To:

AGL Testimony

Cc:

randy@randyphillips.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose
Testifier will be present: No
Submitted by: Randall Phillips
Organization: Kona View Coffee
E-mail: randy@randyphillips.com

Submitted on: 3/12/2012

#### Comments:

Aloha,

The coffee industry in Hawaii has been seriously hurt in the past by passing off inferior coffee as grown in Kona. The bill in place was to help insure that buyers of Kona green coffee were actually buying coffee grown here. To remove the requirement to have coffee inspected and certified as grown here will be a big mistake. You can expect people to take advantage as they did in the past. If that happens again we will probably never recover from it. If you take this very meager requirement to have Kona Coffee certified as such you will be taking another step to potentially degrade our name. If the argument is that the processing time to certify makes commerce difficult for the bulk buyers of our beans then do something to speed it up. Please do not abandon one of the few protections the state has deemed appropriate help Kona Coffee growers. If you want our industry to survive and continue to add allure to Hawaii as a travel destination please do not pass this bill. As it is our name is already being degraded everyday with the 10 percent rule - take the certification requirement off and eventually the Kona name will be useless. Those of us who sell only 100 percent Kona coffee need all the help we can get. Please help protect what little is left of our good name.

Mahalo,

Randy Phillips and Atsumi Hara Kona view Coffee Holualoa, HI

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 11:31 AM

To:

AGL Testimony

Cc:

Conecoffee@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No

Submitted by: Jim Cone
Organization: Individual
E-mail: Conecoffee@aol.com
Submitted on: 3/12/2012

## Comments:

I oppose this bill. It will weaken the integrity and price structure for Hawaii grown coffee that is respected around the world for its quality and certification.

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 11:51 AM

To:

AGL Testimony

Cc:

michael.conway@dole.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: Yes Submitted by: Michael Conway Organization: Individual

E-mail: michael.conway@dole.com

Submitted on: 3/12/2012

#### Comments:

Chair & Dole Food Company Hawaii and its' subsidiary, Waialua Estate Coffee.

Dole Food Company supports passage of HB 280 in its' current language.

As Oahu's single and only grower/processor of coffee it has become increasingly difficult to certify coffee on a timely basis particularly in anticipation of a sale. This is due in part to lack of facilities by HDOA on Oahu wherein our coffee must be sent to another island for completion of certification. Over the years we have experienced delays and lack of consistency with the results. The current program should be replaced with a voluntary certification program that provides stiff penalities for violators. In theory a streamlined certification program should allow HDOA personnel to focus its' efforts on the other major issue facing the Hawaii industry, ie. enforcement of quarantine protocals for Coffee Berry Borer (CBB).

Thank you for the opportunity to testify in support of HB 280.

From: Sent: mailinglist@capitol.hawaii.gov

To:

Monday, March 12, 2012 12:19 PM AGL Testimony

lo: Cc:

cdseel@gmail.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Carol Seel

Organization:

E-mail: <a href="mailto:com/cdseel@gmail.com">cdseel@gmail.com</a> Submitted on: 3/12/2012

## Comments:

Passage of this bill would be such a step backward from the efforts to promote the purity of one of Hawaii's premier crops. We farmers need the support of our representatives so that we can continue to not only produce but to market quality and to assure customers of the genuine product and not a blended and inferior coffee.

Thank you.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 1:33 PM

To:

AGL Testimony

Cc:

atsumi@atsumihara.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Atsumi Hara Organization: Kona Vie Coffee E-mail: atsumi@atsumihara.com

Submitted on: 3/12/2012

## Comments:

Any state government is obligated to protect its own products. HB280 is the bill for the exact opposite of the obligation. To protect Kona coffee leads the long term healthy economy of Hawaii State.

# TESTIMONY OF DAVID S. CASE (OPPOSED) BEFORE THE SENATE COMMITTEE ON AGRICULTURE

Tuesday, March 13, 2012 Room 229 2:50 PM

HOUSE BILL NO. 280, HOUSE DRAFT 1 RELATING TO AGRICULTURE

Chairman Nishihara, Vice-Chairman Kahele and Committee Members,

## Introduction

My name is David Case. I oversee a coffee farm in Holualoa on the Big Island of Hawaii and am a member of the Kona Coffee Farmers Association and sit on its Legislative Committee. Following the hearing on HB280, HD1 before the House Agriculture Committee we were informed that the Committee informed those present that 80 people testified in support of HB280, HD1 and only four opposed. Those numbers seemed pretty lopsided, so I downloaded and reviewed all the HB 280, HD 1 testimony given at the House Agriculture Committee hearing.

## **House Ag Standing Committee Report 585-12**

The committee report issued after the hearing characterized the testimony as follows:

The Department of Agriculture, Maui County Farm Bureau; Onouli Farm, LLC, Kauai Coffee Company, LLC; Hawaii Coffee Growers Association; Coffees of Hawaii – Molokai; Greenwell Farms, Inc.; and numerous individuals submitted testimony in support of this measure. The Hawaii Farm Bureau Federation and Ka'u Farm Bureau submitted testimony in support of the intent of this measure. North Shore Farms, LLC; Kona Rising Coffee Co.; Daily Fix Coffee; and several individuals opposed this measure. Hawaii Farmers Union United and an individual submitted comments on this measure.

# **Opposition and Support Analysis**

The Committee Report does not accurately summarize the testimony. A total of 17 individuals or organizations testified in opposition to HD 280, HD 1. The committee record does not identify any of these as "form" letters. A total of 55 testified in support of the measure, of these the Committee characterized 17 as "Form" letters, another half dozen were also "form" letters. For example four identically worded letters saying only "I strongly support HB280" were sent from the same e-mail address (rkaiwil@hawaii.rr.com).

Of the 32 remaining expressions of support, 17 hedged their support with recommendations that the bill be amended. For example the Ka'u Farm Bureau, Maui County Farm Bureau and the Hawaii Farm Bureau all recommended amendments to include strict criminal penalties. Tom Greenwell expressed the hope that the bill would be amended to during the legislative process to: "strengthen the enforcement of grading standards and reporting of origins." That leaves only 15 who might be said to have spoken in outright support, other than in a "form" letter and 17 who were opposed with no "form" letters.

# House Finance Standing Committee Report 755-1

The House Finance Committee summarized the testimony before it as follows:

The Kona Coffee Council; Hawaii Coffee Company; Hawaii Coffee Association; Rural Kona Mill and Museum; Greenwell Farms, Inc.; Hawaii Coffee Growers Association; Dole Food Company; Captain Cook Coffee

Company; McDonalds of Hawaii; and numerous concerned individuals testified in support of this measure. The Kona Coffee Farmers Association and many concerned individuals testified in opposition to this measure. The Department of Agriculture, Hawaii Farm Bureau Federation and Ka'u Farm Bureau provided comments on this measure. (HSCR 755-2 at 1.)

Not counting "form" letters, about 30 people testified in "support" and 18 "opposed" the measure in House Finance. Of those, 30 in support however, virtually all of them believe as the Ueshima Coffee Corp testified that:

The proposed change making Grade Certification voluntary and origin documentation mandatory will save money for the State of Hawaii and provide better protection for Hawaiian Coffee. (Testimony of Kiyoshi Matsuo, UCC of Hawaii. Emphasis added.)

HDOA Chairman, Kokubun, also assured the House Ag and Finance Committees that:

mandatory compliance to grading standards and origin documentation under proposed changes to the Hawaii Administrative Rules will provide sufficient protection for Hawaii's coffee industry. (Testimony of Russell Kokubun. Emphasis added.)

The problem is that HB280, HD1 repeals HRS 147-7(d), which requires mandatory certification of "origin" but provides that:

(d) All Hawaii grown green coffee beans shall be inspected and certified by the department for grade and origin unless otherwise specified by rules of the Department. (Emphasis added.)

HDOA can adopt rules governing a voluntary program under current HRS 147-7(e), which specifies that:

(e) The department may adopt rules establishing the requirements, procedures, restrictions, and other criteria necessary for establishing a program of self inspection and certification of agricultural commodities. (Emphasis added.)

It is hard to see how a program of "self inspection and certification" can be transformed by HDOA rules into a program of "Mandatory compliance to grading standards and origin documentation" as HDOA has proposed.

HB280, HD1 MAKES ALL COFFEE INSPECTION AND CERTIFICATION VOLUNTARY, REPEALS HDOA'S AUTHORITY TO DO ANYTHING ELSE TO ADDRESS THE PROBLEM OF COUNTERFEITING COFFEE, AND SETS UP THE STATE OF HAWAII FOR A REPEAT OF THE KONA KAI SCANDAL. YOUR COMMITTEE SHOULD "DEFER" THIS BILL AND ALLOW HDOA TO ADRESS ANY PROBLEM THROUGH RULE MAKING AS HDOA HAS ALREADY PROPOSED.

Respectfully submitted, David S. Case <u>casedavids@gmail.com</u> (808) 322-5007

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 1:44 PM

To:

AGL Testimony

Cc:

gbiven@hicoffeeco.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: Gloria Biven Organization: Individual E-mail: gbiven@hicoffeeco.com

Submitted on: 3/12/2012

## Comments:

I am still in strong support of HB280

Now with a shortage of Kona coffee it is essential to be assertive in our business manner. We cannot afford to waste valuable time holding coffees for inspections as this is very valuable \$'s for all in the business.

If one wants to be dishonest, one would be dishonest prior to this bill. We must all help each other.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 2:37 PM

To:

AGL Testimony

Cc:

nosybehawaii@hawaii.rr.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Donna Evett Organization: Individual

E-mail: <u>nosybehawaii@hawaii.rr.com</u>

Submitted on: 3/12/2012

#### Comments:

Rather than retreating from anti-counterfeiting controls, the State of Hawaii should be affirmatively moving toward providing greater protections for Hawaii-grown coffee similar to what the State of Georgia provides for Vidalia Onions, Idaho provides for Idaho Potatoes, and California provides for Napa and Sonoma Wines.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 2:34 PM

To:

AGL Testimony

Cc: Subject: moonstruckfarm@hawaiiantel.net

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose
Testifier will be present: No
Submitted by: BethAnne Webb

Organization: Individual

E-mail: <a href="moonstruckfarm@hawaiiantel.net">moonstruckfarm@hawaiiantel.net</a>

Submitted on: 3/12/2012

#### Comments:

Please reject HB 280 or any measure to make it easy to counterfit Kona coffee in fairness to small famers who make up the bulk of Kona coffee producers. The Kona Kai scandel is the most notorious but there are other examples of coffee being sold as Kona when it is not. To capitulate to the 10% blenders who are behind this bill " because it is causing delays to the inspection schedule" is grossly unfair to farmers and to the buying public. The solution is not to undo laws which govern the honesty of labeling practices and the verification procedures which support ethical behavior but to give more priority to streamlining inspection procedures.

I am a coffee farmer whose crop is 95% bitten by the coffee berry borer which arrived in Hawaii due to inadequate fumigation/inspection of incoming coffee from affected regions by those very blenders who now seek to make it easier to misrepresent our coffee.

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 2:47 PM

To:

AGL Testimony

Cc:

jsoehren@msn.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Jeffrey S Soehren

Organization: Blue Spirits Coffee Roasting

E-mail: jsoehren@msn.com Submitted on: 3/12/2012

Comments:

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:43 AM

To:

AGL Testimony

Cc:

clare@huahuafarm.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Attachments:

HB 280 opposed.doc

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No

Submitted by: Clare & Philip Wilson

Organization: Huahua Farm LLC E-mail: <a href="mailto:clare@huahuafarm.com">clare@huahuafarm.com</a> Submitted on: 3/12/2012

Comments:

# Aloha Chairman Nishihara and Members of the Agriculture Committee

We are Kona coffee farmers from Holualoa strongly opposed to HB 280. After years of rebuilding the reputation of Kona coffee as a superior coffee, it would be disastrous to return to the time when anyone will be able to bring in cheap undesirable green coffee and then export it at high prices touting the coffee as Kona coffee. This will happen – the profits are too great to resist. The counterfeit coffee will not have the fine Kona coffee flavor and thus the reputation of Kona coffee will suffer and sales will drop. Then, if and when a counterfeiter is found out, the news will spread and all Kona coffee will be suspect with a greater loss in sales.

The proponents of this bill say that there aren't enough inspectors to provide inspection services in a timely manner. The coffee farmers whose coffee is being inspected are paying a fee for the inspection and this fee pays for the inspectors. Simple solution – hire more inspectors.

Please do not pass this bill.

Thank you for your time.

From:

Sent:

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 5:49 PM AGL Testimony

To: Cc:

brun0-1000@usa.net

Subject: Attachments:

Testimony for HB280 on 3/13/2012 2:50:00 PM H280 Testimony to Senate Ag Comm 120312.pdf

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Paul Uster Organization: Mokulele Farms

E-mail: brun0-1000@usa.net Submitted on: 3/12/2012

Comments:

From: Sent: mailinglist@capitol.hawaii.gov Monday, March 12, 2012 9:43 PM

To: AGL Testimony

Cc: michelledjoven@gmail.com

**Subject:** Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No

Submitted by: Michelle Organization: Individual

E-mail: michelledjoven@gmail.com

Submitted on: 3/12/2012

#### Comments:

I mean no disrespect, but changing the law to meet the needs of a few people does not help those who are in need of protecting.

How does HB280 protect the 100% Kona Coffee farmers that work the land and try to create for the great State of Hawaii a signature crop. What I forsee happening is coffee from other countries filtering through the State of Hawaii and sold as Kona coffee. It was not that long ago that such a thing occured not more than 10 years ago.

Why do I see this occuring again...because for some reason " Made in Hawaii" doesn't always mean made here or grown here. It means that you can bring something in and build it or change it with something that is made here and if you can sell it for double the amount it costs you then you can claim it as " Made in Hawaii".

As a Kona coffee farmer it is hard enough for me to have to explain to customers the difference between 100% and 10% Kona Coffee and why the State of Hawaii would allow such a thing to occur. Apparently...money is power and since the average Kona coffee farmer really doesn't have any our voice becomes voiceless.

My hanai family has been farming coffee here in Kona for for 4 generations. It is our sweat and tears that worked this land. It is our struggle to make ends meet and now we are fighting the CBB. This piece of legislation will make it just that much harder and you want us to simply say it's okay? Go ahead and destroy what we've worked for. I don't get it!

We were promised legislation that would help farmers, help us fight the CBB, help us protect Kona coffee. I don't see this as helping anyone but a few people with alot of money who's pockets don't even live in Hawaii.

Please search your heart, search your own history of what has been done to Hawaiian culture...not your pockets...

From: Sent:

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 9:52 PM

To: Cc: AGL Testimony janetpj11@gmail.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Janet Jones Organization: Kona Pure Coffee E-mail: janetpj11@gmail.com

Submitted on: 3/12/2012

#### Comments:

The necessity for continuing proper inspection, paid for by the farmer, is to protect the integrity of the Kona coffee in the world market. Certain bad actors would mix in cheap imported coffees, and wrongly present them as expensive, 100% Kona, with its unique flavor. Countries all over protect and promote their best specialty products. At a time when small farmers, who hand tend and pick their quality crop, are being besieged by drought, pests, quarantine, huge costs for extra spraying, trapping, etc., it is to be expected that their elected officials would lend support, not further distress. HB280 IS A BAD BILL.

From: Sent:

mailinglist@capitol.hawaii.gov Monday, March 12, 2012 10:02 PM

To: Cc: AGL Testimony lilykongjr@gmail.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Lily Kong Jr

Organization: Kona Coffee Farmers Association

E-mail: <u>lilykongjr@gmail.com</u>

Submitted on: 3/12/2012

## Comments:

HB280 opens the door for coffee companies that do not want to pay Kona coffee farmers what 100% Kona coffee is worth. Why should they? They can just bring in coffee from other countries and put their label on it and call it Kona.

HB280 encourages breaking the law. I've heard the argument that a big processor's green beans were held up waiting for an inspector to certify the beans. That's not a good enough excuse. That's like saying I'm going to turn the other way while you run the red light and quite possibly destroy someones life. You just don't do that. You enforce the law.

If HB280 passes that's basically what you are saying....go ahead...run the red light it's okay if you destroy someone else's livelihood by destroying the Kona coffee name. Destroying what we are trying to build.

From: Sent: mailinglist@capitol.hawaii.gov Tuesday, March 13, 2012 4:50 AM

To:

AGL Testimony

Cc:

info@ihilanicoffee.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Candi Johnson

Organization: `Ihilani Coffee Company

E-mail: info@ihilanicoffee.com

Submitted on: 3/13/2012

#### Comments:

I oppose this bill. The only reason given in HDOA's written testimony to the House Agriculture and Finance Committees is that the 2009 reduction in force has caused time delays for coffee certification. If delay is the problem, the solution is to replace the laid off inspectors. There would be no adverse economic effect on the state because the statute gives HDOA authority to cover the costs with inspection fees-- authority HDOA will not have if mandatory inspection and certification are repealed.

The current law gives HDOA authority to collect inspection fees covering the cost. At a meeting in West Hawaii on December 19, Chair Kokubun told coffee farmers and processors that the laid off inspectors were being replaced. It was news that both farmers and processors attending the meeting welcomed.

If money is not the problem, what is? Are supporters of HB280 questioning the competence of HDOA? For years, HDOA inspectors have successfully operated the Coffee Certification System& mdashand provided the intended protections against fraud and counterfeiting. If HDOA does not have the competence or money to continue the current system of coffee certification, why is HDOA supporting HB1947 and the creation of a new (and much broader) inspection and certification system for agriculture safety and security?

It is astounding to suggest that Hawaii law enforcement, prosecutors, and the Attorney General are not capable of combating counterfeiting of Hawaii-grown agriculture products. Mandatory Coffee Certification is a useful tool to law enforcement officials--a tool that should not be abandoned.

Is the State of Hawaii going to throw away a system that has worked for more than a decade because HDOA, its Chair, and some of the coffee blenders and processors want these protections repealed? Why do you think some of these folks want the Coffee Certification System eliminated? Will our elected officials abandon the state's many small coffee farming families and the economy that depends on their ability to sell Hawaii's growing number of specialty coffees?

I SAY NO!!!

From: Sent:

mailinglist@capitol.hawaii.gov Tuesday, March 13, 2012 8:53 AM

To: Cc: AGL Testimony soilculture@aol.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Bob Shaffer

Organization: Kona Coffee Farmers Association

E-mail: soilculture@aol.com Submitted on: 3/13/2012

Comments: Aloha,

I am a member of the Kona Coffee Farmers Association, a coffee farmer and international consulting agronomist for coffee.

We will have constant scandal and lowering of our 200 year old Kona coffee brand value if this bill is allowed to pass.

We all suffered one scandal already and now, if the law that was created to prevent just such illegal activity is allowed to be destroyed it will in fact be a signal to criminals that no one cares about the brand of Kona coffee We urge you strongly to stop HB 280 from ruining our chances to protect 100% Kona Coffee from existing as we know it

From: Sent:

mailinglist@capitol.hawaii.gov Tuesday, March 13, 2012 5:03 AM AGL Testimony

To: Cc: bsbpx@yahoo.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Attachments:

BSB.Crooked Coffee Company.docx

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Support Testifier will be present: No Submitted by: B. S. Buritz

Organization: Crooked Kona Coffee Co

E-mail: <u>bsbpx@yahoo.com</u> Submitted on: 3/13/2012

Comments:

From:

mailinglist@capitol.hawaii.gov Tuesday, March 13, 2012 5:18 AM

Sent:

To:

AGL Testimony

Cc:

roseannburitz@yahoo.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Roseann Buritz Organization: Individual

E-mail: <a href="mailto:roseannburitz@yahoo.com">roseannburitz@yahoo.com</a>

Submitted on: 3/13/2012

## Comments:

Please protect Kona coffee from this legislation. 100% kona labeling is best for Hawaii!

From:

mailinglist@capitol.hawaii.gov

Sent:

Tuesday, March 13, 2012 6:35 AM

To: Cc: AGL Testimony cabkmc@hotmail.com

Subject:

Testimony for HB280 on 3/13/2012 2:50:00 PM

Testimony for AGL 3/13/2012 2:50:00 PM HB280

Conference room: 229

Testifier position: Oppose Testifier will be present: No Submitted by: Charles A Brown, MD

Organization: Individual E-mail: <a href="mailto:cabkmc@hotmail.com">cabkmc@hotmail.com</a> Submitted on: 3/13/2012

## Comments:

please do not pass this bill ... it is clearly a step backwards in terms of a Hawaiian product having quality and integrity ... costs of certifying coffee can be fully offset by fees paid by producers ... cheating i.e. calling someething Hawaiian that isn't, will ensue thanks cb