A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Chapter 147, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	"§147- Agricultural commodities; labeling requirements;
5	penalties. (a) Retailers, distributors, farmers, producers,
6	and producer-distributors that sell agricultural commodities for
7	purchase or consumption by consumers shall be subject to
8	labeling requirements pursuant to law or adopted by the board of
9	agriculture through rules.
10	(b) No later than July 1, 2015, the board of agriculture
11	shall adopt rules in accordance with chapter 91 to implement
12	this section. Beginning on July 1, 2015, labeling requirements
13	of all agricultural commodities shall be determined by the board
14	through rules adopted pursuant to chapter 91.
15	(c) Any person who violates this section or rules adopted
16	pursuant to this section shall be subject to penalties under

section 147-2."

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1	SECT	ION 2. Section 147-4, Hawaii Revised Statutes, is
2	amended t	o read as follows:
3	"§14	7-4 Rules. The department may make rules, subject to
4	chapter 9	1:
5	(1)	Defining grades and grade labeling requirements of
6		agricultural commodities and standard containers for
7		packing of particular agricultural commodities;
8	(2)	Prohibiting the sale, offering for sale, or
9		transportation of agricultural commodities unless
10		packed in standard containers and labeled with the
11		appropriate grade or offgrade designation; provided
12		that this prohibition shall not apply to the sale,
13		offering for sale, or transportation to a plant for
14		grading, packing, or processing, or transportation to
15		a warehouse for storage;
16	(3)	Prohibiting the use of grade terms or abbreviations of
17		grade terms on agricultural commodities for which no
18		grades have been established under this part;
19	(4)	Defining "suitable shipping condition" for
20		agricultural commodities which are to be shipped for
21		sale from one island to another within the State or to
22		points outside the State, and prohibiting such

1		shipment for safe of agricultural commodities which do
2		not meet the minimum standards set for "suitable
3		shipping condition";
4	(5)	Prescribing records to be kept in connection with
5		purchases of agricultural commodities by persons,
6		other than produce dealers purchasing from a producer
7		or producers, for purposes of resale five or more tons
8		of agricultural commodities during any one calendar
9		month;
10	(6)	Prescribing records to be kept by produce dealers in
11		connection with the purchase, sale, transport for
12		sale, solicitation, or negotiation of sale with
13		respect to an agricultural commodity; [and]
14	(7)	Relating to the inspection and documentation of the
15		geographic origin of Hawaii-grown green coffee
16		beans[-]; and
17	(8)	Beginning July 1, 2015, defining labeling requirements
18		of all agricultural commodities.
19	In m	aking the rules the department shall take into account,
20	among oth	er things, the factors of maturity, condition,
21	soundness	, color, shape, size, and freedom from defects of the
22	agricultu	ral commodity in question [and shall also take into
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1 consideration]; the official standards, grades, or 2 classifications adopted by the secretary of the Department of Agriculture of the United States, commonly known as U.S. 3 4 Grades [-]; the geographic origin of the agricultural commodities 5 or any portion thereof; and the accuracy or completeness of and 6 implications reasonably created by any labeling of agricultural commodities regarding quality, official standards, grades, 7 classifications, or geographic origin." 8 9 SECTION 3. Section 486-120.5, Hawaii Revised Statutes, is **10** repealed. 11 ["§486-120.5 Macadamia nuts; labeling requirements. (a) 12 If a label on a consumer package contains language that all of 13 the raw or processed macadamia nuts contained in the package 14 were grown in Hawaii, the label shall be worded, "100% Hawaii-15 Crown Macadamia Nuts", "Hawaii Grown Macadamia Nuts", "100% 16 Hawaiian Macadamia Nuts", or "Hawaiian Macadamia Nuts", and **17** shall appear on the principal display panel of the package. 18 (b) If a label on a consumer package contains language 19 that a portion of the raw or processed macadamia nuts contained 20 in the package was grown in Hawaii, the label shall be worded 21 "Hawaii Grown Macadamia Nuts", preceded by the per cent by 22 weight of the macadamia nuts contained in the package that were

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1	grown in Hawaii, and shall appear on the principal display panel
2	of the package. The per cent by weight of the macadamia nuts in
3	the package shall be the percentage calculated by dividing the
4	weight in pounds of the macadamia nuts grown in Hawaii that are
5	in the package by the weight in pounds of all macadamia nuts in
6	the package and multiplying the quotient by one hundred.
7	(c) All nonconsumer packages containing macadamia nuts
8	grown in the State and introduced into intrastate or interstate
9	commerce shall bear on the package a label containing language
10	that the package contains Hawaii grown macadamia nuts. This
11	label shall be in addition to all other labeling requirements
12	specified in this chapter.
13	(d) Any person keeping, offering, displaying, exposing for
14	sale, or soliciting for sale, any raw or processed macadamia nut
15	product, which represents or which is branded or labeled that
16	all or a percentage or portion of the macadamia nuts were grown
17	in Hawaii, shall make available to the administrator, upon
18	demand, documented proof that the amount of macadamia nuts
19	represented to be grown in the State, was grown in the State.
20	(e) It shall be a violation of this part:
21	(1) To use a label containing the words, "100% Hawaii-

1		1006 hawailan Macadamia Nucs , or Mawailan Macadamia
2		Nuts", or similar wording, or to otherwise represent
3		that all of the macadamia nuts in the package were
4		grown in Hawaii, if any portion of the macadamia nuts
5		contained in the package was not grown in the State;
6	(2)	To use a label, as provided for under subsection (b),
7		containing the words "Hawaii-Grown Macadamia Nuts"
8		preceded by a percentage, if less than the specified
9		percentage or none of the macadamia nuts in the
10		package was grown in the State; or
11	(3)	To use a label representing that any of the macadamia
12		nuts contained in the package was grown in the State,
13		if none of the macadamia nuts contained in the package
14		was grown in the State.
15	(f)	Any person who violates this section shall be subject
16	to penalt	ies under section 486-32."]
17	SECT	TION 4. Section 486-120.6, Hawaii Revised Statutes, is
18	repealed.	
19	[" §4	86-120.6 Hawaii-grown roasted or instant coffee;
20	labeling	requirements. (a) In addition to all other labeling
21	requireme	nts, the identity statement used for labeling or
22	advertisi	ng roasted or instant coffee produced in whole or in
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1	part from	-Hawa	ii-grown green coffee beans shall meet the
2	following	-requ	irements:
3	(1)	For	roasted or instant coffee that contains one
4		hund	red per cent Hawaii grown coffee by weight the
5		iden	tity statement shall consist of either:
6		(A)	The geographic origin of the Hawaii-grown coffee,
7			in coffee consisting of beans from only one
8			geographic origin, followed by the word "Coffee";
9			provided that the geographic origin may be
10			immediately preceded by the term "100%"; or
11		(B)	The per-cent coffee by weight of one of the
12			Hawaii-grown coffees, used in coffee consisting
13			of beans from several geographic origins,
14			followed by the geographic origin of the weight-
15			specified coffee and the terms "Coffee" and "All
16			Hawaiian";
17	(2)	For	roasted or instant coffee consisting of a blend of
18		one	or more Hawaii grown coffees and coffee not grown
19		in H	awaii, the per cent coffee by weight of one of the
20		Hawa	ii-grown coffees used in the blend, followed by
21		the-	geographic origin of the weight-specified coffee
22		and	the term "Coffee Blend"; and

(3)	Each word or character in the identity statement shall
	be of the same type size and shall be contiguous. The
	smallest letter or character of the identity statement
	on packages of sixteen ounces or less net weight shall
	be at least one and one-half times the type size
	required under federal law for the statement of net
	weight or three sixteenths of an inch in height,
	whichever is smaller. The smallest letter or
	character of the identity statement on packages of
	greater than sixteen ounces net weight shall be at
	least one and one-half times the type size required
	under federal law for the statement of net weight.
	The identity statement shall be conspicuously
	displayed without any intervening material in a
	position above the statement of net weight. Upper and
	lower case letters may be used interchangeably in the
	identity statement.
(b)	A listing of the geographic origins of the various
Hawaii-gr	own coffees and the regional origins of the various
coffees n	ot-grown in Hawaii that are included in a blend may be
shown on	the label. If used, this list shall consist of the
term "Con	tains:", followed by, in descending order of per cent
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1	by weight and separated by commas, the respective geographic
2	origin or regional origin of the various coffees in the blend
3	that the manufacturer chooses to list. Each geographic origin
4	or regional origin may be preceded by the per cent of coffee by
5	weight represented by that geographic origin or regional origin,
6	expressed as a number followed by the per cent sign. The type
7	size used for this list shall not exceed half that of the
8	identity statement. This list shall appear below the identity
9	statement, if included on the front panel of the label.
10	(c) It shall be a violation of this section to:
11	(1) Use the identity statement specified in subsection
12	(a)(1)(A) or similar terms in labeling or advertising
13	unless the package of roasted or instant coffee
14	contains one hundred per cent coffee from that one
15	geographic origin;
16	(2) Use a geographic origin in labeling or advertising,
17	including in conjunction with a coffee style or in any
18	other manner, if the roasted or instant coffee
19	contains less than ten per cent coffee by weight from
20	that-geographic origin;
21	(3) Use a geographic origin in advertising roasted or
22	instant coffee, including advertising in conjunction

1		with a coffee style or in any other manner, without
2		disclosing the percentage of coffee used from that
3		geographic origin as described in subsection (a)(1)(B)
4		and (a) (2);
5	(4)	Use a geographic origin in labeling or advertising
6		roasted or instant coffee, including in conjunction
7		with a coffee style or in any other manner, if the
8		green coffee beans used in that roasted or instant
9		coffee-do-not-meet-the-grade standard-requirements of
10		rules adopted under chapter 147;
11	(5)	Misrepresent, on a label or in advertising of a
12		roasted or instant coffee, the per cent coffee by
13		weight of any coffee from a geographic origin or
14		regional origin;
15	(6)	Use the term "All Hawaiian" on a label or in
16		advertising of a roasted or instant coffee if the
17		roasted or instant coffee is not produced entirely
18		from green coffee beans produced in geographic origins
19		defined in this chapter;
20	(7)	Use a geographic origin on the front label panel of a
21		package of roasted or instant coffee other than in the
22		trademark or in the identity statement as authorized

1		in subsection (a)(1) and (2) unless one hundred per
2		cent of the roasted or instant coffee contained in the
3		package is from that geographic origin;
4	(8)	Use more than one trademark on a package of roasted or
5		instant coffee unless one hundred per cent of the
6		roasted or instant coffee contained in the package is
7		from that geographic origin specified by the
8		trademark;
9	(9)	Use a trademark that begins with the name of a
10		geographic origin on a package of roasted or instant
11		coffee unless one hundred per cent of the roasted or
12		instant coffee contained in the package comes from
13		that geographic origin or the trademark ends with
14		words that indicate a business entity; or
15	(10)	Print the identity statement required by subsection
16		(a) in a smaller font than that used for a trademark
17		that includes the name of a geographic origin pursuant
18		to paragraph (7) and in a location other than the
19		front label panel of a package of roasted or instant
20		coffee.
21	-(d)	Roasters, manufacturers, or other persons who package
22	roasted o	r instant coffee covered by this section shall
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1 maintain, for a period of two years, records on the volume and geographic origin or regional origin of coffees purchased and 2 sold and any other records required by the department for the 3 purpose of enforcing this section. Authorized employees of the 4 5 department shall have access to these records during normal 6 business hours. 7 (e) For the purpose of this section: 8 "Geographic origin" means the geographic regions in which 9 Hawaii grown green coffee beans are produced, as defined in 10 rules adopted under chapter 147; provided that the term 11 "Hawaiian" may be substituted for the geographic origin 12 "Hawaii". 13 "Per cent coffee by weight" means the percentage calculated by dividing the weight in pounds of roasted green coffee beans 14 15 of one geographic or regional origin used in a production run of roasted or instant coffee, by the total weight in pounds of the 16 roasted green coffee beans used in that production run of 17 18 roasted or instant coffee, and multiplying the quotient by one 19 hundred." 1 20 SECTION 5. Statutory material to be repealed is bracketed 21 and stricken. New statutory material is underscored.

- 1 SECTION 6. This Act shall take effect upon its approval;
- $oldsymbol{2}$ provided that sections 3 and 4 shall take effect on July 1,
- **3** 2015.

Report Title:

Agricultural Commodities; Labeling Requirements; Board of Agriculture

Description:

Requires the Board of Agriculture to create labeling requirements for all agricultural commodities in Hawaii beginning July 1, 2015. (Proposed SD1)

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