A BILL FOR AN ACT

RELATING TO COFFEE LABELING.

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

- 1 SECTION 1. The legislature finds that for more than
- 2 twenty-three years Hawaii has been the only region in the world
- 3 that statutorily regulates the uses of its geographic names,
- 4 such as "Kona", "Maui", and "Ka'u", on labels of its specialty
- 5 agricultural products but requires that only ten per cent of the
- 6 product originate in the geographic area indicated. The
- 7 legislature further finds that the low ten per cent requirement
- 8 directly damages and degrades the reputation of world-famous
- 9 Hawaii-grown coffees.
- 10 More than ninety per cent of Hawaii's coffee farms are
- 11 located on the island of Hawaii. The Hawaii county council
- 12 unanimously adopted Resolution No. 501-14, entitled "Requesting"
- 13 The Hawaii Legislature To Adopt Provisions For Truth-In-Labeling
- 14 For Hawaii-Grown Coffee". The council's request to the
- 15 legislature was based on a number of reasons, including:

1	(1)	Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1,
2		adopted during the regular session of 2007, which
3		stated in part:
4		(A) Existing labeling requirements for Kona coffee
5		causes consumer fraud and degrades the "Kona
6		coffee" name; and
7		(B) Confusion as to the difference between Kona
8		coffee and Kona coffee blends caused Consumer
9		Reports magazine to rate Kona coffee as "second
10		rate";
11	(2)	It is inherently deceptive and misleading to label
12		coffee as a geographically identified blend, such as
13		"Hamakua Blend", "Kaʻu Blend", or "Kona Blend", unless
14		at least a majority of the coffee is from that region;
15	(3)	The label on the package of a ten per cent Hawaii
16		coffee blend does not advise consumers that ninety per
17		cent of the coffee in the package is imported,
18		foreign-grown, or may be a mixture of multiple
19		Hawaiian regions and foreign-grown coffee;
20	(4)	Not identifying the origin of ninety per cent of a
21		coffee blend is inherently deceptive to consumers, who

1		are often erroneously led to believe that a package of
2		coffee blend contains a blend of coffees only from
3		farms in Kona or other regions in Hawaii, when in fact
4		a portion of the blended coffee could be foreign-grown
5		coffee;
6	(5)	Blending cheaper commodity coffees from Vietnam,
7		Mexico, Panama, Africa, and other foreign countries,
8		to fill ninety per cent of the coffee blend, enriches
9		mainland-based corporations that own the Hawaii
10		blending companies with immense excess profits,
11		without any benefit to Hawaii coffee farmers;
12	(6)	The acknowledged blending of beans of various roasts
13		and origins by coffee roasters to create unique flavor
14		profiles is an acceptable practice and is different
15		than the deceptive labeling of blends by using
16		misleading geographic origin names, which violates
17		basic principles of consumer protection and fair
18		marketing; and
19	(7)	Immediate legislative action is necessary to protect
20		the reputation of Hawaii-grown coffees as premier,
21		specialty coffees from further degradation.

1	The purpose of this Act is to support Hawaii's coffee		
2	growers by:		
3	(1)	Requiring disclosure on the label of coffee blends of	
4		the respective regional origins and per cent by weight	
5		of the blended coffees; and	
6	(2)	Making it a violation of the coffee labeling law to	
7		use a geographic origin in labeling or advertising for	
8		roasted or instant coffee blends that contain less	
9		than fifty-one per cent coffee by weight from that	
10		geographic origin.	
11	SECT	ION 2. Section 486-120.6, Hawaii Revised Statutes, is	
12	amended by amending subsections (b) and (c) to read as follows		
13	"(b)	A listing of the geographic origins of the various	
14	Hawaii-grown coffees and the regional origins of the various		
15	coffees not grown in Hawaii that are included in a blend [may]		
16	shall be shown on the label. [If used, this] This list shall		
17	consist of the term "Contains:", followed by, in descending		
18	order of per cent by weight and separated by commas, the		
19	respective geographic origin or regional origin of the various		
20	coffees i	n the blend [that the manufacturer chooses to list].	

Each geographic origin or regional origin [may] shall be

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- 1 preceded by the per cent of coffee by weight represented by that
- 2 geographic origin or regional origin, expressed as a number
- 3 followed by the per cent sign. The type size used for this list
- 4 shall not [exceed] be less than half that of the identity
- 5 statement. This list shall appear below the identity
- 6 statement[, if included] on the front panel of the label.
- 7 (c) It shall be a violation of this section to:
- (1) Use the identity statement specified in subsection
 (a) (1) (A) or similar terms in labeling or advertising
 unless the package of roasted or instant coffee
 contains one hundred per cent coffee from that one
 geographic origin;
 - (2) Use a geographic origin in labeling or advertising, including in conjunction with a coffee style or in any other manner, if the roasted or instant coffee contains less than [ten] fifty-one per cent coffee by weight from that geographic origin;
 - (3) Use a geographic origin in advertising roasted or instant coffee, including advertising in conjunction with a coffee style or in any other manner, without disclosing the percentage of coffee used from that

1		geographic origin as described in subsection (a)(1)(B)
2		and (a)(2);
3	(4)	Use a geographic origin in labeling or advertising
4		roasted or instant coffee, including in conjunction
5		with a coffee style or in any other manner, if the
6		green coffee beans used in that roasted or instant
7		coffee do not meet the grade standard requirements of
8		rules adopted under chapter 147;
9	(5)	Misrepresent, on a label or in advertising of a
10		roasted or instant coffee, the per cent coffee by
11		weight of any coffee from a geographic origin or
12	·	regional origin[+] as defined in this chapter;
13	(6)	Use the term "All Hawaiian" on a label or in
14		advertising of a roasted or instant coffee if the
15		roasted or instant coffee is not produced entirely
16		from green coffee beans [produced in geographic
17		origins defined in this chapter;] grown and processed
18		in Hawaii;
19	(7)	Use a geographic origin on the front label panel of a
20		package of roasted or instant coffee other than in the
21		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."

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- 1 SECTION 3. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 4. This Act shall take effect on July 1, 2017.

INTRODUCED BY:

JAN 1 9 2017

Report Title:

Coffee Labeling; Blended Coffee

Description:

Requires coffee blend labels to disclose regional origins and per cent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than 51 per cent coffee by weight from that geographic origin.

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