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 over twenty-six
- 2 years, Hawaii has been the only region in the world that
- 3 statutorily regulates the uses of its geographic names, such as
- 4 "Kona", "Maui", and "Ka'ū", 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 and damages the economic interests of
- 10 Hawaii coffee farmers. The legislature notes that a 2018
- 11 publication entitled "Strengthening sustainable food systems
- 12 through geographical indications: An analysis of economic
- 13 impacts" by the Food and Agriculture Organization of the United
- 14 Nations and the European Bank for Reconstruction and Development
- 15 concluded, among other things, that Kona coffee "does not enjoy
- 16 any strong protection of its name" from the State of Hawaii, and

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1	as a resul	.t, do	ownstream stakeholders, rather than farmers, "reap
2	the econom	nic be	enefits of the fame of Kona".
3	The l	.egis	lature also finds that more than ninety per cent
4	of Hawaii'	s co	ffee farms are located on the island of Hawaii.
5	In 2014, t	he Ha	awaii county council adopted Resolution No. 501-
6	14, entitl	.ed "]	Requesting the Hawaii Legislature to Adopt
7	Provisions	for	Truth-In-Labeling for Hawaii-Grown Coffees". The
8	council's	reque	est to the legislature was based on a number of
9	findings,	incl	uding:
10	(1)	Sena	te Concurrent Resolution No. 102, S.D. 1, H.D. 1,
11		regu	lar session of 2007, which stated in part:
12		(A)	Existing labeling requirements for Kona coffee
13			causes consumer fraud and degrades the "Kona
14			coffee" name; and
15		(B)	Confusion as to the difference between Kona
16			coffee and Kona coffee blends caused Consumer
17	·		Reports magazine to rate Kona coffee as "second
18			rate";
19	(2)	It i	s inherently deceptive and misleading to label
20		coff	ee as a geographically identified blend, such as

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1		"Hamakua Biend", "Ka u Biend", or "Kona Biend", uniess
2		at least a majority of the coffee is from that region;
3	(3)	The label on the package of a ten per cent Hawaii
4		coffee blend does not advise consumers that ninety per
5		cent of the coffee in the package is imported,
6		foreign-grown, or may be a mixture of multiple
7		Hawaiian regions and foreign-grown coffee;
8	(4)	Not identifying the origin of ninety per cent of a
9		coffee blend is inherently deceptive to consumers, who
10		are often erroneously led to believe that a package of
11		coffee blend contains a blend of coffees only from
12		farms in Kona or other regions in Hawaii, when in fact
13		a portion of the blended coffee could be foreign-grown
14		coffee;
15	(5)	Blending cheaper commodity coffees from Vietnam,
16		Mexico, Panama, Africa, and other foreign countries to
17		fill ninety per cent of the coffee blend enriches the
18		mainland-based corporations that own the Hawaii
19		blending companies with immense excess profits,
20		without any benefit to Hawaii coffee farmers;

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1	(6)	The acknowledged blending of beans of various roasts
2		and origins by coffee roasters to create unique flavor
3		profiles is an acceptable practice and is different
4		from the deceptive labeling using misleading
5		geographic origin names of blends, which violates
6		basic principles of consumer protection and fair
7		marketing; and
8	(7)	Immediate legislative action is necessary to protect
9		the reputation of Hawaii-grown coffees as premier,
10		specialty coffees from further degradation.
11	The :	purpose of this Act is to support Hawaii's coffee
12	growers b	y:
13	(1)	Requiring disclosure on the label of coffee blends of
14		the respective geographic and regional origins and per
15		cent by weight of the blended coffees; and
16	(2)	Making it a violation of the coffee labeling law to
17		use a geographic origin in labeling or advertising for
18		roasted or instant coffee blends that contain less
19		than a certain percentage of coffee by weight from
20		that geographic origin, phased in to a minimum of
21		fifty-one per cent; and

1	(3) Prohibiting use of the term "All Hawaiian" in labeling
2	or advertising for roasted or instant coffee not
3	produced entirely from green coffee beans grown and
4	processed in Hawaii.
5	SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is
6	amended by amending subsections (b) and (c) to read as follows:
7	"(b) A listing of the geographic origins of the various
8	Hawaii-grown coffees and the regional origins of the various
9	coffees not grown in Hawaii that are included in a blend [may]
10	shall be shown on the label. [If used, this] In place of
11	separate listings of regional origins of coffee not grown in
12	Hawaii in the blend, the list may include the words "Foreign-
13	Grown Coffee" proceeded by the per cent of such coffee by weight
14	in the blend. This list shall consist of the term "Contains:",
15	followed by, in descending order of per cent by weight and
16	separated by commas, the respective geographic origin or
17	regional origin of the various coffees in the blend [that the
18	manufacturer chooses to list]. Each geographic origin or
19	regional origin [may] shall be preceded by the per cent of
20	coffee by weight represented by that geographic origin or
21	regional origin, expressed as a number followed by the per cent

1	sign. Th	e type size used for this list shall not [exceed] be
2	less than	half that of the identity statement. This list shall
3	appear be	low the identity statement[, if included] on the front
4	panel of	the label.
5	(c)	It shall be a violation of this section to:
6	(1)	Use the identity statement specified in subsection
7		(a)(1)(A) or similar terms in labeling or advertising
8		unless the package of roasted or instant coffee
9		contains one hundred per cent coffee from that one
10		geographic origin;
11	(2)	Use a geographic origin in labeling or advertising,
12		including in conjunction with a coffee style or in any
13,		other manner, if [the roasted or instant coffee
14		contains less than ten per cent coffee by weight from
15		that geographic origin;]:
16		(A) During the period from July 1, 2020, through June
17		30, 2021, the roasted or instant coffee contains
18		less than twenty per cent coffee by weight from
19		that geographic origin;
20		(B) During the period from July 1, 2021, through June
21		30, 2022, the roasted or instant coffee contains

-		Tebb than thirty per cont correct by weight from
2		that geographic origin; and
3		(C) On or after July 1, 2022, the roasted or instant
4		coffee contains less than fifty-one per cent
5		coffee by weight from that geographic origin;
6	(3)	Use a geographic origin in <u>labeling or</u> advertising
7		roasted or instant coffee, including advertising in
8		conjunction with a coffee style or in any other
9		manner, without disclosing the percentage of coffee
10		used from that geographic origin as described in
11		subsection (a)(1)(B) and (a)(2);
12	(4)	Use a geographic origin in labeling or advertising
13		roasted or instant coffee, including in conjunction
14		with a coffee style or in any other manner, if the
15		green coffee beans used in that roasted or instant
16		coffee do not meet the grade standard requirements of
17		rules adopted under chapter 147;
18	(5)	Misrepresent, on a label or in advertising of a
19		roasted or instant coffee, the per cent coffee by
20		weight of any coffee from a geographic origin or
21		regional origin[+] as defined in this chapter;

1	(6)	Use the term "All Hawallan" on a label or in
2		advertising of a roasted or instant coffee if the
3		roasted or instant coffee is not produced entirely
4		from green coffee beans [produced in geographic
5		origins defined in this chapter; grown and processed
6		in Hawaii;
7	(7)	Use a geographic origin on the front label panel of a
8		package of roasted or instant coffee other than in the
9		trademark or in the identity statement as authorized
10		in subsection (a)(1) and (2) unless one hundred per
11		cent of the roasted or instant coffee contained in the
12		package is from that geographic origin;
13	(8)	Use more than one trademark on a package of roasted or
14		instant coffee unless one hundred per cent of the
15		roasted or instant coffee contained in the package is
16		from that geographic origin specified by the
17		trademark;
18	(9)	Use a trademark that begins with the name of a
19		geographic origin on a package of roagted or instant

coffee unless one hundred per cent of the roasted or

instant coffee contained in the package comes from

20

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1		that geographic origin or the trademark ends with
2		words that indicate a business entity; or
3	(10)	Print the identity statement required by subsection
4		(a) in a smaller font than that used for a trademark
5		that includes the name of a geographic origin pursuant
6		to paragraph (7) and in a location other than the
7		front label panel of a package of roasted or instant
8		coffee."
9	SECT	ION 3. Statutory material to be repealed is bracketed
10	and stric	ken. New statutory material is underscored.
11	SECT	TION 4. This Act shall take effect on July 1, 2150.

Report Title:

Coffee Labeling; Blended Coffee; Percent of Coffee By Weight

Description:

Requires coffee blend labels to disclose geographic and regional origins and percent 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 a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51 per cent after 7/1/2022. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii. Effective 7/1/2150. (HD1)

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