STAND. COM. REP. NO. 477

Honolulu, Hawaii

FEB 1 5 2019

RE: S.B. No. 895

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 895 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the offense of false labeling of Hawaii-grown coffee to include roasted coffee.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Coffee Association; Greenwell Farms, Inc.; Rusty's Hawaiian, LLC; Ka'u Mountain Farm; MauiGrown Coffee, Inc.; Maui Coffee Association; Kona Coffee Farmers Association; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; and one individual.

Your Committee finds that legitimate coffee producers who offer high quality products grown in Hawaii are at a competitive disadvantage when counterfeited, foreign-grown coffee is blatantly mislabeled as Hawaii-grown and offered at a lower price. This provides counterfeiters an imbalanced windfall, artificially creates downward price pressure for local growers, and shrinks their margins. Under existing law, counterfeiters can ship roasted coffee without the ability of the Department of Agriculture to challenge the authenticity of origin. However, new technologies and methodologies are now available to definitively prove where coffee is grown, both in roasted and green forms.

This measure closes an important loophole to help protect the integrity of the Hawaii coffee industry by extending the offense of false labeling of Hawaii-grown coffee to roasted coffee.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Health,

ROSALYN H. BAKER, Chair

## The Senate Thirtieth Legislature State of Hawai'i

## Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:* Committee				Date:	
SB 895 CPH,		JDC		2/11/19	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
BAKER, Rosalyn H. (C)		<b>✓</b>			
CHANG, Stanley (VC)		V	<u>.</u>		
KEOHOKALOLE, Jarrett		7			
NISHIHARA, Clarence K.		V			
RUDERMAN, Russell E.		<b>V</b>			
THIELEN, Laura H.		V			
FEVELLA, Kurt					V
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TOTAL		6			1
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes