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## 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-nine  
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



1 as a result, downstream stakeholders, rather than farmers, "reap  
2 the economic benefits of the fame of Kona".

3 The legislature also finds that more than ninety per cent  
4 of Hawaii's coffee farms are located on the island of Hawaii.  
5 In 2014, the Hawaii county council adopted Resolution No.  
6 501-14, entitled "Requesting the Hawaii Legislature to Adopt  
7 Provisions for Truth-In-Labeling for Hawaii-Grown Coffees". The  
8 council's request to the legislature was based on several  
9 findings, including:

10 (1) Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1,  
11 regular session of 2007, which stated in part that:

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 is inherently deceptive and misleading to label  
20 coffee as a geographically identified blend, such as



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- 1 "Hamakua Blend", "Ka'ū Blend", or "Kona Blend", unless  
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;



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 the  
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 legislature also notes that ready-to-drink coffee  
12          beverages and inner wrapping labels given, but not sold, to  
13          customers are not subject to the current statutory requirements  
14          for fair trade coffee labeling and advertising; these  
15          requirements only apply to "roasted" and "instant" coffee.

16          The legislature contends that these labeling and  
17          advertising requirements were primarily intended to resolve any  
18          consumer confusion and allow consumers to "make an enlightened  
19          choice", as stated in Act 289, Session Laws of Hawaii 1991.  
20          These statutory requirements ensure truthful representation of a



1 coffee product's geographical origin, which protects consumers  
2 from fraud and deception in coffee labeling and advertising.

3 The purpose of this Act is to support Hawaii's coffee  
4 growers by:

- 5 (1) Expanding the coffee labeling and advertising  
6 requirements to include ready-to-drink coffee  
7 beverages and inner wrapping labels given to  
8 customers;
- 9 (2) Requiring disclosure on the label of coffee blends of  
10 the respective geographic and regional origins and per  
11 cent by weight of the blended coffees;
- 12 (3) Making it a violation of the coffee labeling law to  
13 use a geographic origin in labeling or advertising for  
14 roasted or instant coffee blends that contain less  
15 than a certain percentage of coffee by weight from  
16 that geographic origin, phased in to a minimum of  
17 fifty-one per cent; and
- 18 (4) Prohibiting use of the term "All Hawaiian" in labeling  
19 or advertising for roasted or instant coffee not  
20 produced entirely from green coffee beans grown and  
21 processed in Hawaii.



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1 SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§486-120.6 Hawaii-grown [~~roasted or instant~~] coffee;**  
4 **labeling or advertising requirements.** (a) In addition to all  
5 other labeling requirements, the identity statement used for  
6 labeling or advertising roasted [~~or~~] coffee, instant coffee, or  
7 ready-to-drink coffee beverages produced in whole or in part  
8 from Hawaii-grown green coffee beans shall meet the following  
9 requirements:

10 (1) For roasted [~~or~~] coffee, instant coffee, or ready-to-  
11 drink coffee beverages that [~~contains~~] contain one  
12 hundred per cent Hawaii-grown coffee by weight, the  
13 identity statement shall consist of either:

14 (A) The geographic origin of the Hawaii-grown coffee,  
15 in coffee consisting of beans from only one  
16 geographic origin, followed by the word "Coffee";  
17 provided that the geographic origin may be  
18 immediately preceded by the term "100%"; or

19 (B) The per cent coffee by weight of one of the  
20 Hawaii-grown coffees, used in coffee consisting  
21 of beans from several geographic origins,



1 followed by the geographic origin of the weight-  
2 specified coffee and the terms "Coffee" and "All  
3 Hawaiian";

4 (2) For roasted [~~or~~] coffee, instant coffee, or ready-to-  
5 drink coffee beverages consisting of a blend of one or  
6 more Hawaii-grown coffees and coffee not grown in  
7 Hawaii, the per cent coffee by weight of one of the  
8 Hawaii-grown coffees used in the blend, followed by  
9 the geographic origin of the weight-specified coffee  
10 and the term "Coffee Blend"; and

11 (3) Each word or character in the identity statement shall  
12 be of the same type size and shall be contiguous. The  
13 smallest letter or character of the identity statement  
14 on packages of sixteen ounces or less net weight shall  
15 be at least one and one-half times the type size  
16 required under federal law for the statement of net  
17 weight or three-sixteenths of an inch in height,  
18 whichever is smaller. The smallest letter or  
19 character of the identity statement on packages of  
20 greater than sixteen ounces net weight shall be at  
21 least one and one-half times the type size required



1 under federal law for the statement of net weight.  
2 The identity statement shall be conspicuously  
3 displayed without any intervening material in a  
4 position above the statement of net weight. Upper and  
5 lower case letters may be used interchangeably in the  
6 identity statement.

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]; provided that the~~  
11 listing is consistent with subsection (d) (2). In place of  
12 separate listings of regional origins of coffee not grown in  
13 Hawaii in the blend, the list may include the words "Foreign-  
14 Grown Coffee" preceded by the per cent of such coffee by weight  
15 in the blend. This list shall consist of the term "Contains:",  
16 followed by, in descending order of per cent coffee by weight  
17 and separated by commas, the respective geographic origin or  
18 regional origin of the various coffees in the blend ~~[that the~~  
19 ~~manufacturer chooses to list]~~. Each geographic origin or  
20 regional origin ~~[may]~~ shall be preceded by the per cent of  
21 coffee by weight represented by that geographic origin or



1 regional origin, expressed as a number followed by the per cent  
2 sign. The type size used for this list shall not [~~exceed~~] be  
3 less than half that of the identity statement. This list shall  
4 appear below the identity statement[~~, if included~~] on the front  
5 panel of the label.

6 (c) The requirements under subsections (a) and (b) shall  
7 apply to the labeling of any inner package or inner wrapping  
8 that includes any geographic origin of Hawaii-grown coffee,  
9 whether or not the inner package is intended to be individually  
10 sold.

11 [~~(e)~~] (d) It shall be a violation of this section to:

12 (1) Use the identity statement specified in subsection  
13 (a)(1)(A) or similar terms in labeling or advertising  
14 unless the package of roasted [~~or~~] coffee, instant  
15 coffee, or ready-to-drink coffee beverage contains one  
16 hundred per cent coffee by weight from that one  
17 geographic origin;

18 (2) Use a geographic origin in labeling or advertising,  
19 including in conjunction with a coffee style or in any  
20 other manner, if [~~the roasted or instant coffee~~



1 ~~contains less than ten per cent coffee by weight from~~  
2 ~~that geographic origin;]~~:

3 (A) During the period from January 1, 2022, through  
4 December 31, 2022, the roasted coffee, instant  
5 coffee, or ready-to-drink coffee beverage  
6 contains less than twenty per cent coffee by  
7 weight from that geographic origin;

8 (B) During the period from January 1, 2023, through  
9 December 31, 2023, the roasted coffee, instant  
10 coffee, or ready-to-drink coffee beverage  
11 contains less than thirty per cent coffee by  
12 weight from that geographic origin; and

13 (C) On or after January 1, 2024, the roasted coffee,  
14 instant coffee, or ready-to-drink coffee beverage  
15 contains less than fifty-one per cent by weight  
16 from that geographic origin;

17 (3) Use a geographic origin in labeling or advertising  
18 roasted ~~[or]~~ coffee, instant coffee, or ready-to-drink  
19 coffee beverages, including advertising in conjunction  
20 with a coffee style or in any other manner, without  
21 disclosing the ~~[percentage of]~~ per cent coffee by



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



- 1           (7) Use a geographic origin on the front label panel of a  
2           package of roasted [~~or~~] coffee, instant coffee, or  
3           ready-to-drink coffee beverage other than in the  
4           trademark or in the identity statement as authorized  
5           in subsection (a) (1) and (2) unless [~~one hundred per~~  
6           ~~cent of~~] the roasted [~~or~~] coffee, instant coffee  
7           [~~contained in the package is~~], or ready-to-drink  
8           coffee beverage contains one hundred per cent coffee  
9           by weight from that geographic origin;
- 10          (8) Use more than one trademark on a package of roasted  
11          [~~or~~] coffee, instant coffee, or ready-to-drink coffee  
12          beverage unless [~~one hundred per cent of~~] the roasted  
13          [~~or~~] coffee, instant coffee [~~contained in the package~~  
14          is], or ready-to-drink coffee beverage contains one  
15          hundred per cent coffee by weight from that geographic  
16          origin specified by the trademark;
- 17          (9) Use a trademark that begins with the name of a  
18          geographic origin on a package of roasted [~~or~~] coffee,  
19          instant coffee, or ready-to-drink coffee beverage  
20          unless [~~one hundred per cent of~~] the roasted [~~or~~]  
21          coffee, instant coffee [~~contained in the package~~



1 ~~comes~~], or ready-to-drink coffee beverage contains one  
2 hundred per cent coffee by weight from that geographic  
3 origin or the trademark ends with words that indicate  
4 a business entity; or

5 (10) Print the identity statement required by subsection  
6 (a) in a smaller font than that used for a trademark  
7 that includes the name of a geographic origin pursuant  
8 to paragraph (7) and in a location other than the  
9 front label panel of a package of roasted [~~or~~] coffee,  
10 instant coffee[~~or~~], or ready-to-drink coffee beverage.

11 [~~(d)~~] (e) Roasters, manufacturers, or other persons who  
12 package roasted [~~or~~] coffee, instant coffee, or ready-to-drink  
13 coffee beverages covered by this section shall maintain, for a  
14 period of two years, records on the volume and geographic origin  
15 or regional origin of coffees purchased [~~and~~], sold, and used  
16 and any other records required by the department for the purpose  
17 of enforcing this section. Authorized employees of the  
18 department shall have access to these records during normal  
19 business hours.

20 [~~(e)~~] (f) For the purpose of this section:



1 "Geographic origin" means the geographic regions in which  
2 Hawaii-grown green coffee beans are produced, as defined in  
3 rules adopted under chapter 147; provided that the term  
4 "Hawaiian" may be substituted for the geographic origin  
5 "Hawaii".

6 "Per cent coffee by weight" means the percentage calculated  
7 by dividing the weight in pounds of roasted green coffee beans  
8 of one geographic or regional origin used in a production run of  
9 roasted ~~[☒]~~ coffee, instant coffee, or ready-to-drink coffee  
10 beverages by the total weight in pounds of the roasted green  
11 coffee beans used in that production run of roasted ~~[☒]~~ coffee,  
12 instant coffee, or ready-to-drink coffee beverages, and  
13 multiplying the quotient by one hundred.

14 "Ready-to-drink coffee beverage" means a prepackaged  
15 beverage that consists of or includes coffee and is sold in a  
16 prepared form that can be immediately consumed upon purchase."

17 SECTION 3. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Fran Jesech", is written over a horizontal line.

JAN 22 2021



# H.B. NO. 461

**Report Title:**

Coffee Labeling; Blended Coffee; Percent of Coffee by Weight;  
Ready-to-Drink Coffee Beverages

**Description:**

Expands the coffee labeling and advertising requirements to include ready-to-drink coffee beverages and inner packaging or wrapping labels. Requires coffee blend labels to disclose geographic and regional origins with the percent by weight of each origin, while gradually increasing the minimum percentage of coffee by weight required to be able to use a geographic origin on a label or advertisement. Clarifies that the use of the term "All Hawaiian" is prohibited when the coffee product is not produced entirely from green coffee beans grown and processed in Hawaii.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

