A BILL FOR AN ACT

RELATING TO COFFEE.

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

1	PART 1
2	SECTION 1. The legislature finds that coffee is one of the
3	largest agricultural crops in the State and is a highly valued
4	commodity in Hawaii's economy. In 2020, coffee leaf rust was
5	discovered for the first time in the State on Maui and Hawaii
6	Island, and has now been detected on all major islands.
7	Additionally, the coffee berry borer is a coffee pest that
8	threatens coffee crops in Kona and throughout the State. These
9	two pests threaten the viability of the State's entire coffee
10	industry. Efforts to control coffee leaf rust and the coffee
11	berry borer are critical to the coffee industry, and the State
12	must continue to support these efforts.
13	The legislature also finds that assisting farmers
14	financially in combating these pests encourages farmers to adapt
15	to changing conditions and creates an incentive for farmers to
16	adopt recommended pest management strategies, including
17	application of the appropriate insecticides, fungicides, or

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- 1 other treatments, as determined by the department of
- 2 agriculture. Research shows that subsidizing the cost of pest
- 3 treatment is an effective and necessary incentive to encourage
- 4 farmers to adopt recommended pest management strategies.
- 5 The legislature further finds that, for over thirty years,
- 6 Hawaii has been the only region in the world that statutorily
- 7 regulates the uses of its geographic names, such as "Kona",
- 8 "Maui", and "Kau", on labels of its specialty agricultural
- 9 products but requires that only ten per cent of the product
- 10 originate in the geographic area indicated. The low ten per
- 11 cent requirement directly damages and degrades the reputation of
- 12 world-famous Hawaii-grown coffees and inhibits the economic
- 13 interests of Hawaii coffee farmers. The legislature notes that
- 14 a 2018 publication entitled "Strengthening sustainable food
- 15 systems through geographical indications: An analysis of
- 16 economic impacts" by the Food and Agriculture Organization of
- 17 the United Nations and the European Bank for Reconstruction and
- 18 Development concluded, among other things, that Kona coffee
- 19 "does not enjoy any strong protection of its name" from the
- 20 State and, as a result, downstream stakeholders, rather than
- 21 farmers, "reap the economic benefits of the fame of Kona."

1	The	purpose of this Act is to support Hawaii's coffee
2	growers b	y:
3	(1)	Requiring disclosure on the label of coffee blends of
4		the respective geographic and regional origins and per
5		cent by weight of the blended coffees;
6	(2)	Making it a violation to use a geographic origin in
7		labeling or advertising for roasted or instant coffee
8		blends that contain less than a certain percentage of
9		coffee by weight from that geographic origin, phased
10		in to a minimum of fifty-one per cent;
11	(3)	Prohibiting use of the term "All Hawaiian" in labeling
12		or advertising for roasted or instant coffee not
13		produced entirely from green coffee beans grown and
14		processed in Hawaii; and
15	(4)	Appropriating funds for equipment to test coffee
16		content and for the pesticide subsidy program.
17		PART II
18	SECT	ION 2. Section 486-120.6, Hawaii Revised Statutes, is
19	amended b	y amending subsections (b) and (c) to read as follows:
20	"(b)	A listing of the geographic origins of the various
21	Hawaii-gr	own coffees and the regional origins of the various

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- 1 coffees not grown in Hawaii that are included in a blend [may]
- 2 shall be shown on the label. [If used, this] In place of
- 3 separate listings of regional origins of coffee not grown in
- 4 Hawaii in the blend, the list may include the words
- 5 "Foreign-Grown Coffee" followed by the per cent of the coffee by
- 6 weight in the blend. This list shall consist of the term
- 7 "Contains:", followed by, in descending order of per cent by
- 8 weight and separated by commas, the respective geographic origin
- 9 or regional origin of the various coffees in the blend [that the
- 10 manufacturer chooses to list]. Each geographic origin or
- 11 regional origin [may] shall be preceded by the per cent of
- 12 coffee by weight represented by that geographic origin or
- 13 regional origin, expressed as a number followed by the per cent
- 14 sign. The type size used for this list shall not [exceed] be
- 15 less than half that of the identity statement. This list shall
- 16 appear below the identity statement[rif included] on the front
- 17 panel of the label.
- (c) It shall be a violation of this section to:
- 19 (1) Use the identity statement specified in subsection
- 20 (a) (1) (A) or similar terms in labeling or advertising
- 21 unless the package of roasted or instant coffee

1		cont	ains one hundred per cent coffee from that one
2		geog	raphic origin;
3	(2)	Use	a geographic origin in labeling or advertising,
4		incl	uding in conjunction with a coffee style or in an
5		othe	r manner, if [the roasted or instant coffee
6		cont	ains less than ten per cent coffee by weight from
7		that	-geographic origin;]:
8		<u>(A)</u>	During the period from July 1, 2022, through
9			June 30, 2023, the roasted or instant coffee
10			contains less than twenty per cent coffee by
11			weight from that geographic origin;
12		(B)	During the period from July 1, 2023, through
13			June 30, 2024, the roasted or instant coffee
14			contains less than thirty per cent coffee by
15			weight from that geographic origin; and
16		<u>(C)</u>	On or after July 1, 2024, the roasted or instant
17			coffee contains less than fifty-one per cent
18			coffee by weight from that geographic origin;
19	(3)	Use	a geographic origin in <u>labeling or</u> advertising
20		roas	ted or instant coffee, including advertising in
21		conj	unction with a coffee style or in any other

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

1		in subsection (a)(1) and (2) unless one nundred 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."

1	SECTION 3. There is appropriated out of the general
2	revenues of the State of Hawaii the sum of \$ or so
3	much thereof as may be necessary for fiscal year 2022-2023 for
4	purchasing equipment to test coffee content or the percentage of
5	coffee from green coffee beans grown in Hawaii.
6	The sum appropriated shall be expended by the department of
7	agriculture for the purposes of this part.
8	PART III
9	SECTION 4. There is appropriated out of the general
10	revenues of the State of Hawaii the sum of \$ or so
11	much thereof as may be necessary for fiscal year 2022-2023 for
12	the pesticide subsidy program established by Act 105, Session
13	Laws of Hawaii 2014, as amended by section 1 of Act 152, Session
14	Laws of Hawaii 2015, as amended by section 2 of Act 65, Session
15	Laws of Hawaii 2017, as amended by section 2 of Act 32, Session
16	Laws of Hawaii 2018, as amended by section 43 of Act 111,
17	Session Laws of Hawaii 2019, as amended by section 2 of Act 138,
18	Session Laws of Hawaii 2021.
19	The sum appropriated shall be expended by the department of
20	agriculture for the purposes of this part.
21	PART IV

- 1 SECTION 5. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 6. This Act shall take effect on July 1, 2050.

4

Report Title:

Coffee Labeling; Blended Coffee; Percent of Coffee by Weight; Pesticide Subsidy Program; Appropriations

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 fifty-one percent after 7/1/2024. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii. Appropriates moneys for the pesticide subsidy program and for purchasing equipment to test coffee content or the percentage of coffee from green coffee beans grown in Hawaii. Effective July 1, 2050. (HD1)

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