

JAN 21 2022

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that Hawai'i's coffee
2 industry is the State's second highest value agricultural crop,
3 valued by the United States Department of Agriculture at
4 \$98,000,000 annually, with additional upstream and downstream
5 impacts that include employment, land preservation, and tourism.

6 The legislature further finds that Hawai'i-grown coffee is
7 among the highest priced coffee sold anywhere in the world,
8 largely due to the high cost of production and its reputation
9 for outstanding quality. As such, the State's coffee industry
10 is susceptible to fraud when less expensive coffees are falsely
11 labeled as originating from Hawai'i. Currently, state law
12 imposes penalties for the false labeling (counterfeiting) of
13 Hawai'i-grown coffee in cherry and parchment form, but the fraud
14 of coffee counterfeiting has been almost exclusively committed
15 in roasted coffee products. Coffee counterfeiting undermines
16 Hawai'i's coffee farmers by misrepresenting an increase in
17 supply, thereby creating downward price pressure and a



1 depreciation value in the marketplace. Additionally, further
2 harm occurs when inferior products are introduced into the
3 supply chain, thereby undermining Hawai'i's hard-fought brand
4 identity for high quality crops.

5 Therefore, the purpose of this Act is to extend the
6 penalties of a class C felony and a \$10,000 fine, for each
7 separate offense, to Hawai'i-grown roasted coffee that is falsely
8 labeled with regard to the geographic origin of the Hawai'i-grown
9 coffee necessary to deter the effects of coffee counterfeiting.

10 SECTION 2. Section 708-871.5, Hawaii Revised Statutes, is
11 amended as follows:

12 1. By amending subsection (1) to read:

13 "(1) A person commits the offense of false labeling of
14 Hawaii-grown coffee if the person knowingly transports,
15 distributes, advertises, sells, or possesses with the intent to
16 sell Hawai'i-grown green coffee, cherry coffee, [œ] parchment
17 coffee, or roasted coffee that is falsely labeled with regard to
18 the geographic origin of the Hawai'i-grown coffee."

19 2. By amending subsection (3) to read:



1 "(3) False labeling of Hawaii-grown coffee is a class C
2 felony[-] and shall be subject to a fine of \$10,000 for each
3 separate offense, pursuant to section 706-640."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

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

7

INTRODUCED BY:



S.B. NO. 2906

Report Title:

Roasted Coffee; False Labeling; Fines

Description:

Extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee. Imposes \$10,000 fine for false-labeling of Hawaii-grown roasted coffee.

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