

Honolulu, Hawaii

FEB 08, 2022

RE: H.B. No. 1517
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 1517 entitled:

"A BILL FOR AN ACT RELATING TO COFFEE,"

begs leave to report as follows:

The purpose of this measure is to support Hawaii's coffee growers by:

- (1) Requiring disclosure on the label of coffee blends of the respective geographic and regional origins and percent by weight of the blended coffees;
- (2) Making it a violation to use a geographic origin in labeling or advertising for roasted or instant coffee blends that contain less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent;
- (3) Prohibiting 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; and
- (4) Appropriating funds for the Pesticide Subsidy Program.



Your Committee received testimony in support of this measure from three members of the Hawaii County Council, Kona Coffee Farmers Association, Kona Perfect, Rancho Aloha, Greenwell Farms Inc., Hawaii Farmers Union United, Konaloha Farms, Hawaii's Thousand Friends, Hawaii Coffee Growers Association, Lava Rock Farm, Huahua Farm, and eighteen individuals. Your Committee received testimony in opposition to this measure from the Hawaii Restaurant Association, Hawaii Coffee Company, Hawaii Food Industry Association, and Retail Merchants of Hawaii. Your Committee received comments on this measure from the Department of Agriculture, Department of Budget and Finance, and Hawaii Coffee Association.

Your Committee finds that coffee is one of the largest agricultural crops in the State and is a highly valued commodity across the globe. Hawaii coffees maintain their quality and reputation by maintaining their product integrity. Establishing standards that regulate the advertising and labeling of coffee grown in Hawaii maintains and protects the reputation and value of Hawaii coffees.

However, your Committee finds that while the Department of Agriculture can enforce grading and labeling of green Hawaii-grown coffee, the Department of Agriculture lacks the capability to regulate the authenticity of roasted and blended Hawaii-grown coffee labeling. According to the Department of Agriculture, there is no industry standard to determine the actual content or origin of roasted and blended coffee and no commercially available equipment for effective enforcement.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating funds for purchasing equipment to test the coffee content or the percentage of coffee from green coffee beans grown in Hawaii;
- (2) Specifying that using the term "All Hawaiian" on a label or in advertising of a roasted or instant coffee is a violation if the roasted or instant coffee is not produced entirely from green coffee beans grown in Hawaii;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Should this measure continue to progress through the legislative process, your Committee respectfully requests that consideration be given to the manner in which the Department of Agriculture could test and enforce the percentage of coffee containing coffee from green coffee beans grown in Hawaii.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1517, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



MARK J. HASHEM, Chair



