DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

### WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION AND WAYS AND MEANS ON HOUSE BILL NO. 1517, H.D. 2, S.D. 1

#### April 1, 2022 10:00 a.m. Room 211 and Videoconference

#### **RELATING TO COFFEE**

The Department of Budget and Finance (B&F) opposes Part I of this measure and provides comments on Part II of this measure.

House Bill No. 1517, H.D. 2, S.D. 1: 1) requires B&F, in consultation with the Department of Agriculture (DOA) and coffee industry stakeholders, to conduct a study to assess the economic impact of potential changes to coffee labeling requirements on the local coffee industry and submit a report of its findings and recommendations to the Legislature prior to the 2024 Legislative Session; and 2) appropriates an unspecified amount of general funds to DOA in FY 23 for the Pesticide Subsidy Program.

B&F strongly believes that it is not the appropriate agency to conduct an economic impact study of potential changes to coffee labeling requirements on the local coffee industry. Since B&F does not possess the required subject-matter expertise on the local coffee industry and coffee labeling requirements, areas which do not fall under the purview of B&F, the study may be more suitably assigned to a department that already oversees, promotes, and/or evaluates the local coffee industry or has programs

that perform similar and related activities. Furthermore, B&F is currently <u>fully engaged</u> <u>and committed</u> to working on the statewide financial management system replacement project while also performing its regular work. Additional staff and funding would be necessary for B&F to conduct this study; however, the bill provides neither despite its description stating that it appropriates funds for the study.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER Chairperson, Board of Agriculture

> **MORRIS ATTA** Deputy to the Chairperson

State of Hawaii DEPARTMENT OF AGRICULTURE 1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

#### TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER CHAIRPERSON, BOARD OF AGRICULTURE

### BEFORE THE SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION AND WAYS AND MEANS

#### APRIL 1, 2022 10:00 A.M. CONFERENCE ROOM 211 & VIA VIDEOCONFERENCE

# HOUSE BILL NO. 1517 HD2 SD1 RELATING TO COFFEE

Chairpersons Baker, Dela Cruz, and Members of the Committees:

Thank you for the opportunity to testify on House Bill 1517 HD2 SD1. This measure requires the Department of Budget and Finance to conduct an impact study on Hawaiian coffee industry caused by potential changes to coffee labeling laws and appropriates moneys for the pesticide subsidy program. The Department supports the intent of this bill and offers comments.

The Department supports the appropriation of funds to assist coffee growers by subsidizing approved pesticides to treat coffee trees for coffee berry borer and coffee leaf rust. The Department continues to work directly with coffee growers around the state to provide education and outreach for the safe, lawful, and appropriate use of pesticides.

Thank you for the opportunity to testify on this measure.



Maile Medeiros David Council Chair Council District 6 (Portion N. S. Kona/Kaʿū /Volcano)



Phone: (808) 323-4277 Fax: (808) 329-4786 Email: maile.david@hawaiicounty.gov

# HAWAI'I COUNTY COUNCIL

County of Hawai'i West Hawai'i Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 30, 2022

Honorable Rosalyn H. Baker, Chair Honorable Stanley Chang, Vice Chair Committee on Commerce and Consumer Protection Conference Room 211 & Videoconference

Honorable Donovan M. Dela Cruz, Chair Honorable Gilbert S.C. Keith-Agaran, Vice Chair Committee on Ways and Means Conference Room 211 & Videoconference

Re: H.B. No. 1517 HD2 SD1 – Relating to Coffee

Honorable Chairs Baker and Dela Cruz and Vice Chairs Chang and Keith-Agaran:

On behalf of myself and as Councilmember representing the rural districts of South Kona, Ka'ū and Volcano Village (Council District 6), I express my strong support of HB 1517 HD2 SD1 relating to coffee labeling.

On November 3, 2021, the Hawai'i County Council unanimously approved Resolution No. 223-21 urging the Hawai'i State Legislature to amend the coffee labeling requirements for blends of geographically named Hawai'i-grown coffee and therefore I fully support the intent of HB 1517 HD2 relating to coffee.

I again reiterate the unanimous approval of Resolution No. 223-21 by the Hawai'i Council, and strong support of HB 1517 HD2 SD1. Mahalo a nui loa for your positive consideration.

Very truly yours,

Maile David

Maile David, Council Member Council District 6, S. Kona, Ka'ū, and Volcano Village

# **HEATHER L. KIMBALL**

Council Member Chair, Committee on Governmental Operations, Relations and Economic Development Council District 1



Contact Information (808) 961-8828 (808) 961-8018 (staff) heather.kimball@hawaiicounty.gov

# HAWAI'I COUNTY COUNCIL

County of Hawai'i Hawai'i County Building 25 Aupuni Street, Suite 1402 Hilo, Hawai'i 96720

TO: Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair Senate Committee on Commerce and Consumer Affairs

> Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair Senate Committee on Ways and Means

FROM: Heather L. Kimball Council Member, District 1

DATE: March 30, 2022

# SUBJECT: COMMENTS HB1517 HD2 SB1, RELATING TO COFFEE

Thank you for the opportunity to provide **COMMENTS** on this important measure.

In this instance I am providing testimony in my capacity as an individual member of the Hawai'i County Council. However, the Hawai'i County Council did vote unanimously to urge the State of Hawai'i to pass legislation increasing the minimum percentage requirement for blends of Hawai'i-grown coffee from 10% to 51%, and that the remaining contents be geographically identified by origin.

My COMMENTS on this measure are as follows:

- 1. I SUPPORT funding for the pesticide subsidy program.
- 2. I am in STRONG OPPOSITION to the changes made by AEN/EET to HB 1517 HD 1 and respectfully request restoring the language that preserves the Hawai'i-grown coffee brand by prohibiting 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 51% after 7/1/2024.

This measure was proposed to protect consumers and Hawai'i coffee growers by prohibiting the use of the term "All Hawaiian" in labeling or advertising for coffee not produced from green coffee beans grown and processed in Hawaii.

Thank you for allowing me to COMMENT on HB1517 HD2 SB1 Relating to Coffee.

Holeka Goro Inaba Council Member, District 8, N. Kona



*Office:* (808) 323-4280 *Email: holeka.inaba@hawaiicounty.gov* 

# HAWAI'I COUNTY COUNCIL

County of Hawaiʻi West Hawaiʻi Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 31, 2022

#### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair

#### COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair

#### Re: Comments on HB1517; RELATING TO COFFEE LABELING Videoconference Hearing: April 1, 2022 at 10:00 a.m.

Dear Chair, Vice Chair, and Members of the above referenced Committee,

On behalf of myself and constituents of Council District 8 in North Kona, I would like to comment on the above referenced bill, and submit a brief testimony as follows:

We support earlier versions of HB1517, <u>but not SD1</u>, which would have required coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. This measure also 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 into a minimum of 51% after July 2024, as well as prohibits 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.

In November 2021, I introduced Resolution 223-21 related to Coffee Labeling at the Hawai'i County Council where it received unanimous support from my colleagues. Similar to Resolution 223-21, the current measure before you makes is essential to protect our coffee farmers on the Big Island and the largest agricultural crop in the State of Hawai'i. Without remedy and the protections called for <u>in the previous versions</u> of this bill, there will be devastating long-term impacts to Hawai'i's economy.

Thank you for your consideration in advance

Alka Com Anche

HOLEKA GORO INABA, Council Member District 8, North Kona

HGI.wpb

REBECCA VILLEGAS Council Member District 7, Central Kona



PHONE: (808) 323-4267 FAX: (808) 323-4786 EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL West Hawai'i Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 31, 2022 TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL ON HB 1517 HD2 SD1, RELATING TO COFFEE Committee on Commerce and Consumer Protection Committee on Way and Means Friday, April 1, 2022 at 10:00 a.m.



Aloha Chair Baker, Chair Dela Cruz, and Members of the Committees:

I thank you for the opportunity to offer comments regarding HB 1517 HD2 SD1. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

I am in strong support for funding the subsidy program.

I would like to offer a STRONG OPPOSITION to the changes made by the Senate AEN/EET Committees to HB 1517 HD1, and respectfully request the labeling requirements and HDOA enforcement provision passed by the House be restored to the bill.

The labeling provisions and minimums are the most effective ways our State of Hawaii Legislative body can show support for our community and our hard-working mostly generational farmers. Kona is 1 of the 4 areas in the State of Hawaii that is prone to droughts, which we have been experiencing more than normal this year. Worldwide there are approximately 30 miles designated as the Kona Coffee Belt, please help is do everything we can to protect our unique resource and critical source of income for OUR community.

The purpose of this measure is to help protect the authenticity of Kona Coffee and codify standards for the industry, as well as provide additional support to our hard-working coffee farmers.

Hawaii has been the only region in the world that statutorily regulates the uses of its geographic names, such as "Kona", "Maui", and "Kau", on labels of its specialty agricultural products but requires that only ten per cent of the product originate in the geographic area indicated. The low ten per cent requirement directly damages and degrades the reputation of world-famous Hawaii-grown coffees and inhibits the economic interests of Hawaii coffee farmers. The legislature notes that a 2018 publication entitled "Strengthening sustainable food systems through geographical indications: An analysis of economic impacts" by the Food and Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development concluded, among other things, that Kona coffee "does not enjoy any strong protection of its *Hawai'i County is an Equal Opportunity Provider and Employer.* 

name" from the State and, as a result, downstream stakeholders, rather than farmers, "reap the economic benefits of the fame of Kona."

The purpose of this Act is to support Hawaii's coffee growers by requiring disclosure on the label of coffee blends of the respective geographic and regional origins and per cent by weight of the blended coffees. Making it a violation of the coffee labeling law 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 per cent. Prohibiting use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee beans grown and processed in Hawaii.

For the reasons stated above I urge the Committee on Commerce and Consumer Protection, and Committee on Ways and Means to reconsider this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

Rebecca Villegas Council Member, Hawai'i County Council



#### **RE: SUPPORT for HB1517 HD2** RELATING TO COFFEE

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

Aloha Chairs, Vice Chairs, and Committee Members,

The Kona Coffee Farmers Association (KCFA) **stands in support of this Bill as it was originally drafted and requests the committee return it to the language in HD2**. We represent 200 farms and agribusinesses in the Kona district.

We appreciate the Legislature working to protect our growers by increasing the blend ratio of coffee that can legally be labeled "Hawaiian". While many Hawaii growers would like to see 100% as a minimum, this phased-in bill is a reasonable compromise that should protect everyone in the industry, from our small farms to the larger processors.

The blenders will continue to argue that we should "study" this issue. They will testify that coffee prices will crash should they stop buying Kona for blends. But this is not economic reality. **COVID drastically reduced the local sale of blends due to a lack of tourists, yet cherry and roasted prices to the farmers are at their highest point ever. The past two years have been a "market study" and unequivocally proved that Hawaiian coffee thrives without blends.** 

The current demand for Kona coffee far exceeds available supply. Quite simply, there is not enough Kona, Ka'u or Maui coffee to meet the global desire for Hawaiian coffee. To continue to allow a 10% blend ratio is deceptive to consumers, degrades the Hawai'i brand and is damaging to the long-term economic health of our growers.

Regarding the pesticide subsidy, for every \$50 in subsidy costs spent per acre, approximately \$600 in improved crop value is returned to the farmer. This has the potential to increase income by up to \$2.4 million across our statewide coffee communities. The University of Hawai'i estimates that each agricultural dollar circulates 11 times through the community, via local wages, goods and services. Supporting ag is good for the economy.

Please pass this bill in its entirety. Mahalo nui loa!

Suzanne Shriner President

P O Box 5436 · Kailua-Kona · Hawaii · 96745 www.KonaCoffeeFarmers.org email: info@KonaCoffeeFarmers.org

#### HB-1517-SD-1 Submitted on: 3/31/2022 7:42:32 AM

Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Colehour Bondera	Testifying for Kanalani Ohana Farm	Comments	Written Testimony Only

Comments:

Aloha Chair and Members:

With all due respect, I hereby request that the efforts of HB1517, which add up to many years of efforts coming from many farmers, be seriously considered and carried forth in this hearing.

As the recent President of Kona Coffee Farmers Association, my efforts have required representation of many directly affected farmers, and the labelling intent of this legislation is basic, foundational and instrumental for small-scale farmers to survive.

That is instead of the large-scale coffee processors who benefit from postponement and seeking a delay study in order to not allow consumer honesty and packaging and not allow Hawaii to stand by its' geographically-based production (place-based coffee which must be a majority of that product to carry the place name for the sake of public perception and basic integrity).

The continuation of the pesticide subsidy component of the legislation is fine, but this should be amended to state that non-pesticide inputs (Hawaii-based products such as fish-based fertilizers, and IMO products for capacity to fight infestation) are also included in the program (even if it means that the money has to be divided into distinct pots). This is serious for those most affected -- be they small-scale like most coffee farms, and/or that they seek to protect Hawaii by not using imported chemical inputs as strongly advocated by research efforts, with little or no long-term pest impact.

Please remove the "study" aspect, added by the last hearing, and please improve the subsidy language to help Hawaii farms. With those modifications, please support this important piece of legislation.

Sincerely,

Colehour Bondera

KANALANI OHANA FARM

Honaunau, HI



Lions Gate, Inc PO Box 761 Honaunau, HI 96726 Phone: 808-989-4883 Fax: 866-475-8602 sales@coffeeofkona.com www.coffeeofkona.com

# **RE: SUPPORT for HB1517 AS ORIGINALLY DRAFTED** RELATING TO COFFEE

Aloha Chairs and Committee Members,

**Please return the language to the HD2 version and maintain the intent of the original bill.** The ten-percent minimum blend law has long been a drag on Hawaii's flagship crop. Consumers who buy a Kona Blend often think they are getting a blend of different Kona coffees when in reality, they are drinking 90% foreign beans. It dilutes and reduces the reputation of our coffee in the global specialty marketplace. If there is a place in the market for blends, it is at or above the 51% level, where Kona, Ka'u, Maui, Molokai or Kauai can rightly take the top percentage on the bag.

Over the last two decades the market for Hawaii coffee has changed drastically and many growers now sell out their entire crop online. The worldwide demand for Kona far exceeds supply and the value of our crop is at record highs. Selling 100% Hawaiian coffee direct-to market has made small farms financially viable.

To maintain these record prices, it's vital that the State protect our distinctive brand from those who wish to use the name simply for profit. <u>We must protect our origin products.</u>

Blenders will disingenuously argue that selling 10% blends allow more consumers to "taste" Kona. But our market is not the tourist market, nor is it blends sold by the cup at fast food restaurants. Such pricing comes at the expense of a sustainable living for our Hawaii growers.

My family has three generations who farm coffee and we support ourselves on 100% Kona. Your support makes a difference for over 1,400 Hawaii coffee farmers.

Mahalo nui loa! acypel le

Jacqueline Wikum Vice President

#### HB-1517-SD-1 Submitted on: 3/31/2022 8:29:03 AM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
James Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chairs Baker and Dela Cruz, Vice Chairs Chang and Keith-Agaran and members of the committees,

As President of the Hawaii Coffee Growers Association, writing on behalf of its' members, an organization that represents 70% of the Hawaii coffee growing acreage, I wish to ask you to support HB 1517 HD2 SD1.

The Hawaii Coffee industry once un-unified on this issue has found that rampant mis-use of "Hawaiian Coffee" labeling, projects the idea that what is being offered is true Hawaii Origin coffee, where in fact, the contents in a blended retail product contain mostly sub-grade foreign coffee. The time has come for the Hawaii grower segment of the industry to collectively agree on this issue, which they have. If left unchecked, the market perception of Hawaiian coffee as some of the best in the world will be lost.

Opponents of this bill will claim that the cost will be unacceptable. Of course it will. Consumers looking for the highest quality coffee will pay for it. Nobody want to be misled. True Hawaiian origin coffees have garnered scores of global accolades to back that reputation. If that we not true, why would the opponents continue to glorify their product as Hawaiin coffee on the front of their bag?

I humbly ask on behalf of the farmers of coffee, grown here in Hawaii, to support this bill.

Mahalo for the opportunity to testify.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158 Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair

COMMITTEE ON WAYS AND MEANS Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Friday, April 1, 2022 TIME: 10:00AM PLACE: Conference Room 211 & Videoconference

#### HB 1517 HD 2 SD 1 COFFEE STRONG SUPPORT FOR HD2 VERSION

Aloha Chairs Baker & Dela Cruz, Vice Chairs Chang & Keith-Agaran, and Committee Members

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 52 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

As a graduate student studying economics, I became fascinated with agricultural futures. I first examined the international coffee industry and coffee commodity trading on international exchanges. Hawaii law allows coffee to be identified as Kona coffee even if 90% of the coffee is cheap imports. The proposed "truth-in-advertising" bill is long overdue.

# HB1517 HD2 SD1 proposes to waste taxpayer dollars studying a problem in which a solution has been known for 30 years. The solution is obvious: TRUTH IN ADVERTISING, otherwise known as STOP LYING.

HB1517 HD2 calls for TRUTH IN ADVERTISING.

# The SD1 version, proposed by those with a vested interest in misinformation, proposes a pointless study.

**1996**: Michael Norton, whose Hawaiian coffee business and organic garden in Berkeley has made him a multimillionaire, used an elaborate get-rich-quick scheme to dupe coffee buyers across the country, according to an affidavit released yesterday by the U.S. attorney. The alleged scam, in which <u>cheap Central American coffee beans were passed off as expensive Kona beans</u>, means that the taste of Hawaii sold by coffeehouses such as Starbucks and Peet's may have actually come from Panama.<sup>1</sup>

**1999**: Safeway, QFC owners settle with Hawaii farmers in fake Kona coffee lawsuit. In the latest settlement struck in a legal action that saw coffee growers on Hawaii accuse major retailers of selling counterfeit Kona coffee, Safeway, Albertsons and the owner of two other large Northwest grocery chains have agreed to change the way they label their products... <u>The original lawsuit claimed that 2.7 million pounds of authentic Kona coffee beans are grown each year — but more than 20 million pounds of coffee labeled Kona are sold.</u> To test the theory, the plaintiffs hired scientists to determine chemical ratios in different types of coffee. The results found much of the coffee sold nationally as Kona failed the test for what growers say are the "telltale chemical signatures of the real stuff."<sup>2</sup>

**<u>2013</u>**: Safeway Inc. and a California coffee drinker have agreed to settle a lawsuit claiming Safeway committed fraud by selling coffee labeled as a Kona blend even though it didn't include much Kona coffee.<sup>3</sup>

**<u>2021</u>**: Costco, Marshalls and Gold Coffee Roasters have reached agreements with Hawaii's Big Island coffee farmers to settle the class action lawsuit filed by Lieff Cabraser and co-counsel

<sup>&</sup>lt;sup>1</sup> https://www.sfgate.com/news/article/Scalding-Affidavit-on-Coffee-Fraud-Kona-gate-2959219.php

<sup>&</sup>lt;sup>2</sup> http://archives.starbulletin.com/1999/09/29/news/story1.html

<sup>&</sup>lt;sup>3</sup> https://www.hawaiinewsnow.com/story/22124283/coffee-drinker-safeway-settle-kona-coffee-lawsuit/

accusing them of falsely labeling ordinary coffee beans as premium "Kona" coffee. The settlement includes a \$6 million payment from Gold Coffee Roasters to Kona coffee growers.<sup>4</sup>

Mahalo,

Henry Curtis, Executive Director

<sup>&</sup>lt;sup>4</sup> https://www.lieffcabraser.com/2021/03/costco-and-other-retailers-settle-kona-coffee-class-action-advertising-fraud-lawsuit/



335 Hahani Street #342132 \* Kailua, HI 96734 \* Phone/Fax (808) 262-0682 E-Mail: htt3000@gmail.com

April 1, 2022

#### <u>COMMITTEE ON COMMERCE AND CONSUMER PROTECTION</u> Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair

### <u>COMMITTEE ON WAYS AND MEANS</u> Senator Donavan Dela Cruz, Chair Senator Gilbert S. C. Keith-Agaran, Vice Chair

### HB 1517 HD2 SD1 RELATING TO COFFEE

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization, supports HB 1517 HD2 SD1 *with amendments*.

Testimony at the Committees on Agriculture and Environment, Energy, Economic Development, and Tourism hearing was overwhelmingly in support of passing HB 1517 HD2 with its initial intent and purpose. Unfortunately, the committees changed the purpose and intent to conducting a study on economic impacts of the proposed coffee labeling requirements.

Such a study is not necessary because the benefits of placed-based labeling are obvious – farmers will reap the benefit from selling an authentic locally grown coffee and buyers will benefit from knowing that their purchase is from the area, genuine and that they are helping Hawai`i farmers.

Allowing coffee to not contain 100% of the coffee from the region where it is grown deprives farmers of receiving full value of their regionally grown coffee.

Vermont requires that the content of a bottle of syrup with the label Vermont Maple Syrup must contain 100% syrup from Vermont. Requiring that Hawaii's coffee from various places around the state to contain 100% of the coffee grown from the region is no different.

We urge you to amend HB 1517 HD2 SD1 back to it's previous version, which gives sour farmers a fair shake and ensures the public that when purchasing coffee labeled *Kona* the coffee beans are actually from Kona. It is called truth in advertising.



#### PO Box 168, Kealakekua, HI 96750

Senate Committees on: Commerce and Consumer Protection AND Ways and Means April 1, 2022

#### **RE: Testimony in support of HB1517 HD2 SD1**

Aloha Chairs Baker and Dela Cruz, Vice Chairs Chang and Keith-Agaran and members of the committees,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA).

The Hawaii Coffee Association's is a non-profit organization with broad-based membership that includes producers and businesses, large and small, positioned throughout the supply chain, including growers, processers, wholesalers and retailers. Our member ranks include the largest farm in the state and independent smallholders. Additionally, our elected leadership includes other coffee organizations like the Maui Coffee Association (MCA), the Hawaii Coffee Growers Association (HCGA) and the Kona Coffee Farmers Association (KCFA).

#### The Hawaii Coffee Association supports HB1517 HD2 SD1 with amendments.

We agree with the committee report from a joint hearing before the Agriculture and Environment **and** Energy, Economic Development and Tourism committees that states:

"Your Committees find that coffee is one of Hawaii's most valuable agricultural crops. However, existing labeling requirements allow products containing as little as ten percent Hawaii-grown coffee to be advertised as Kona, Maui, or Kau coffee. The low threshold for products to be labeled with Hawaii's geographic names damages the reputation of Hawaii's coffee industry and reduces the revenues of the State's coffee producers. This measure establishes additional labeling requirements for coffee products to ensure that the products' advertising more appropriately reflects their origins."

Testimony on this measure in its original form was overwhelmingly supportive in AGR, CPC, FIN, AEN and EET.

It's clear to us that the people most impacted by this practice want coffee sold using Hawaii's origin names to contain at least 50% Hawaii-grown coffee. This is reasonable. This is what the people want.

Consumers are being tricked into thinking they are buying a Hawaii-grown product. Similarly, some members of the legislature seem to think these companies are selling Hawaii-grown coffee. In most cases, these are mainland-based companies selling foreign grown products with a single bean in ten in the bag as a way to use Hawaii's origin names on their label.

#### They are not supporting Hawaii's growers. They are exploiting them.

Coffee producers- the very individuals most knowledgeable and passionate about their businesses and livelihoods - have been pressing for this change for nearly three decades. The opposition stems from those who profit mightily from the practice of selling a product comprised of one bean in ten to be of Hawaiian origin.

We have included our pervious arguments below in favor of this measure for reference, but **we respectfully** ask they the bill be <u>amended to the HD2 and passed.</u>

#### DOWNWARD PRICE PRESSURE:

Counterfeit and poor-quality blended coffee introduced into the marketplace undermines the hard work of Hawaii's growers and producers, who are forced to compete with fake and foreign-grown products that carry the name of Hawaii's growing regions. These fakes are often priced below the cost of production of genuine Hawaiian coffee. This creates downward price pressure during a time when costs are sharply increasing for producers. Labor is up. Fertilizer is up. Fuel is up. Pest control is up. Transportation is up.

#### **UNFAIR COMPETITION + QUALITY CONCERNS:**

Hawaii's coffee growers work tirelessly to produce some of the finest coffee grown anywhere. This is necessary so they can command a high price; to stay in business, pay their employees and feed their families. When they visit the supermarket, they are outraged that coffee is offered on the same shelves as their own at a price lower than their cost of production. This is possible because some sellers introduce foreign grown coffee into their packaging and represent it as a Hawaii-grown product.

Hawaii's coffee growers are squeezed between a high cost of production and unfair competition. We have heard opponents to this measure testify that the taste of their blends is "different". We agree with those statements. We find many of their blends to be below minimum grade standards for Hawaii-grown coffee as outlined in HAR 4-7-143. Hawaii's producers are regulated and bound by these minimum grade standards, yet the imported coffee used in these blends is unregulated by Hawaii's strict minimum grade standards. This means in can be past crop, insect damaged or have defective flavors. This is unfair to Hawaii's producers and undermines Hawaii's premium reputation and brands built on high quality.

#### INCREASED RISK OF INVASIVE SPECIES INTRODUCTION:

Further, one must question the wisdom of importing raw, foreign-grown coffee into our coffee growing regions and fragile ecosystems. These shipments are, at least, a prime vector for the introduction of invasive species.

#### **ENFORCEMENT:**

We appreciate and support that the HD2 includes additional funding for enforcement. Previous testimony has wrongly suggested that the measure is not enforceable. It's important to note the HDOA is currently charged with enforcement of coffee labeling laws irrespective of the percent of the blend. The agency is tasked with enforcement at the current 10% level, 51% and everything in-between.

**PART II** of the measure appropriates funds for the existing pesticide subsidy program. This program has been a lifeline for Hawaii's coffee growers in the battle against invasive pests and disease; most notably Coffee Berry Borer and Coffee Leaf Rust.

A report released on January 21, 2022 by USDA National Agricultural Statistics Service (NASS) suggests the value of Hawaii's green coffee crop in the 2021-22 exceeds \$113,000,000. This figure places coffee near the top of the charts in statewide crop value, yet does not account for upstream and downstream revenue in terms of value-added products and ancillary businesses. It's also important to note the coffee industry promotes tourism, and preserves open space, view planes and watersheds.

Coffee leaf rust (CLR) has been discovered on Hawaii Island, Kauai, Maui, Oahu and Lanai. CLR poses a devastating threat to Hawaii's coffee industry. CLR is known to spread rapidly and leads to defoliation and tree death. Coffee Berry Borer (CBB) remains a significant threat in all coffee producing regions.

Hawaii's coffee farmers have the highest cost of production anywhere, particularly with recent labor shortages and inflationary pressures. The cost to manage layers of threats caused by invasive species and COVID are squeezing Hawaii's farmers more than ever before. Yet we still compete in a global market with our counterparts across the globe who do not share our high costs. We respectfully ask that the Pesticide Subsidy Program be continued and be adequately funded, at least until we can transition to coffee varieties that are resistant to Coffee Leaf Rust. Your support is vitally important to Hawaii's coffee growers and the many families and businesses that depend on our industry.

Please pass HB1517 HD2 SD1 with amendments reverting to the HD2.

Please accept our thanks and respect on behalf of the hard-working coffee producers located throughout the State of Hawaii.





# Senate Committee on Ways and Means

# HAPA Submitting <u>Comments</u> on HB1517 HD2 SD1

Friday, April 1st, 2022 10:00 a.m., Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

HAPA supports the original version of HB1715 and strongly opposes the changes made by the Senate Committee on Agriculture and Environment and the Senate Committee on Energy, Economic Development and Tourism committees.

While we support funding the subsidy program we do not support the removal of the labeling provisions of the bill (secifying 51% minimum, listing of the % of Foreign-Grown Coffee and the added HDOA enforcement position) and replacing them with a "study", which we believe to be a stall tactic to benefit the blenders and not our local coffee farmers.

We respectfully request that the labeling requirements and HDOA enforcement provision, passed by the House, be restored to the bill. HAPA supports the original intent of HB1517 HD2 SD1 which required coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees.

We believe that the original intent of HB1517 HD2 SD1 to require coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees is important to support local coffee farmers. For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its geographic names ("Kona", "Kau", "Maui") on labels of one of its specialty agricultural products with only 10% genuine content.

Using the Kona name (or the Ka'u or Maui or Kauai names) on packages containing 90% inexpensive imported coffee has damaged the reputation of Hawaii-Grown coffee with consumers.

In 2007 the Legislature made a factual finding that existing coffee blend labeling laws cause "consumer fraud and degrade the Kona coffee name."

As indicated by analysis from the resource economist Marvin Feldman, 10% Kona "blends" reduce the income of the average Kona coffee farm by about \$20,000 per year.<sup>1</sup>

Last fall the Hawaii County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.<sup>2</sup>

France requires sparkling wine be 100% from grapes grown in the Champagne region in order to use the word "Champagne" on the label; Idaho requires I00% of the potatoes in the package be grown in that state to use the name "Idaho Potatoes"; Vermont requires that 100% of the contents be from Vermont to label a product as "Vermont Maple Syrup". While Hawai'i coffee farmers would very much prefer our state to provide a similar 100% labeling law— 51% would be a long overdue step in the right direction.

We supported the original draft and intent of HB1517 HD2 SD1 and encourage you to return the labeling requirements and HDOA enforcement provision, passed by the House, to the bill.

Thank you for your consideration.

Respectfully,

Anne Frederick Executive Director

<sup>&</sup>lt;sup>1</sup> Feldman, Marvin Ph.D. *Economic Effects of Blending Kona Coffee - A Preliminary Analysis* 

https://konacoffeefarmers.org/wp-content/uploads/2012/03/Economic-Efforts-of-Blending-Kona.pdf

<sup>&</sup>lt;sup>2</sup> Hawai'i County Resolution No. 501 14 (Draft 2) *A Resolution Requesting the Hawai'i State Legislature To Adopt Provisions for Truth-In-Labeling for Hawai'i Grown Coffees* - 2014





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The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. That includes coffee farmers in Kona on Hawai'i Island. **HFUU strongly supports HB1517**. Many such farmers have testified in support of this Bill. They speak as owners of family farms who are able to make a living because they grow, process and sell a high-value "Origin" coffee from "Kona" and other Hawaii Origins. It is well-recognized, as recounted in HB144, that the way in which Hawaii's current law allows a 10% coffee blend to be labeled "Kona," (or "Ka'u," "Hamakua," "Maui," or "Kauai") is "misleading". The Legislature's 2007 Concurrent Resolution called it "consumer fraud." Hawaii County's 2014 Resolution called it "inherently deceptive and misleading."

It is also economically harmful to Origin coffee farmers. In 2018 the United Nations Food and Agriculture Organization (UN FAO) concluded that these Hawaii Origin brands, like Kona: do "not enjoy any strong protection of its name" and that the result is "downstream stakeholders, rather than farmers, reap the economic benefits of the fame of Kona."

The opponents of this legislation are "downstream stakeholders," who the UN FAO says "reap the economic benefits" of 10% blended coffee. They have testified that "no one can accurately predict" the economic effect of requiring Hawaii's Origin coffee blends to contain 51% Kona, Ka'u, Hamakua, Maui or Kauai coffee. We can predict however, that Hawaii Origin coffee blends will no longer be deceptively marketed. We can also predict that 51% local coffee blends will still be less expensive than 100% local, only now the costs will be linked to the fair value of Hawaii's Origin coffees.

We commend you and your colleagues representing constituencies throughout Hawaii for supporting this long overdue measure and urge your Committee to give it unanimous support.

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

#### **Executive Officers**

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TO:

Committee on Commerce and Consumer Protection Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair

Committee on Ways and Means Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

DATE: April 1, 2022 TIME: 10am PLACE: Via Videoconference

RE: HB1517 HD2 SD1 Relating to Coffee

**Position: Oppose** 

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

We believe in encouraging and supporting local food and drink production. This law would make it harder for businesses selling Hawaii coffee to create labels that best suit their brand and make it harder to promote local coffee to consumers. The existing coffee label regulations are clear and provide ample information to customers about what type of coffee they are getting.

Different ways of blending, roasting, and even brewing coffee create different products with different flavors and characteristics. Decisions about developing and marketing these different types of coffees should be left to coffee growers, blenders, roasters, brewers, and coffee drinkers. These are not the type of things that should be mandated by government bodies. For these reasons we ask that you hold this measure. Thank you for the opportunity to testify.



#### HB-1517-SD-1 Submitted on: 3/31/2022 4:31:01 PM Testimony for CPN on 4/1/2022 10:00:00 AM



Submitted By	Organization	<b>Testifier</b> Position	Testify
Robert Culbertson	Testifying for Hawaii Forest Stewards	Comments	Written Testimony Only

Comments:

Aloha Senators!

Regarding HB 1517.. **the bill should be amended back to its previous version** instead of the current Senate version which would just lead to an unnecessary study and further delays on taking action.

Let's see some action after too many years of delay already!

Do the right thing! Support the Real Thing!

R A Culbertson

Honokaa

#### HB-1517-SD-1 Submitted on: 3/30/2022 10:24:26 AM

Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
lynne matusow	Individual	Comments	Written Testimony Only

Comments:

The Senate draft is a total cop out. HD2 required changes on labeling. That was a boon for the coffee growers. The Senate Draft before you total removed that requirement and instead is aksing for an economic impact study. I urge to to replace this with house draft 2 which reflects the intent of the original bill.

Proud to say I am addicted to 100% kona coffee. Proud to say I get my fix from a subscription which keeps me supplied. Mislabling is a travesty and hurts our local coffee growers/farmers. I urge you to move this bill forward. These growers deserve our support. This should have been law many years ago. No more stalling. Replace this draft with HD2 which reflects the intent of the original bill which is what we coffee addicts want.

Proud to say I object to defective effective dates. They are a cop out and are often the kiss of death on a bill. Please change the defective date to effective upon approval.

# <u>HB-1517-SD-1</u>

Submitted on: 3/30/2022 1:58:56 PM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Carolyn Witcover	Individual	Support	Written Testimony Only

Comments:

Please amend this Bill back to its original form. There is no need for further study as all the issues are very clear and there is very strong support for passage. This bill will prevent consumers from being misled, restore pride in the name "Kona coffee", and deliver some economic justice to hundreds of farmers.

#### HB-1517-SD-1

Submitted on: 3/30/2022 7:29:10 PM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jim Monk	Individual	Comments	Written Testimony Only

Comments:

Dear Committees Members -- thank you for taking time to consider HB1517. In that process, PLEASE RESTORE THE ORIGINAL LANGUAGE from the house version. Please do not keep the gutted version. The State of Hawaii does not need to spend years and lots of money to study this topic -- that is only a delaying tactic and will be spending taxpayer money for nothing. Please pass out this bill in its original form so Hawaii can protect its products from being misused and miscopied. Thank you. I am a small Kona coffee farmer.

# Testimony of Bruce Silverglade in Support of HB1517 HD2 SD1 April 1, 2022

# Introduction:

I am Bruce Silverglade, former legal director of the Washington, D.C. – based Center for Science in the Public Interest (CSPI), the nation's leading consumer advocacy organization on food policy. I am writing in support of passage of HB1517 in its original form.

This testimony is submitted in my personal capacity; I served as Director of Legal Affairs of CSPI from 1981 to 2010. (I now reside full-time in the State of Hawaii and consult on food and agriculture legal and regulatory issues).

During my tenure at CSPI, I helped lead the fight for the enactment of the Nutrition Labeling and Education Act, including *inter alia*, provisions ensuring that the State of Vermont could maintain special labeling provisions regarding maple honey and provisions requiring the percentage of real juice to be declared on the labels of juice beverages. Against this background, I urge the committee to approve HB 1517 in its original form

# The Bill should be amended back to its previous version instead of the current senate version

The Senate version of this bill would merely lead to an unnecessary study of this matter. The House version of this bill would require truth in labeling. There is no need for a study to determine whether truth in labeling is a good idea.

At the present time, coffee blenders are engaging in what food regulatory lawyers call "economic adulteration," i.e. engaging in the dilution of a premium product (Kona coffee) with inferior coffee varieties. Such practices have long plagued segments of the food industry since the days when unscrupulous sellers would sell watered-down milk, see <u>https://docstudio.org/2018/11/25/no-use-crying-over-spilt-</u>

milk/#:~:text=How%20watered%20down%20milk%20showcased,were%20mi shandling%20their%20milk%20supplies. As discussed in CSPI's publication, *Food Labeling Chaos* (2010), such problems still exist today. Chapter IX of this publication details the need for the type of requirements that would be mandated by HB 1517, as originally passed, see

https://www.cspinet.org/sites/default/files/attachment/food\_labeling\_chaos\_re port.pdf.

# **Enforcement Strategies:**

Coffee blenders and others opposed to the House version of the bill claim it will be difficult to enforce given the lack of technological capacity in the State to test blended coffees to determine their authenticity. Such arguments are capricious.

The U.S. Food and Drug Administration (FDA) faced an analogous challenge when it promulgated regulations requiring the amount of "added," as opposed to naturally occurring, sugars to be listed on the Nutrition Facts label. It was argued that testing methods could not distinguish between naturally occurring and added sugars in a product like apple sauce.

The U.S. FDA solved the problem by requiring food processors to keep and maintain records as to the amounts of added sugars they were using, see FDA Guidance Statement, Section III (4) - Compliance Issues: <u>https://www.fda.gov/media/117402/download#:~:text=We%20require%20that</u> <u>%2C%20when%20a,as%20part%20of%20a%20package</u>. (Attached in pertinent part as Appendix A).

The same type of record keeping requirement could be instituted for food manufacturers engaged in coffee blending. The State could require records to be kept and made available for inspection. This approach would help ensure that the bill is enforceable.

# **Conclusion:**

As a permanent full-time resident of the State of Hawaii since 2019, I can now understand first-hand the consequences of economic adulteration not only on consumers, but also on Hawaii's farmers. Passage of HB1517 in its original form is necessary to both protect the public and ensure a level competitive playing field within the coffee industry.

I urge the committee to ensure that this bill is amended back to its previous version and passed. Thank you for consideration of my views.

Bruce Silverglade 3920 Wyllie Road, Unit 12 Princeville, HI 96722

# Appendix A: U.S. FDA Guidance for Industry

# **Nutrition and Supplement Facts Labels:**

Questions and Answers Related to the Compliance Date, Added Sugars, and Declaration of Quantitative Amounts of Vitamins and Minerals:

**Guidance for Industry** 

**Office of Nutrition and Food Labeling** 

# **Center for Food Safety and Applied Nutrition**

Food and Drug Administration 5001 Campus Drive College Park, MD 20740 (1) 240-402-1450

https://www.fda.gov/FoodGuidances

\* \* \*

"4. Who is responsible for the accuracy of the Nutrition Facts label on a food product's label? Who is responsible for maintaining the records needed to verify the accuracy of certain nutrient declarations, including where a firm may perform operations that include those of an ingredient supplier, a manufacturer of a finished food sold under their own brand name, and/or a labeler that labels the product under the firm's or another firm's brand name? The Federal Food, Drug, and Cosmetic Act prohibits a person from introducing or delivering for introduction, or causing the delivery or introduction, into interstate commerce a misbranded food (21 U.S.C. 331(a)).

For example, a supplier has responsibility to ensure that the information about the amount of a nutrient in an ingredient it sells to a manufacturer is accurate, where there is no suitable analytical method available that the manufacturer can use to measure the nutrient's quantity. The manufacturer has responsibility for the accuracy of the nutrient declarations on the label of its food and a manufacturer generally would receive information from its supplier about the amount of the nutrient in the ingredient to ensure the accuracy of the nutrient declaration on the finished food. A distributor that purchases a finished food and then labels the product under its own brand name has responsibility for the accuracy of its food label. Such a distributor also generally would receive information from its supplier (the manufacturer) about the amount of the nutrient in the finished food.

Food manufacturers must make and keep records to support certain nutrient declarations on their product labels (21 CFR 101.9(g) (10)). The recordkeeping requirements specified in 21 CFR 101.9(g), are only for foods for which Association of Official Analytical Chemists (AOAC) International or other reliable and appropriate analytical methods are not available (81 FR 33742 at 33775). The manufacturer of a finished food must make and keep records to support nutrient declarations, as required by 21 CFR 101.9(g) (10) and to make the records Contains Nonbinding Recommendations 7 available during an inspection. The manufacturer would be expected to have information from its ingredient supplier if an ingredient contains a nutrient added by the supplier for which there is no suitable analytical method available that the manufacturer can use to measure the nutrient's quantity. In such a case, the amount of the nutrient added may be known only to the supplier.

In situations where we inspect a distributor that distributes a product labeled under its own brand name, and that product includes a nutrient for which there is no suitable analytical method available to measure the nutrient's quantity, we intend to ask the distributor to provide information from the manufacturer that supports the nutrient declaration on the distributor's label for product the distributor introduced, or delivered for introduction, into interstate commerce. Without such information, it is not clear how a distributor could ensure its labeled nutrient declarations do not misbrand its product."

HB-1517-SD-1 Submitted on: 3/31/2022 9:31:26 AM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Dennis F Lokmer	Individual	Support	Written Testimony Only

Comments:

I urge strong support for this bill.



#### HB-1517-SD-1 Submitted on: 3/31/2022 10:48:19 AM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Barbara Barry	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support HB1517 in it's original form.

No need for a study and waste time and money to see if it's a good idea.

Please pass the original version of this important Bill,

Mahalo,



# <u>HB-1517-SD-1</u>

Submitted on: 3/31/2022 11:17:30 AM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Deniz Tek	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please support HB1517 in its original form, as passed by the House. An unnecessary "study" is simply a delaying tactic, and is designed to kill this important bill. Us small coffee farmers in Kona need your help to protect the integrity of our heritage brand, and consumers deserve protection from false and misleading labeling.

Thank you.

Deniz Tek

Tekona Coffee



#### HB-1517-SD-1 Submitted on: 3/31/2022 1:22:58 PM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Maureen Datta	Individual	Support	Written Testimony Only

Comments:

I strongly support HB1517 with amendments. I urge the committee to approve HB 1517 in its original form.

The Bill should be amended back to its previous version instead of the current senate version.

The Senate version of this bill would merely lead to an unnecessary study of this matter. The House version of this bill would require truth in labeling. There is no need for a study to determine whether truth in labeling is a good idea.

At the present time, coffee blenders are engaging in what food regulatory lawyers call "economic adulteration," i.e. engaging in the dilution of a premium product (Kona coffee) with inferior coffee varieties. Such practices have long plagued segments of the food industry since the days when unscrupulous sellers would sell watered-down milk, see HERE.

The consequences of economic adulteration weighs heavy not only on consumers, but also on Hawaii's farmers. Passage of HB1517 in its original form is necessary to both protect the public and ensure a level competitive playing field within the coffee industry.

I urge the committee to ensure that this bill is amended back to its previous version and passed. Thank you for the opportunity to testify.



# <u>HB-1517-SD-1</u>

Submitted on: 3/31/2022 6:34:27 PM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Robert Boudreaux	Individual	Support	Written Testimony Only

Comments:

The Senate version of this bill would merely lead to an unnecessary study of this matter. The House version of this bill would require truth in labeling. There is no need for a study to determine whether truth in labeling is a good idea.



### HB-1517-SD-1 Submitted on: 4/1/2022 6:31:32 AM Testimony for CPN on 4/1/2022 10:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Cecelia Smith	Individual	Support	Written Testimony Only

Comments:

Pease ammend this Bill (HB 1517) back to its previous version. We do not need a delaying study. We've had many over the years. What we need is action to pass this bill. Mahalo plenty!