

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON COMMERCE AND
CONSUMER PROTECTION

FEBRUARY 5, 2021
9:30 A.M.
VIA VIDEO CONFERENCE

SENATE BILL NO. 130
RELATING TO COFFEE LABELING

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 130, relating to coffee labeling. The bill requires coffee blend labels to disclose regional origins and percent by weight of the blended coffees, and prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than 51 percent coffee by weight from that geographic origin. The Department supports the intent of this bill and offers comments.

The Department supports the Hawaii coffee industry and the use of unique geographic coffee growing regions to market, advertise and sell Hawaii-grown coffee. While the Department can enforce grading and labeling of green Hawaii-grown coffee, the Department lacks the capability to regulate the authenticity of roasted Hawaii-grown coffee labeling at this time. The Department is aware that inspection/detection technology (such as Fourier Transform Infrared Spectroscopy, radioisotope technology) that can determine such authenticity exists, however, implementing that capability effectively will require significant additional funding for equipment acquisition and training.



Thank you for the opportunity to testify on this measure.



Greg Maples, Chairman – Polynesian Cultural Center **Tambara Garrick, Incoming Chair** – Pineapple Place
Tyler Roukema, Secretary – Outrigger Canoe Club
Kahili Soon, Treasurer – Hukilau Marketplace **Tom Jones, Past Chair** – Gyotaku

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Date: February 2, 2021

To: Sen. Rosalyn H. Baker, Chair
Sen. Stanley Chang, Vice Chair
Committee on Commerce and Consumer Protection

From: Victor Lim, Legislative Lead

Subj: SB 130 Relating to Coffee Labeling

The Hawaii Restaurant Association representing the 3,500 restaurants here stand opposed to SB130 that will change the current 10 % local bean requirement to 51 % for a Kona Blend.

Many of our local restaurants here have been using the Kona Blend with a 10% local bean content for 10 years, 20 years, and some like McDonald's here has over 50 years supporting our local economy. A move to 51% local bean content will significantly increase the costs to our restaurants here causing many to not being able to support Hawaii's processing and production hurting their jobs here.

The unforeseen consequence of this bill will greatly increase the cost to most of our restaurants and force many of them to move away from using our locally produced and processed products resulting in a hit to our local processors.

We urge that this committee hold this bill and thank you for giving us the opportunity to share our industry's concerns.





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Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Beau Oshiro, C&S Wholesale Grocers, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*

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

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 5, 2021
TIME: 9:30am
PLACE: Via Videoconference

RE: SB130 Relating to Coffee Labeling

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.

HAWAII COFFEE COMPANY™

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TO: Senator Rosalyn Baker, Chair
Senator Stanley Chang, Vice Chair
Members of the Committee on Commerce and Consumer Protection

FROM: Gerard Bastiaanse
President- Hawaii Coffee Company

RE: **SB 130 Relating to Coffee Labeling – In Opposition**
February 5, 2021; 9:30 a.m.; Via Videoconference

The Hawaii Coffee Company is in opposition to SB 130, which requires coffee blend labels to disclose regional origins and percent by weight of the blended coffees, and prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than 51 percent coffee by weight from that geographic origin.

Hawaii Coffee Company complies with the FDA's strict food labeling laws, which require ingredients to be listed in order of usage, by volume. This bill would prohibit Hawaii Coffee Company from efficiently managing our coffee stock and blend formulas.

Hawaii Coffee Company offers a range of coffee, from 10% Kona blend to 100% Kona coffee. Although the majority are Kona blends, we do sell blends with 10% or more from other Hawaii locations outside Kona. The labels reflect whether it is a blend or 100% so customers are informed and have a choice. The more affordable 10% Kona blend coffee is served at restaurants as well as purchased in traditional grocery or similar retailers. Eliminating 10% blends will force consumers and our restaurant partners to select another affordable alternative roasted on the mainland, by a mainland-based company, which includes no Hawaiian coffee or be prepared to pay a five times higher price.

By eliminating all 10% coffee blends, the overall demand for Kona coffee purchased from farmers by Hawaii Coffee Company, and other roasters, will significantly decline and will have a corresponding negative impact on the coffee cherry price. This reduction in the price Kona farmers receive for their coffee may challenge the commercial viability of many multi-generational farms.

Also, we question the arbitrary percentage of 51%. An economic impact study should be done before passing legislation.

SB 130 will reduce the volume of coffee purchased, roasted and packaged by Hawaii Coffee Company at our facility in Kalihi. As a result, the number of employees we currently employ would not be sustainable and a reduction in workforce would occur. This would also have an adverse impact on the local suppliers we work with and the revenues to the State. Local businesses have been struggling through the pandemic and if this bill were to pass, it will increase financial hardships.

For these reasons, we ask that you hold this measure. Thank you.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
February 5, 2021

RE: SB130 Relating to Coffee Labeling

Aloha Chair Baker, Vice Chair Chang and members of the committee,

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

The Hawaii Coffee Association supports the intent of this measure but we oppose it in its current form.

The HCA supports a move to a 51% blend ratio in favor of Hawaii-grown coffee.

We request that the measure, if approved, be phased in over time (3-5 years).

Our industry, like so many others, has been impacted by the COVID pandemic. In recent years we've had to adapt to Coffee Berry Borer, Grade Standard amendments, and are currently dealing with a crisis known as Coffee Leaf Rust. The impact of a sudden increase in the blend ratio is unknowable.

Moreover, we ask that only Hawaii - grown coffee origins be shown on the label. We do not support this language, as amended in the bill:

Each geographic origin or regional origin [~~may~~] shall be preceded by the per cent of coffee by weight represented by that geographic origin or regional origin, expressed as a number followed by the per cent sign.

Rather, producers should be given the option of listing the origin(s) of the minority portion of coffee used to make the blend. The HCA supports the use of "Foreign Grown Coffee" to describe coffees grown outside of Hawaii.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry, including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

Thank you for the opportunity to testify and for your support for Hawaii's coffee.

SB-130

Submitted on: 2/3/2021 1:26:53 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Krystle Martin	Testifying for Hawaii Coffee Company	Oppose	No

Comments:

Our local businesses are already struggling to stay afloat during this pandemic, they cannot afford this kind of increase on their cost of goods (coffee). If this bill were to pass, then I foresee several businesses using coffee without Kona in it, which would adversely affect the farmers. With tourism down and local businesses barely keeping their doors open, now is not the time to change the labeling laws.

SB-130

Submitted on: 2/3/2021 7:52:20 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tyler Zimmer, President, Honolulu Coffee	Testifying for Honolulu Coffee	Oppose	No

Comments:

Honolulu Coffee opposes SB130 as written. As a grower in Kona, a roaster, and a retailer, I believe we have unique insight to the bill as written. Kona is one of the world's most famous coffees and should be celebrated widely. By taking the blend/labeling from 10% to 51% Kona, the cost of Kona blend increases by 400%. This will drastically impact the amount of Kona purchased at every level in the supply chain. Kona coffee is already one of the world's most expensive coffees and this will only make the product more inaccessible in a global pandemic and financial crisis. As a local company, our workforce has been drastically reduced, by 50% since the beginning of the pandemic. Broad changes such as this will potentially cause unnecessary harm down the supply chain.

As stated above, I do support changes in the current law. I would start with moving the percentage of Hawaiian Coffee to 20%. This doubles the amount of Hawaiian coffee used and continues to support local farms (we currently use 25% Kona in our Kona blend). I also support transparency in label laws, listing other origins on the packaging.

In conclusion, we strongly oppose the current bill as written.

Tyler Zimmer

Honolulu Coffee



LATE

MAUI COFFEE ASSOCIATION

POSITION STATEMENT CONCERNING THE 50% BLEND LAW

The Maui Coffee Association supports efforts to elevate the brand of all the different origins of Hawaiian Coffee.

MCA deems the current labeling rules to be insufficient.

MCA supports a move to increase the minimum percentage of specifically labeled Hawaiian origin district coffee blends to 50%. If you use any Hawaiian Coffee Origin name, i.e. Kona, Kau, Maui, etc.-in your identity statement on your label, you must clearly identify the percentage of that origin on the label to be 50% or more. We support the mandatory listing of the percentage of Hawaiian origin coffee used in the blend; with the **OPTION** of listing other lesser used origins on the label.

MCA supports the addition of roasted coffee to the labeling law. With the use of new technology to support the tracking of origin, we will now be able to enforce the law against coffee counterfeiters. We feel the fraudulent representation of these origin names needs to be prosecuted by the Hawaii State Attorney General's office, as a felony, to the full extent of the law.

The Maui Coffee Association supports giving the market a 3 year window to comply, after the law is passed, so coffee purveyors can adjust their packaging and marketing before moving to the required 50% minimum on all origin labeled blends. We do not support a graduated increase over a 3 – 5 year period.

SB-130

Submitted on: 2/4/2021 5:03:00 AM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Roger Kaiwi	Testifying for Kona Coffee Council	Oppose	No

Comments:

I urge you to please Oppose SB130. This bill is byassed and unfair! With Covid19 this could help to distroy our industry.

Roger Kaiwi



HAWAII TEAMSTERS & ALLIED WORKERS LOCAL 996

Affiliated with the International Brotherhood of Teamsters

Local996@hawaiiiteamsters.com

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Testimony to the House Committee on Agriculture

February 5, 2021; 9:30 a.m.; Conference room 229

Chair Rosalyn Baker, Vice-Chair, Stanley Chang and members of the Senate Committee on Commerce and Consumer Protection.

RE: **SB130** – Relating to Coffee Labeling

The Hawaii Teamsters and Allied Workers, Local 996 stands **OPPOSED** to SB130 with these comments.

For generations, Teamster members at the Hawaii Coffee Co. have provided quality coffee products at an affordable price to residents, tourists, hotels, restaurants, and convenient stores etc. the Hawaii Coffee Co. also provides work for our Teamster trucking companies who transport and deliver products to and from businesses. Local 996 is in opposition to all new labeling restrictions especially the ones aimed at elimination 10% coffee blends proposed in SB130

These restrictions coupled with the effects of the pandemic have caused our 150 members at Hawaii Coffee to face the possibility of furloughs or layoffs and further labeling restrictions will only make that a reality. Now is the time for the legislature to create policies that preserve and protect local jobs and not send workers into the unemployment system. We believe that these requirements only add more burden on LOCAL businesses and keep LOCAL products from succeeding. If this bill were to become law, the cost increase would directly be passed down to the consumer and reduce their options to buy local products. we also seek to avoid businesses purchasing and importing cheap mainland coffee as an alternative to locally roasted mixed blends and increased costs for our members and other consumers as local households already face the high cost of living and our economy struggles to rebound.

Thank you for the opportunity to testify on SB130

Sincerely,

Cody Sula
Government Affairs Liaison
Hawaii Teamsters and Allied Workers, Local 996

WAYNE K.S. KAULULAAU
President/Principal Officer

RYAN YOSHIDA
Secretary – Treasurer

FREDERICK LIVA
Vice President

ANTHONY "BULLY" BADAYOS
Recording Secretary

WENDY NAILE
Trustee

JAMES "KIMO" LAROYA JR.
Trustee

WALTER FOX III
Trustee

SB-130

Submitted on: 2/4/2021 8:09:39 AM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Les Drent	Testifying for LBD Coffee	Comments	No

Comments:

Remotely testifying via Zoom during the hearing.



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LATE

RE: SUPPORT for SB130
RELATING TO COFFEE LABELING

Aloha Chair and Committee Members,

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.

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 destroyed the local sale of blends due to a lack of tourists, yet cherry prices to the farmers are at their highest point ever. This year has been a "market study".

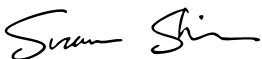
Over the last two decades the market for Hawaii coffee has changed drastically and many growers now sell out their entire crop online. The worldwide demand for Kona far exceeds supply and the value of our crop is at record highs. Selling 100% Hawaiian coffee direct-to market has made small farms financially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

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 1,000 Hawaii coffee farmers.

Mahalo nui loa!


Suzanne Shiner
President: Lions Gate Farms

LATE

SB-130

Submitted on: 2/4/2021 1:47:28 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqueline Wikum	Testifying for Pohaku Farm	Support	No

Comments:

Please support truth in labeling for coffee. It protects the smaller coffee growers. There are 1,000 of us! Protecting the Maui, Kona, Ka'u and all other farmers will increase economic growth in rural communities.

SB-130

Submitted on: 2/3/2021 9:00:18 AM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Darryl Hara	Individual	Oppose	No

Comments:

This bill will negatively impact local foodservice establishments ability to procure local product due to unaffordability driven by these changes.

LATE

SB-130

Submitted on: 2/4/2021 2:56:43 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sammi Piasecki	Testifying for Kona Sunset Coffee LLC	Support	No

Comments:

I am a small coffee farmer. I work very hard to produce a quality product deserving of the 100% Kona coffee label. Continuing to allow companies to put the Kona name on products that are mostly (sometimes completely) devoid of our product deminishes all my hard work.

I believe Hawaii should value the specialty market not undermine it. Please pass this measure and consider passing a stronger version in the future.

LATE

SB-130

Submitted on: 2/4/2021 2:59:04 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jason stith	Individual	Support	No

Comments:

In my 16 years as a Kona coffee farmer, I have seen continued neglect for the agricultural community from the state level. The farming community has been assailed from all sides, most significantly the lack of bio-protection at our borders resulting in the steady march of invasive species to these islands AND from the abusive marketing of our premier agricultural products. The Kona name is known around the world. Its integrity should be respected and protected. It makes no sense to sully the Kona name with inferior product, just to line the pockets of a few companies. We are just asking that over half the coffee in the bag be grown in Kona districts. Even that seems absurd, but it is a concession we are willing to make. The 10%ers can make a similar concession and meet us in the middle (or in their case just shy of the middle). Please vote yes to support the Kona name and require at least 51% kona beans in the bag that bears its name.

Mahalo!

LATE

SB-130

Submitted on: 2/4/2021 3:02:10 PM
Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Scarr	Individual	Support	No

Comments:

As a Kona coffee farmer, I strongly support changing the blend percent to 51% or more and identifying the origins of non-Hawaaian coffees in the blend. Consumers have the right to be informed about the contents of beverages they consume. This is simply truth-in-labeling and reducing the misuse of Hawaiian place names on fraudulent products.

LATE

SB-130

Submitted on: 2/4/2021 3:22:55 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cecelia Smith	Individual	Support	No

Comments:

We are solidly behind raising the minimum of REAL Kona in a Kona Blend to 51%. Please give our district and its farmers the value we deserve. The importance of clearly indicating on blend labels that there is non-Hawaiian grown coffee in the package can not be overstated.

Mahalo and with aloha,
Cecelia Smith

LATE

SB-130

Submitted on: 2/4/2021 3:28:56 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carolyn Witcover	Individual	Support	No

Comments:

I support SB130. It is critical to keep the name "Kona" special by delivering superior coffee. Diluting the beans and not saying so on the label misleads consumers and affects cupping quality. Inferior products lead to low prices and no farmer in Kona can survive with even lowered prices. We take pride in Kona coffee. If 90% of the coffee is of another origin, it should really be named after that country . It is simply not logical that a product can be named after something that only comprises 10% of an ingredient. Would France allow that with its grapes?

LATE

SB-130

Submitted on: 2/4/2021 4:07:24 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Howard Hill	Individual	Support	No

Comments:

I'm writing in support of SB130. This bill would change the requirement for a coffee labeled as Kona Blend coffee. At present a "Kona Blend" may contain as little as 10% Kona coffee by weight. As a small Kona coffee farmer, I find this to be unacceptable.

Thousands of visitors to our islands are looking for gifts and products to take home from their Hawaii visit. Many of them purchase Kona Blend Coffee with the thought that they are buying a coffee produced in Hawaii. The term Kona Blend is often misread as a blend of Kona coffees from different Kona farms.

This is a misrepresentation that is unfair to both the Kona farmer and to the unsuspecting buyer of this product. The buyer thinks they are getting Kona coffee, while the truth is that they are getting a product far inferior to Kona coffee at a price far higher than normal coffee prices.

Unscrupulous practices such as this are not allowed with French wine, and Italian cheese, as just 2 examples.

It is time to treat the consumer and the Kona coffee producer better than they are currently treated by the name 'Kona Blend'. This can be done now by passage this bill, SB130, which would change the blend to be at least 51% Kona coffee.

Please attend to this in the year 2021!

LATE

SB-130

Submitted on: 2/4/2021 4:09:03 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Maryanoff	Testifying for KCFA	Support	No

Comments:

"Testimony in strong support of SB130"

Dear HAWAII Committee Member

SB130

On behalf of ourselves and the more than 300 members of the **Kona Coffee Farmers Association**, we are submitting this written testimony. We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.**

The new law does not require much information about the remaining 49% which could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is a good start, requiring 51% Kona coffee, does not require 49% to be identified as *Arabica* or much less expensive *Robusta*.

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.

Our reasons for **strong support of SB130**:

- 1. Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for.
- 2. Use of the name without requiring the content exploits the region and deprives farmers of income.** Further, not even identifying the 49% as *Arabica* or not is also

misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles [THANKYOU VERY MUCH] so please move forward with support of SB130.

3. Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with *Robusta* coffee also damages the brand.

The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee that may not even be *Arabica* as "Kona" or "Ka'u" to unsuspecting customers.

Hawai'i needs to step up and protect the brand integrity of its premier *Arabica* coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of **SB130**

Sincerely,

Bruce and Cynthia Maryanoff

cmaryanoff@comcast.net

Co-CEOs, Absolute Palate LLC

4 February 2021



February 4, 2021

Aloha Chair and Committee Members:

On behalf of the Kona Coffee Farmers Association (KCFA), please accept this testimony in support of SB130.

Our non-profit is a membership organization of 208 current active members. The purpose of KCFA is to support and protect the economic interests of Kona coffee farmers, and the nearly 200 years of heritage of Kona coffee.

Working closely with our Senators, we continue to strive to ensure truth-in-labeling for products that carry geographical names of Hawaii.

Consumers who think that they are consuming Hawaiian products which are in fact only 10%, tend to mistrust Hawaii. Let us be honest about what consumers purchase with the associated names (such as Kona coffee, as but one example).

Please work with KCFA and others in the coffee industry (as we have diligently attempted to do ourselves) to ensure that the names are clearly understood and have a majority (over 50%) of named product in them to carry a Hawaiian place name.

We are happy to discuss amendments details, if suggested, but remember that this legislation has been sought repeatedly for decades, and so it is high time for coming together and supporting this important step forward about integrity and in support of Hawaii farmers.

Many thanks for the opportunity to testify and share the position of our farmer-based coffee organization.

Yours,

Colehour Bondera
President, Board of Directors





TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 5, 2021



Re: SB 130 Relating to Coffee Labeling

Good morning Chair Baker and members of the Senate Committee on Commerce and Consumer Protection. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains and everyone in between.

We **OPPOSE SB 130** Relating to Coffee Labeling. This measure requires coffee blend labels to disclose 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 51 percent coffee by weight from that geographic origin.

While we understand the intent of this measure, we also realize that it may do more harm to the local coffee industry. Currently many of our visitors brings back home bags of local coffee to reminisce about their stay in the islands. Local restaurants use Kona Coffee. Residents enjoy local coffee in their homes. The majority are well aware that the coffee they are purchasing is a blend of at least 10% locally grown coffee beans and therefore a reasonable purchase price.

Locally grown coffee like that from Kona is already one of the most expensive coffee beans in the world. To mandate that 51% of the coffee used must come from local beans to be called Kona or Kauai coffee as an example would drive the price per bag up significantly. Businesses, visitors, and locals may stop purchasing bags if it must contain 51% locally grown coffee as it becomes very expensive. With the current drop in visitors and customers in restaurants and many retail outlets due to the pandemic, businesses are very cognizant of ordering supplies conservatively as well as the price point. We don't want to see our local coffee become so expensive that many locals are not able to purchase a bag to brew at home or the visitor not being able to get a taste of what the islands have to offer with a sip of coffee with locally grown beans.

Retailers like many businesses are struggling to survive and to keep their employees employed. We can't afford operational cost increases.

Mahalo again for this opportunity to testify.

LATE

SB-130

Submitted on: 2/4/2021 5:31:38 PM

Testimony for CPN on 2/5/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bruce Corker	Testifying for Rancho Aloha	Support	No

Comments:

Chair Baker, Vice Chair Chang, and Members of the Committee:

I am a coffee farmer in the North Kona District of Hawaii County and a member of the Board of Directors of the Kona Coffee Farmers Association. I strongly support this bill to adopt a minimum of 51% genuine Hawaii-grown coffee in packages of Hawaii coffee blends. Hawaii needs to protect its geographic names and the economic interests of Hawaii coffee farmers in the same way Idaho protects its potato farmers, Vermont protects its maple syrup producers, and California protects its wine grape growers.

I offer the following suggested changes which I believe will strengthen the bill:

1--In the first sentence of subparagraph (b) in section Section 2 of the bill, I suggest the word "may" be changed to "shall". It should not be optional, it should be required, that the labels of blends expressly indicate to consumers the percentage of non-Hawaii grown coffee contained package.

2--In that same subparagraph (b), I suggest providing the option of listing the percentage of non-Hawaiian coffees included in the blend (eg, 51% Maui Coffee, 49% Foreign Grown Coffee), instead of requiring the specific identification of the origin or origins of non-Hawaii-grown coffee in the blend.

3—Last year Kona coffee farmers supported HB 1886, HD1 which included a 2.5 year phase-in of the transition to a 51% minimum for coffee blends. I recommend inclusion of the same phase-in period in this bill. This phase-in allows the blenders to smoothly transition their labeling.

Please enact the 51% minimum. Please support Hawaii's coffee farmers and protect visitors to Hawaii from deceptive labeling.

Respectfully submitted,

Bruce Corker

Holualoa, Hawaii County

