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 COMMITTEE ON AGRICULTURE AND ENVIRONMENT

> > JANAURY 31, 2022 1:00 P.M. VIA VIDEOCONFERENCE

# SENATE BILL NO. 2951 RELATING TO IMPORTED AGRICULTURAL PRODUCTS

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2951. This measure requires that all agricultural products sold to consumers be displayed with a label or sign containing an identity statement declaring the products' geographic origin, and imposes penalties on vendors who display products with incorrect or misleading labels regarding the products' geographic origin. The Department supports the intent of this measure and offers comments.

The Department supports displaying signage for geographic origins of products which gives fair advertising practice for products that are being promoted at farmers markets and supermarkets. A fair representation should be promoted with proper signs and statements of origin, however the fines proposed may seem excessive at a first offense of \$500, then second offense of \$750 and third of \$1000. These fines should be



lessened to be in line with similar fines for similar offenses. We would suggest also that a warning be allowed for lack of signage for a first offense with a reasonable amount of time to produce a proper display.

Thank you for the opportunity to testify on this measure.



#### Hawaii Coffee Association PO Box 168, Kealakekua, HI 96750

#### SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT January 31, 2022

#### RE: Testimony on SB2951; RELATING TO IMPORTED AGRICULTURAL PRODUCTS

Aloha Chair Gabbard, Vice Chair Nishihara and Senators,

I am Chris Manfredi, President of Hawaii Coffee Association (HCA) testifying in support of SB2907.

The HCA supports the intent of this measure and offers the following comments.

Accurate labeling and integrity of Hawaii grown coffee is of paramount importance to our industry. We have been fighting for clear labeling, high quality grade standards and traceability in an effort to thwart the introduction of inferior products into the supply chain, deceiving customers and undermining our hard-fought brand identities.

This measure appears to address some of our concerns but takes the focus off Hawaii-grown origin labeling. Many coffees used in blends are variable and proprietary. We wonder is this legislation, if passed would apply to brewed coffee, and what compliance would entail. We have testified previously that non Hawaiian-grown ingredients be labeled as such along with the Hawaii-grown portion expressed in terms of percent.

This measure represents a new approach to this problem, and we applaud its introducers and the committee for taking up this topic. We look forward to working with all of you to refine this legislation so that the interests of legitimate sellers of Hawaii-grown products and those of consumers are met.

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



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#### **Executive Officers**

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TO: Committee on Agriculture and Environment Senator Mike Gabbard, Chair Senator Clarence K. Nishihara, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

DATE: January 31, 2022 TIME: 1pm PLACE: Via Videoconference

RE: SB2951 Relating to Imported Agricultural Products

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.

HFIA is in opposition to this measure which would all agricultural products sold to consumers directly or through wholesale to be displayed with a label or sign containing an identity statement declaring the products' geographical origin.

As the Committee may know, Hawaii is the most isolated population center on our planet. Keeping over 1 million Hawaii residents and visitors fed and supplied with essential items is an extreme logistical challenge; one which our local food retailers meet every day without fail. To create an additional burden for the businesses that feed out state is not the right choice for Hawaii, especially during a global pandemic and ongoing global supply chain crisis.

Our local grocery stores and supermarkets have been integral in supporting and promoting local agriculture. Many have dedicated local food sections, special signage highlighting local products, and work with local farms to help get Hawaii grown products into the hands of Hawaii customers. Increasing local food production is a goal we all share. As we work toward that goal we as a state still import the vast majority of our food, including many fresh fruits and vegetables. In order to make sure their customers have what they need stores have to remain flexible and adaptable may source products from different places at different times. This

measure would add an unnecessary complication in an already challenging supply chain process, and make it harder for our local food retailers to serve their customers.

Grocery stores operate at extremely low profit margins, often below 5%. Creating an additional labeling burden and threatening fines is not the way to support our local food industry. We urge the Committee to hold this measure and we encourage the State to continue to find collaborative ways to work with the food industry on programs and initiatives that can actually increase local food production in our state. Thank you for the opportunity to testify.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

# JANUARY 31, 2022

# HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

### **TESTIMONY ON SB 2951** RELATING TO IMPORTED AGRICULTURAL PRODUCTS

Conference Room 224 & Videoconference 1:00 PM

Aloha Chair Gabbard, Vice-Chair Nishihara, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports the intent of SB 2951, which requires all agricultural products sold to consumers directly or through wholesale to be displayed with a label or sign containing an identity statement declaring the products' geographical origin and imposes penalties on vendors who display products with incorrect or misleading labels regarding the products' geographic origin.

HFB believes it critical to defend the degradation of the Hawaii brand and the brands of geographic origins within Hawaii for agricultural products. We understand the concern that because farmers' market vendors, grocery stores, and other retail markets are not currently required to disclose a product's geographic origin, some consumers might be misled into assuming that the products they are buying are all locally grown or produced.

This measure will require all agricultural products sold in farmers' market vendors, grocery stores, and other retail markets to label or display a sign for declaring the product's geographic origin.

- Although we agree with the intent, HFB is concerned that this may place an unreasonable burden on vendors who sell multiple products and whose produce and other products vary according to crop and season.
- Additionally, the requirement that vendors retain and have available on site, two years' worth of records detailing the volume and origin of each product sold may also be unreasonably burdensome to farmers.

- The term "Agricultural product" is very broad and would also apply to value-added products sold at these markets. These goods may contain multiple ingredients, not all of which are locally produced. Would the vendors of these products need to identify the geographic origin of each ingredient contained in each item?
- The proposed law would apply to "Farmers' markets," which is defined broadly as any market where farmers sell their products directly to consumers. There are many farmers' markets, roadside stands, and farm stands on each island but we notice that there is no additional funding offered for HDOA to implement and enforce the requirements of the proposal.

Thank you for the opportunity to express our comments on this measure.

# <u>SB-2951</u> Submitted on: 1/30/2022 6:38:19 PM Testimony for AEN on 1/31/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	No

Comments:

Please support SB-2951. The Hawaii Coffee Growers Association agrees with the position voiced by the HCA on this measure.

Mahalo,

Kimo Falconer, President, HCGA



# We Grow 93% of Hawaii Island Agriculture Crops

625,000 acres of land in production

\$194 Million in Revenue

TESTIMONY BEFORE THE HAWAII STATE SENATE; Committee on Agriculture on January 30, 2022

TESTIMONY ON SB 2951- Re: Country of Origin Labeling

Aloha Chair Gabbard and Committee Members,

We currently offer comments on this bill only.

- While the intent of the bill is noble it needs additional clarity.
- a. Fresh products are already labeled under the <u>COOL</u> requirements from USDA. This bill would cause all vendors to label all products by their Country of Origin (something that is already a Federal Law). <u>More on</u> <u>COOL here</u>.
- A more sensible solution would be to pass a Hawaii Bill that mandated all products grown in Hawaii be labeled (instead of voluntary) as "Hawaii Grown" which is one example of



geographic preference labeling allowed under COOL laws.

- c. This bill as written will not help Hawaii consumers identify Hawaii Grown produce.
- If you want to encourage "Hawaii Geographic Preference labeling" then make a simple Hawaii Grown labeling program that is free to vendors and producers to utilize and help market Hawaii grown products (The Hawaii Seal program is neither simple nor free).
- Provide HDOA with the funding needed to enforce its current labeling laws; passing a regulation bill without a mechanism for enforcement will do nothing to increase "Hawaii" grown ag products identification or sales.
- Highlighting "Hawaii" products would seem more productive to increase sells than labeling every product.

Helping Hawaii agriculture producers and the food distribution system market Hawaii products seems like a positive solution rather than passing another regulating bill without teeth to enforce.

-- We Feed Hawaii --

-- We Feed Hawaii --

<u>SB-2951</u> Submitted on: 1/29/2022 3:21:23 PM Testimony for AEN on 1/31/2022 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested
Victoria Anderson	Individual	Support	No

Comments:

Please pass this important bill.