#### A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

- 1 SECTION 1. The legislature finds that coffee is an
- 2 important agricultural crop of the State and a highly valued
- 3 commodity in Hawaii. However, despite the premium value of
- 4 Hawaii-grown coffee, the State has not protected the integrity
- 5 of the names of coffee origin regions, such as "Kona", "Ka'u", or
- 6 "Kauai". Instead, Hawaii's laws allow coffee blends that
- 7 contain only very small amounts of coffee beans from these
- 8 distinctive regions to use the name of those regions on
- 9 products, in a practice that deceives consumers and harms coffee
- 10 growers.
- 11 The legislature further finds that Hawaii requires that,
- 12 for coffee products, only ten per cent of the coffee must
- 13 originate in the geographic area indicated for that product to
- 14 use the geographic origin name on its label. Other
- 15 jurisdictions typically require that one hundred per cent of the
- 16 coffee must originate in the geographic area to protect the

- 1 value, integrity, and reputation of that product and its
- 2 associated geographic origin name.
- 3 The legislature notes that a 2018 publication entitled
- 4 "Strengthening Sustainable Food Systems Through Geographical
- 5 Indications: An Analysis of Economic Impacts" by the Food and
- 6 Agriculture Organization of the United Nations and the European
- 7 Bank for Reconstruction and Development concluded, among other
- 8 things, that Kona coffee "does not enjoy any strong protection
- 9 of its name" from the State and, as a result, downstream
- 10 stakeholders, rather than farmers, "reap the economic benefits
- 11 of the fame of Kona."
- 12 The legislature additionally finds that despite existing
- 13 labeling laws that include specific requirements for font sizes
- 14 and disclosure of blend percentages, the simple inclusion of a
- 15 geographic origin name on a product effectively misleads
- 16 consumers into believing that the product is representative of
- 17 the specialty product of that region, even though, for example,
- 18 in a coffee blend that is ten per cent Kona coffee, the flavor
- 19 of the Kona coffee is undetectable at such low concentrations.
- 20 Consumers are then deceived into paying a premium for a "Hawaii"
- 21 product that does not represent the name on its label.

- 1 Therefore, a change to the law is needed to protect consumers by
- 2 ensuring that minimum blend amounts allowed for coffee products
- 3 that bear geographic origin names constitute a majority of the
- 4 product from that geographic origin and are sufficient to ensure
- 5 that the product reflects the quality and character of the
- 6 region.
- 7 The purpose of this Act is to protect consumers by:
- $oldsymbol{8}$  (1) Requiring disclosure on the label of coffee blends of
- 9 the respective geographic and regional origins and per
- 10 cent by weight of the blended coffees;
- 11 (2) Making it a violation of the coffee labeling law to
- use a geographic origin in labeling or advertising for
- 13 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
- 16 fifty-one per cent; and
- 17 (3) Prohibiting use of the term "All Hawaiian" in labeling
- or advertising for roasted or instant coffee not
- 19 produced entirely from green coffee beans grown and
- 20 processed in Hawaii.

1 SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is 2 amended by amending subsections (b) and (c) to read as follows: 3 A listing of the geographic origins of the various 4 Hawaii-grown coffees and the regional origins of the various 5 coffees not grown in Hawaii that are included in a blend [may] 6 shall be shown on the label. [If used, this] In place of 7 separate listings of regional origins of coffee not grown in 8 Hawaii in the blend, the list may include the words 9 "Foreign-Grown Coffee" followed by the per cent of the coffee by 10 weight in the blend. This list shall consist of the term 11 "Contains:", followed by, in descending order of per cent by 12 weight and separated by commas, the respective geographic origin 13 or regional origin of the various coffees in the blend [that the 14 manufacturer chooses to list]. Each geographic origin or 15 regional origin [may] shall be preceded by the per cent of 16 coffee by weight represented by that geographic origin or 17 regional origin, expressed as a number followed by the per cent 18 sign. The type size used for this list shall not [exceed] be 19 less than half that of the identity statement. This list shall 20 appear below the identity statement[, if included] on the front 21 panel of the label.

1	(c)	It shall be a violation of this section to:
2	(1)	Use the identity statement specified in subsection
3		(a)(1)(A) or similar terms in labeling or advertising
4		unless the package of roasted or instant coffee
5		contains one hundred per cent coffee from that one
6		geographic origin;
7	(2)	Use a geographic origin in labeling or advertising,
8		including in conjunction with a coffee style or in any
9		other manner, if [the roasted or instant coffee
10		contains less than ten per cent coffee by weight from
11		that geographic origin;]:
12		(A) During the period from July 1, 2023, through
13		June 30, 2024, the roasted or instant coffee
14		contains less than twenty per cent coffee by
15		weight from that geographic origin;
16		(B) During the period from July 1, 2024, through
17		June 30, 2025, the roasted or instant coffee
18		contains less than thirty per cent coffee by
19		weight from that geographic origin; and

Ţ		(C) On or after July 1, 2025, the roasted or instant
2		coffee contains less than fifty-one per cent
3		coffee by weight from that geographic origin;
4	(3)	Use a geographic origin in <u>labeling or</u> advertising
5		roasted or instant coffee, including advertising in
6		conjunction with a coffee style or in any other
7		manner, without disclosing the percentage of coffee
8		used from that geographic origin as described in
9		subsection (a)(1)(B) and (a)(2);
10	(4)	Use a geographic origin in labeling or advertising
11		roasted or instant coffee, including in conjunction
12		with a coffee style or in any other manner, if the
13		green coffee beans used in that roasted or instant
14		coffee do not meet the grade standard requirements of
15		rules adopted under chapter 147;
16	(5)	Misrepresent, on a label or in advertising of a
17		roasted or instant coffee, the per cent coffee by
18		weight of any coffee from a geographic origin or
19		regional origin[+] as defined in this chapter;
20	(6)	Use the term "All Hawaiian" on a label or in
21		advertising of a roasted or instant coffee if the

•		roasted of instant coffee is not produced entirely
2		from green coffee beans [produced in geographie
3		origins defined in this chapter; ] grown and processed
4		in Hawaii;
5	(7)	Use a geographic origin on the front label panel of a
6		package of roasted or instant coffee other than in the
7		trademark or in the identity statement as authorized
8		in subsection (a)(1) and (2) unless one hundred per
9		cent of the roasted or instant coffee contained in the
10		package is from that geographic origin;
11	(8)	Use more than one trademark on a package of roasted or
12		instant coffee unless one hundred per cent of the
13		roasted or instant coffee contained in the package is
14		from that geographic origin specified by the
15		trademark;
16	(9)	Use a trademark that begins with the name of a
17		geographic origin on a package of roasted or instant
18		coffee unless one hundred per cent of the roasted or
19		instant coffee contained in the package comes from
20		that geographic origin or the trademark ends with
21		words that indicate a business entity; or

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ı	(10) Print the identity statement required by subsection
2	(a) in a smaller font than that used for a trademark
3	that includes the name of a geographic origin pursuant
4	to paragraph (7) and in a location other than the
5	front label panel of a package of roasted or instant
6	coffee."
7	SECTION 3. Statutory material to be repealed is bracketed
8	and stricken. New statutory material is underscored.
9	SECTION 4. This Act shall take effect upon its approval.
10	INTRODUCED BY: Wife dal
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#### Report Title:

Consumer Protection; Coffee Labeling

#### Description:

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 in to a minimum of fifty-one per cent after 7/1/2025. 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.

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