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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1           SECTION 1. The legislature finds that Hawai'i's coffee  
2 industry is the State's second most lucrative agricultural crop,  
3 valued by the United States Department of Agriculture at  
4 \$98,000,000 annually, with additional upstream and downstream  
5 impacts that include employment, land preservation, and tourism.  
6           The legislature further finds that Hawai'i-grown coffee is  
7 among the highest priced coffee sold anywhere in the world,  
8 largely due to the high cost of production and its reputation  
9 for outstanding quality. As such, the State's coffee industry  
10 is susceptible to fraud when less expensive coffees are falsely  
11 labeled as originating from Hawai'i. Under existing state law,  
12 penalties are imposed for the false labeling (counterfeiting) of  
13 Hawai'i-grown coffee in cherry and parchment form, but the fraud  
14 of coffee counterfeiting has been almost exclusively committed  
15 in roasted coffee products. Coffee counterfeiting undermines  
16 Hawai'i's coffee farmers by misrepresenting an increase in  
17 supply, thereby creating downward price pressure and value



1 depreciation in the marketplace. Additionally, further harm  
2 occurs when inferior products are introduced into the supply  
3 chain, thereby undermining Hawai'i's hard-fought brand identity  
4 for high-quality crops.

5       Moreover, the legislature believes that enforcement of  
6 coffee labeling laws is of paramount importance to their  
7 effectiveness, and that investment in enforcement will compound  
8 labeling requirements' effectiveness by enhancing its deterrent  
9 effect. As such, the legislature finds that a full-time  
10 position within the department of agriculture dedicated solely  
11 to the enforcement of labeling laws applicable to Hawai'i's  
12 agricultural products will greatly improve brand integrity in  
13 the State.

14       Accordingly, the purpose of this Act is to deter coffee  
15 counterfeiting by:

- 16       (1) Expanding the criminal offense for false labeling of  
17           Hawai'i-grown coffee to roasted coffee;
- 18       (2) Enhancing the penalties for the criminal offense of  
19           false labeling of Hawai'i-grown coffee through the  
20           imposition of a mandatory fine; and



1 (3) Establishing a position within the department of  
2 agriculture for labeling and packaging enforcement and  
3 inspection.

4 SECTION 2. Section 708-871.5, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "[~~§~~708-871.5] **False labeling of [~~Hawaii-grown~~] Hawai'i-**  
7 **grown coffee.** (1) A person commits the offense of false  
8 labeling of [~~Hawaii-grown~~] Hawai'i-grown coffee if the person  
9 knowingly transports, distributes, advertises, sells, or  
10 possesses with the intent to sell [~~Hawaii-grown~~] Hawai'i-grown  
11 green coffee, cherry coffee, [~~or~~] parchment coffee, or roasted  
12 coffee that is falsely labeled with regard to the geographic  
13 origin of the [~~Hawaii-grown~~] Hawai'i-grown coffee.

14 (2) For purposes of this section:

15 "Cherry coffee" means the unprocessed fruit of the coffee  
16 plant.

17 "Geographic origin" means the geographic areas designated  
18 as follows:

19 (a) [~~Hamakua~~] Hāmākua is the [~~Hamakua~~] Hāmākua district on  
20 the island of [~~Hawaii,~~] Hawai'i, as designated by the  
21 State of [~~Hawaii,~~] Hawai'i, tax map;



- 1 (b) [~~Hawaii~~] Hawai'i is the State of [~~Hawaii~~] Hawai'i;
- 2 (c) [~~Kau~~] Ka'u is the [~~Kau~~] Ka'u district on the island of  
3 [~~Hawaii~~] Hawai'i, as designated by the State of  
4 [~~Hawaii~~] Hawai'i tax map;
- 5 (d) [~~Kauai~~] Kaua'i is the island of [~~Kauai~~] Kaua'i;
- 6 (e) Kona is the north Kona and south Kona districts on the  
7 island of [~~Hawaii~~] Hawai'i, as designated by the State  
8 of [~~Hawaii~~] Hawai'i tax map;
- 9 (f) Maui is the island of Maui;
- 10 (g) [~~Molokai~~] Moloka'i is the island of [~~Molokai~~]  
11 Moloka'i; and
- 12 (h) [~~Oahu~~] O'ahu is the island of [~~Oahu~~] O'ahu.
- 13 "Green coffee" means the agricultural commodity comprised  
14 of green coffee beans.
- 15 "Parchment coffee" means the dried product that remains  
16 when coffee cherries are processed by removing the coffee seeds  
17 from the pulp.
- 18 "Roasted coffee" means the product that results from  
19 heating the coffee cherry seeds to augment aroma and flavor.



1           (3) False labeling of [~~Hawaii-grown~~] Hawai'i-grown coffee  
 2 is a class C felony. In addition to any penalties imposed  
 3 pursuant to section 706-605, the court shall impose on any  
 4 defendant convicted of false labeling of Hawai'i-grown coffee a  
 5 mandatory fine of \$10,000 for each separate offense. The  
 6 mandatory fine imposed shall not be suspended or waived."

7           SECTION 3. There is appropriated out of the general  
 8 revenues of the State of Hawai'i the sum of \$                    or so  
 9 much thereof as may be necessary for fiscal year 2023-2024 and  
 10 the same sum or so much thereof as may be necessary for fiscal  
 11 year 2024-2025 to fund one full-time equivalent (1.0 FTE)  
 12 measurements standards inspector (BU3, SR-19, Step C) position  
 13 within the department of agriculture for the purpose of labeling  
 14 and packaging enforcement and inspection.

15           The sums appropriated shall be expended by the department  
 16 of agriculture for the purposes of this Act.

17           SECTION 4. Statutory material to be repealed is bracketed  
 18 and stricken. New statutory material is underscored.

19           SECTION 5. This Act shall take effect upon its approval;  
 20 provided that section 3 shall take effect on June 30, 3000.



**Report Title:**

Roasted Coffee; False Labeling; Fines; Appropriation

**Description:**

Extends the offense of false labeling of Hawai'i-grown coffee to include roasted coffee. Imposes a mandatory \$10,000 fine for each separate offense of false labeling of Hawai'i-grown coffee. Appropriates funds for one full-time equivalent (1.0 FTE) enforcement position. Effective 6/30/3000. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

