

Honolulu, Hawaii

APR 27 2023

RE: S.B. No. 746
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 746, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COFFEE LABELING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Expand coffee labeling and advertising requirements to include ready-to-drink coffee beverages and the inner packages and inner wrapping labels of roasted coffee, instant coffee, and ready-to-drink coffee beverages;
- (2) Specify that the coffee labeling and advertising requirements apply if the applicable products are produced in whole or in part from Hawaii-grown and Hawaii-processed green coffee beans;



- (3) Require disclosure on the label of coffee blends of the respective geographic and regional origins and percent by weight of the blended coffees; and
- (4) Prohibit use of the term "All Hawaiian" in labeling or advertising for roasted coffee or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

Your Committee on Conference finds that while existing law provides marketplace protections from fraudulent representations of the labeling or advertising of certain coffee products in the State, these protections require updates due to swiftly changing market conditions and emerging popularized new coffee products. Furthermore, Hawaii is the only coffee producing region where local laws allow for just ten percent of regional coffee content to qualify the product to be "locally produced". These products often contain up to ninety percent foreign-grown coffee bean of lower quality and production cost to benefit distributors and producers at the expense of local and out-of-state consumers. Therefore, this measure expands and requires additional labeling requirements to better inform consumers of locally grown and processed coffee product options and prohibits the term "All Hawaiian" in products that do not completely contain coffee beans grown and processed entirely in Hawaii.

Your Committee on Conference also finds that the results of the coffee labeling economic impact study of Act 222, Session Laws of Hawaii 2022, should be produced and its results shared with the Legislature before this measure is implemented. Accordingly, your Committee on Conference has amended this measure by inserting an effective date of July 1, 2024.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 746, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 746, S.D. 1, H.D. 2, C.D. 1.



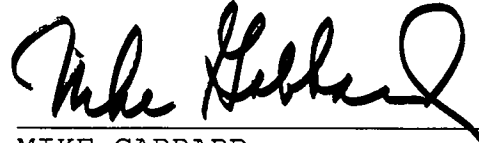
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



CEDRIC ASUEGA GATES
Co-Chair



MIKE GABBARD
Chair



MARK M. NAKASHIMA
Co-Chair



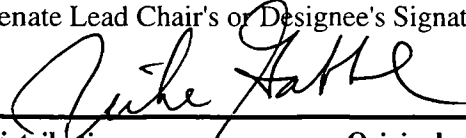

JARRETT KEOHOKALOLE
Co-Chair



Hawai'i State Legislature

CCRZ1

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 746, SD 1, HD 2					Date/Time: 4/25/23 9:12 am				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				GATES, Cedric Asuega, Co-Chr.	✓			
KEOHOKALOLE, Jarrett, Co-Chr.	✓				NAKASHIMA, Mark M., Co-Chr.	✓			
RICHARDS, III, Herbert M. "Tim"	✓				KAHALOA, Kirstin	✓			
					WARD, Gene	✓			
TOTAL	3				TOTAL	4			
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution:		Original	Yellow	Pink	Goldenrod				
		File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office	Drafting Agency				