

GOV. MSG. NO. 1299

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

July 3, 2024

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 3, 2024, the following bill was signed into law:

HB2298 HD1 SD2 CD1

RELATING TO CONSUMER PROTECTION. **ACT 198**

Sincerely,

Josh Green, M.D.

Governor, State of Hawai'i

on <u>IIII 3 2024</u>

ACT 198

HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII H.B. NO. 2298 H.D. S.D. 3 C.D.

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. Despite the premium value of Hawaii-grown
4	coffee, the State has not protected the integrity of the names
5	of coffee origin regions, such as "Kona", "Kau", or "Kauai".
6	Instead, existing law allows coffee blends that contain only
7	very small amounts of coffee beans from these distinctive
8	regions to use the name of those regions on product packaging, a
9	practice that deceives consumers and harms coffee growers.
10	The legislature further finds that Hawaii law requires
11	that, for coffee products, only ten per cent of the coffee must
12	originate in the geographic area indicated for that product to
13	use the geographic origin name on its label. Other
14	jurisdictions typically require that one hundred per cent of the
15	coffee originate in the geographic area to protect the value,
16	integrity, and reputation of that product and its associated

geographic origin name.

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H.B. NO. H.D. 1 S.D. 2 C.D. 1

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

1	for coffe	e products that bear geographic origin names constitute
2	a majorit	y of the product from that geographic origin and are
3	sufficien	t to ensure that the product reflects the quality and
4	character	of the region.
5	The	purpose of this Act is to:
6	(1)	Beginning July 1, 2027, make it a violation of the
7		coffee labeling law to use a Hawaii geographic origin
8		in labeling or advertising for roasted coffee, instant
9		coffee, or ready-to-drink coffee beverage blends that
10		contain less than fifty-one per cent coffee by weight
11		from that geographic origin; and
12	(2)	Exempt retailers that do not package roasted coffee,
13		instant coffee, or ready-to-drink coffee beverages
14		from liability for the sale of roasted coffee, instant
15		coffee, or ready-to-drink coffee beverages that use a
16		label or advertisement in violation of the coffee
17		labeling law.
18	SECT	ION 2. Section 486-120.6, Hawaii Revised Statutes, is
19	amended t	o read as follows:
20	"§ 4 8	6-120.6 Hawaii-grown and Hawaii-processed coffee;
21	laheling	or advertising requirements (a) In addition to all

1	other labe	ering	requirements, the identity statement used for
2	labeling o	or ad	vertising roasted coffee, instant coffee, or
3	ready-to-	drink	coffee beverages produced in whole or in part
4	from Hawa:	ii-gr	own and Hawaii-processed green coffee beans shall
5	meet the	follo	wing requirements:
6	(1)	For	roasted coffee, instant coffee, or ready-to-drink
7		coff	ee beverages that contain one hundred per cent
8		Hawa	ii-grown and Hawaii-processed coffee by weight,
9		the	identity statement shall consist of either:
10		(A)	The geographic origin of the Hawaii-grown and
11			Hawaii-processed coffee, in coffee consisting of
12			beans from only one geographic origin, followed
13			by the word "Coffee"; provided that the
14			geographic origin may be immediately preceded by
15			the term "100%"; or
16		(B)	The per cent coffee by weight of one of the
17			Hawaii-grown and Hawaii-processed coffees, used
18			in coffee consisting of beans from several
19			geographic origins, followed by the geographic
20			origin of the weight-specified coffee and the
21	2.0		terms "Coffee" and "All Hawaiian";

1	(2)	For roasted coffee, instant coffee, or ready-to-drink
2		coffee beverages consisting of a blend of one or more
3		Hawaii-grown and Hawaii-processed coffees and coffee
4		not grown or processed in Hawaii, the per cent coffee
5		by weight of one of the Hawaii-grown and Hawaii-
6		processed coffees used in the blend, followed by the
7		geographic origin of the weight-specified coffee and
8		the term "Coffee Blend"; and
9	(3)	Each word or character in the identity statement shall
10		be of the same type size and shall be contiguous. The
11		smallest letter or character of the identity statement
12	٠,	on packages of sixteen ounces or less net weight shall
13		be at least one and one-half times the type size
14		required under federal law for the statement of net
15		weight or three-sixteenths of an inch in height,
16		whichever is smaller. The smallest letter or
17		character of the identity statement on packages of
18		greater than sixteen ounces net weight shall be at
19		least one and one-half times the type size required

under federal law for the statement of net weight.

The identity statement shall be conspicuously

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	displayed without any intervening material in a
2	position above the statement of net weight. Upper and
3	lower case letters may be used interchangeably in the
4	identity statement.
5	(b) A listing of the geographic origins of the various
6	Hawaii-grown and Hawaii-processed coffees and the regional
7	origins of the various coffees not grown or processed in Hawaii
8	that are included in a blend shall be shown on the label. This
9	list shall consist of the term "Contains:", followed by, in
10	descending order of per cent coffee by weight and separated by
11	commas, the respective geographic origin or regional origin of
12	the various coffees in the blend. Each geographic origin or
13	regional origin shall be preceded by the per cent coffee by
14	weight represented by that geographic origin or regional origin,
15	expressed as a number followed by the per cent sign. In place
16	of separate listings of regional origins of coffee not grown or
17	processed in Hawaii in the blend, the list may include the words
18	"Foreign-grown Coffee", preceded by the per cent coffee by
19	weight in the blend. The type size used for this list shall be
20	no less than half that of the identity statement. This list

•	Shall app	ear below the identity statement on the front paner of
2	the label	•
3	(c)	The requirements of subsections (a) and (b) shall
4	apply to	the labeling of any inner package or inner wrapping of
5	the roast	ed coffee, instant coffee, or ready-to-drink coffee
6	beverages	that includes any geographic origin of Hawaii-grown
7	and Hawai	i-processed coffee, regardless of whether the inner
8	package o	r inner wrapping is intended to be individually sold.
9	(d)	It shall be a violation of this section to:
10	(1)	Use the identity statement specified in subsection
11		(a)(1)(A) or similar terms in labeling or advertising
12		unless the package of roasted coffee, instant coffee,
13		or ready-to-drink coffee beverage contains one hundred
14		per cent coffee by weight from that one geographic
15		origin;
16	(2)	Use a geographic origin in labeling or advertising,
17		including in conjunction with a coffee style or in any
18		other manner, if the roasted coffee, instant coffee,
19		or ready-to-drink coffee beverage contains less than:
20		(A) Until June 30, 2027, ten per cent coffee by

weight from that geographic origin; and

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1 -		(B) On or after July 1, 2027, fifty-one per cent
2		coffee by weight from that geographic origin;
3	(3)	Use a geographic origin in labeling or advertising
4		roasted coffee, instant coffee, or ready-to-drink
5		coffee beverages, including advertising in conjunction
6		with a coffee style or in any other manner, without
7		disclosing the per cent coffee by weight used from
8		that geographic origin as described in subsection
9		(a) (1) (B) and (a) (2);
10	(4)	Use a geographic origin in labeling or advertising
11	٠	roasted coffee, instant coffee, or ready-to-drink
12		coffee beverages, including in conjunction with a
13		coffee style or in any other manner, if the green
14		coffee beans used in that roasted coffee, instant
15		coffee, or ready-to-drink coffee beverage do not meet
16		the grade standard requirements of rules adopted under
17		chapter 147;
18	(5)	Misrepresent, on a label or in advertising of a
19		roasted coffee, instant coffee, or ready-to-drink
20		coffee beverage, the per cent coffee by weight of any
21		coffee from a geographic origin or regional origin:

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1	(6)	use the term "All Hawalian" on a label or in
2		advertising of a roasted coffee, instant coffee, or
3		ready-to-drink coffee beverage if that roasted coffee,
4		instant coffee, or ready-to-drink coffee beverage is
5		not produced entirely from green coffee beans grown
6		and processed in Hawaii;
7	(7)	Use a geographic origin on the front label panel of a
8	~	package of roasted coffee, instant coffee, or ready-
9		to-drink coffee beverage other than in the trademark
10		or in the identity statement as authorized in
11		subsection (a)(1) and (2) unless the roasted coffee,
12		instant coffee, or ready-to-drink coffee beverage
13		contains one hundred per cent coffee by weight from
14		that geographic origin;
15	(8)	Use more than one trademark on a package of roasted
16		coffee, instant coffee, or ready-to-drink coffee
17	•	beverage unless the roasted coffee, instant coffee, or
18		ready-to-drink coffee beverage contains one hundred
19	 	per cent coffee by weight from that geographic origin
20		specified by the trademark;

1	(9)	Use a trademark that begins with the name of a
2		geographic origin on a package of roasted coffee,
3		instant coffee, or ready-to-drink coffee beverage
4		unless the roasted coffee, instant coffee, or ready-
5	``	to-drink coffee beverage contains one hundred per cent
6		coffee by weight from that geographic origin or the
7		trademark ends with words that indicate a business
8		entity; or
9	(10)	Print the identity statement required by subsection
10		(a) in a smaller font than that used for a trademark
11		that includes the name of a geographic origin pursuant
12		to paragraph (7) and in a location other than the
13		front label panel of a package of roasted coffee,
14		instant coffee, or ready-to-drink coffee beverage.
15	<u>(e)</u>	Retailers that do not package roasted coffee, instant
16	coffee, o	r ready-to-drink coffee beverages shall not be liable
17	for the s	ale of roasted coffee, instant coffee, or ready-to-
18	drink cof	fee beverages that use a label or advertisement in
19	violation	of this section.
20	[-(e)] (f) Roasters, manufacturers, or other persons who
21	package r	pasted coffee, instant coffee, or ready-to-drink coffee

- 1 beverages covered by this section shall maintain, for a period
- 2 of two years, records on the volume and geographic origin or
- 3 regional origin of coffees purchased, sold, and used and any
- 4 other records required by the department for the purpose of
- 5 enforcing this section. Authorized employees of the department
- 6 shall have access to these records during normal business hours.
- 7 $\left[\frac{f}{f}\right]$ (g) As used in this section:
- 8 "Geographic origin" means the geographic regions in which
- 9 Hawaii-grown green coffee beans are produced, as defined in
- 10 rules adopted under chapter 147; provided that the term
- 11 "Hawaiian" may be substituted for the geographic origin
- 12 "Hawaii".
- "Per cent coffee by weight" means the percentage calculated
- 14 by dividing the weight in pounds of roasted green coffee beans
- 15 of one geographic or regional origin used in a production run of
- 16 roasted coffee, instant coffee, or ready-to-drink coffee
- 17 beverages by the total weight in pounds of the roasted green
- 18 coffee beans used in that production run of roasted coffee,
- 19 instant coffee, or ready-to-drink coffee beverages, and
- 20 multiplying the quotient by one hundred.

- 1 "Ready-to-drink coffee beverage" means a prepackaged
- 2 beverage that consists of or includes coffee and is sold in a
- 3 prepared form that can be immediately consumed upon purchase.
- 4 "Ready-to-drink coffee beverage" does not include made-to-order
- 5 beverages."
- 6 SECTION 3. Statutory material to be repealed is bracketed
- 7 and stricken. New statutory material is underscored.
- 8 SECTION 4. This Act shall take effect on July 1, 2024.

APPROVED this 3rd day of July , 2024

GOVERNOR OF THE STATE OF HAWAII

HB No. 2298, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.

Men

Scott K. Saiki Speaker House of Representatives

Mi Li Ille

Brian L. Takeshita

Chief Clerk

House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024

Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.

resident of the Senate

Clerk of the Senate