JOSH GREEN, M.D. Governor

> SYLVIA LUKE Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDADeputy to the Chairperson

State of Hawai'i **DEPARTMENT OF AGRICULTURE**

KA 'OIHANA MAHI'AI 1428 South King Street Honolulu, Hawai'i 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON JUDICIARY

TUESDAY, APRIL 2, 2024 10:05 AM CONFERENCE ROOM 016 & VIDEOCONFERENCE

HOUSE BILL NO. 2298, HD1, SD1
RELATING TO CONSUMER PROTECTION

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2298, HD1, SD1. This bill establishes a timeline by which roasted coffee, instant coffee, and ready to drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin. Exempts retailers that do not package roasted coffee, instant coffee, or ready to drink beverages from liability for the sale of roasted coffee, instant coffee, or ready to drink beverages that use a label or advertisement in violation of the coffee labeling law.

The Hawaii Department of Agriculture (Department) supports this bill. The Department supports measures that the legislature and coffee growers deem will be best for increasing the overall value, quality, and brand protection of the local Hawaii coffee industry. The Department is committed to regulating and enforcing any change.

There is no appropriation in this bill for inspection and enforcement personnel that would be needed to increase inspections necessary to make sure of compliance at local roasters, distributors and retailers. We would respectfully ask to support funding a



dedicated inspector position at the SR-22 level, beginning salary of \$63,000 to enforce this law which will help rebuild the Department of Agriculture packaging and labeling enforcement capability that was eliminated in 2010, so long as it does not adversely affect priorities identified in the Executive Supplemental Budget Requests for FY2025.

Thank you for the opportunity to testify on this important measure.

REBECCA VILLEGAS

Council Member
District 7, Central Kona



Phone: (808) 323-4267 Fax: (808) 329-4786 Email:Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

County of Hawaiʻi West Hawaiʻi Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER,
HAWAI'I COUNTY COUNCIL
ON HB2298, HD1, SD1 RELATING TO CONSUMER PROTECTION
House Committee on Judiciary
March 28, 2024

Chairperson Rhoads and Members of the Committee:

Thank you for the opportunity to testify in **support** HB2298 HD1, SD1, relating to consumer protection. My testimony is submitted in my individual capacity as a menber of the Hawai'i County Council.

The purpose of this measure is to provide for a phase-in to a 100% minimum for use of Hawaii place names on labeling of Hawaii-grown coffee. This measure will ensure truthful representation of coffee produce geographically origin, which will protect consumers from fraud and deception in coffee labeling and advertising and will protect the integrity and reputation of Hawai'i grown coffees specifically including the heritage coffee grown in the Kona region.

For these reasons stated above, I urge Senate Committee on Judiciary to support this measure. Should you have any questions, please feel free to contact me at, (808) 323-4267

Mahalo for your consideration.

Rebecca Villegas

Council Member, Hawai'i County Council



Office: (808) 323-4280 Email: holeka.inaba@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

County of Hawaiʻi West Hawaiʻi Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 31, 2024

COMMITTEE ON JUDICIARY Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

Re: Support for HB2298 HD1 SD1, Relating to Consumer Protection

Hearing: April 2, 2024 at 10:05 a.m.

Aloha,

Thank you for allowing me to reiterate our strong support for this measure that would provide a phase-in to a 100% minimum for use of Hawai'i place names on the labeling of Hawai'i grown coffee; and

This bill also establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin.

Defending the integrity of Kona's premier origin product is crucial. Please vote favorably to pass HB2298, HD1, SD1.

Sincerely,

DR. HOLEKA GORO INABA, Council Member

Alka Com Inche

District 8, North Kona

Submitted on: 3/29/2024 2:20:50 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Jesse	Testifying for Hawaii Coffee Company	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. Every year ther same group goes after "blends" making blenders out to be the bad guy. The Kona Coffee industry has thrived in the last 26 years that I've been doing this. The whole time there's been coffee sold as a "Kona Blend" So if blends have been around at least 26 years and Kona Coffee is still thriving then how do they hurt the industry? It's because they don't. This is nothing more than an opinion. Coincidentally this opinion may end up hurting the industry more than any blend ever has. I've been working coffee since I was a kid. This is all I know. Coffee allows me to support my family. I have no degree or trade to fall back on. I say this in hopes that you'll understand that I would never do anything to jeopardize the industry that I rely so heavily on. Thank you

Submitted on: 3/29/2024 2:24:44 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted B	\mathbf{y}	Organization	Testifier Position	Testify
Jacqueline Wik	tum	Testifying for Mai Mahealani Farm, LLC	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee Members,

I am the president of a multi-generational coffee and macadamia nut agribusiness in North Kona.

Counterfeiting of Kona coffee is a significant problem, both in Hawaii and on the mainland. Growers recently settled a class action lawsuit for over \$40 million in damages from fraud. Several opponents of this bill were involved as defendents. **Requiring 100% Kona or Hawaiian coffee in the bag will mitigate fraud as it makes enforcement of the Hawaii brand names easier and gives consumers clarity.**

Please pass this bill through as written.

Thank you, Jacqueline Wikum

Submitted on: 3/29/2024 4:03:08 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Joshua Montgomery	Testifying for Guard Well Farm	Support	Written Testimony Only

Comments:

Chairman Karl Rhoads Committee on Judiciary Hawaii State Senate 25 Aupuni St. Honolulu, HI 96813

Aloha Chairman Rhoads.

I am writing to express my deep concern regarding the current labeling standards for Kona coffee, as outlined in Hawaii Legislature Bill HB2298. As a resident of Holualoa, within the heart of the Kona coffee region, I have witnessed firsthand the confusion and deception that the current statute, allowing for as little as 10% Kona coffee content in products labeled as "Kona," causes among consumers and the detrimental impact it has on our local growers.

The essence of Kona coffee, celebrated worldwide for its unique flavor profile, is diluted when bags labeled as "Kona" contain a majority of coffee from other regions. This practice not only misleads consumers, who often believe they are purchasing a product entirely sourced from Kona, but also undermines the hard work of our local farmers who strive to maintain the high quality and reputation of Kona coffee. The current statute is at odds with the National Coffee Association's recommended practices for Origin coffees, which emphasize transparency and authenticity in labeling.

Moreover, the Act 222 Economic Study funded by the legislature last year concluded that there is a "clear economic justification to increase the minimum content requirement for Kona coffee." This study highlights the economic benefits that would accrue to both growers and consumers from transitioning to 100% Kona coffee labeling, including a redistribution of economic surplus from downstream intermediaries to the primary producers and the local economy.

In light of these considerations, I urge you to support amendments to HB2298 that would require coffee labeled as Kona to be 100% grown in the Kona coffee region. Such a change would not only protect consumers from deceptive labeling practices but also support the sustainability and prosperity of our local coffee industry.

Mahalo for your attention to this matter.

Joshua Montgomery Guard Well Farm 75-1097 Keopu Mauka Dr Holualoa, HI 96725

Submitted on: 3/30/2024 7:38:53 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
bruce corker	Testifying for Rancho Aloha Coffee Farm	Support	Written Testimony Only

Comments:

Dear Chair Rhoads and Members of the Committee:

I am a farmer in the Kona Region of Hawaii Island and STRONGLY SUPPORT HB2298 for reasons that include the following:

- 1—For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its regional names on package labels of a specialty crop with only 10% genuine content.
- 2—Hawaii needs to protect consumers and the economic interests of Hawaii farmers with the same type of 100% content labeling requirements that other states provide—for example, Idaho for its potato farmers; Vermont for its maple syrup producers; Georgia for its Vidalia onion growers. Hawaii needs to support Hawaii farmers.
- 3—The Department of Agriculture study mandated by the Legislature and released in January concluded that a phased-in requirement of 100% content should be adopted. The Legislature needs to enact the study recommendations it requested and funded.
- 4—While the CPN Committee took an important step by restoring a 3-year phase-in to 100% that was included in the original bill, Section (f) should be removed by the Judiciary Committee from the SD1 version of the bill. Exempting retailers from liability for selling packages with labels that violate the law would be a mistake. Retailers should be required to abide by the law, rather than encouraged to ignore it.

Please pass HB2298. Thank you,

Bruce Corker, Holualoa, Hawaii Island

Submitted on: 3/30/2024 7:45:18 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
John Koontz	Testifying for Konaloha Farms	Support	Written Testimony Only

Comments:

Aloha!, and thank you for hearing my concerns. The name "Kona", paints a picture in one's mind as a beautiful place, ocean, beaches, and coffee. It's a travesty that the name, relating to coffee, has been abused for so long. Using the name on a 10% blend is so misleading. I'm not saying that all the blends are poor tasting, but it is false advertising. I remember when I started coming to the Big Island, a naive tourist, I would buy bags to bring back to friends and family, not knowing that a Kona blend was not a blend of Kona coffees, but a blend of imported coffees with a little bit of Kona coffee used just to get be able to attract people with the "Kona" name. I'm sure the blenders love it, mixing 90% Brazilian coffee (\$2/lb), with 10% Kona coffee (\$26/lb), and selling it for half the price of 100% Kona. But if the option of buying a 10% blend vanishes, people will buy the 100% Kona, maybe not as much, but at least the money would get to the farmers instead of the investors and blenders. Please save the integrity of our heritage, not the pockets of the blenders. Mahalo, John Koontz, Konaloha Farms

Submitted on: 3/30/2024 10:58:45 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Darrell S Chun, DDS	Testifying for Kona Coffe Farmer's Association	Support	Written Testimony Only

Comments:

Dear Senate Judiciary Committee,

As a proud member of the Kona Coffee Farmer's Association I stand strongly in support of HB2298 and ask for successful passage in your committee. I was heartened by the recent changes of the bill back to it's original intent which was to require all Kona/Hawaiian coffees to be 100% from our islands. To be allowed to mix a small amount of Kona coffee with other coffees from other parts of the world and then label it Kona coffee is both deceptive and harmful to the consumer, the local Hawaiian coffee farmers like myself and to the reputation and pono/rightousness of Hawaii.

To allow a longer term to transition this bill i.e. greater than 3 years would mean a continuation of this deceptive sale of Kona/Hawaiian coffee and negatively affect all the farmers in the KCFA.

I am hopeful that your committee will successfully acknowledge the benefits and necessity of this bill's passage.

Mahalo nui malama pono,

Darrell S Chun, DDS

HB2298

I oppose this bill. I feel that those who are in favor of this bill have good intentions but are failing to see the big picture of how things will shake out soon after a passing of this bill. This is how I see things shaking out.

I will have over 1000 bags of state certified 100% Kona Prime green coffee. I will be unable to sell that coffee to my mainland customers who produce Kona Blend coffee.

What will I do next?

- 1. I will need to sell green coffee at a massively reduced rate.
- 2. While selling my green coffee for possibly 50% less than its current value I will also start looking to sell 100% roasted coffee.
- 3. I will have so much green coffee that I will sell beautiful high quality coffee for much less than a farm sustainable price.
- 4. The surplus of coffee will sink the cherry price paid by coffee mills.
- 5. The number of coffee mills buying cherry will decrease. Less competition will sink the cherry price (I debate saying this, but in any industry where there is competition the following is true. What if there are farms/coffee mills/ organizations that want this bill to pass for spite and not for what they know is actually best for themselves and Kona Coffee)?
- 6. The small cherry farmers will stop farming.
- 7. Medium size farms will begin to stop farming next
- 8. Some Large farms will be the last to stop farming.
- 9. A few large farms will remain and the Kona Coffee industry will be a fraction of what it is today.

Currently we need blends to exist in order to sell all of the green coffee produced in Kona. There is no evidence to support that selling only 100% Kona coffee would not create a surplus of unsold Kona coffee. It would be an event that would financially cause farms to stop farming and coffee mills to shut down.

The Kona coffee industry is not broken. There are people who can afford to buy 100% Kona Coffee and many people who choose to buy a less expensive 10% Kona coffee Blend. Each person has the choice of what to buy. This bill is an attempt to take that choice away from the consumer and an attempt to change an industry that is not broken.

The Farms I own and manage provide the primary financial support to over 20 households and are the sole support for at least 10 of those. If my business of selling over 10,000 lbs of Kona Prime green coffee is forced to change, the lives of many will be adversely affected.

It is unfathomable that I am writing this to try and save my business and the jobs of my employees. We have built our business over the past 20 years in accordance to laws that have been in place for 3 decades.

One thing I know for certain. No household of people who support this bill will be turned upside down. In fact I have been told by a supporter of this bill that they don't think their business will be positively or negatively changed by a passing of this bill. They just don't like the idea of Kona Coffee Blend.

Thank you for taking the time to read my thoughts and please see that the big picture is more



Submitted on: 3/31/2024 8:54:35 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Joe Belli	Testifying for Kaiwi Farms	Oppose	Written Testimony Only

Comments:

This bill comes across as an attempt to rid the coffee industry of the little (farmers) guys. Our country was built on the backs of the small farmers and as such they should be shown some respect by working with not against.

Submitted on: 3/31/2024 10:02:53 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
John Trowbridge	Testifying for Mountain Thunder Coffee Plantation	Sunnort	Written Testimony Only

Comments:

Aloha,

Mahalo for considering my testimony in support of HB2298.

I am John Trowbridge owner and manager of Mountain Thunder Coffee Plantation. We grow and process 100% Kona Coffee purchased from other farmers in the Kona Coffee Belt and provide tours of our farm and mill to thousands of Kona visitors each year. More than twenty employees, all local residents of Kona District rely on us for their income.

Over the years we have learned that our clientele anticipate that the 100% Kona Coffee they purchase will be "the best of the best" and are dismayed to learn the some coffees that display the word "Kona" on the label are not really Kona Coffee but a disappointing blend of perhaps 10% Kona Coffee with the remaining 90% being any other coffer from anywhere else in the world and of questionable quality. Obviously blending 10% high quality product with 90% problematic quality product results in a questionable inferior product deceiving the consumer.

I ask, would an automobile that contained 10% Mercedes parts and 90% parts of various other cars be worthy of having Mercedes famous tri-star insignia on the grill ... of course not !!!

The Judiciary needs to support this bill to preserve the integrity of the Kona Coffee product which had been recognised as one of the world's best coffees since the late 1800's. The opportinistic blend producers need to stop deceiving the public by using the word "Kona" to describe a product that may contain, a small fraction of actual Kona Coffee.

Passing this bill will support agriculture on the Big Island as well as the entire State of Hawaii. Hawaii and Hawaiian products will have an improved perception with the public. Consumers will be protected from deceptive labeling. Local farmers and farm workers will benefit.

Again, I urge you to consider this bill favorably.

Mahalo,

John Trowbridge

Mountain Thunder Coffee Plantation

Submitted on: 3/31/2024 12:51:09 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Marguerita Wicklander	Testifying for Aloha Hills Coffee	Oppose	Written Testimony Only

Comments:

I oppose this bill for reasons that it will diminish the livelihood and sustainability of our family's Kona Coffee farm, along with all Kona Coffee farms.

Without the health and vitality of Kona's Coffee farms the overall economy and global exposure of one of Hawaii's significant cultural and natural resource icons will suffer greatly. This will negatively impact farm jobs, cherry and green coffee prices, and the shipping and service industries in Hawaii that support the end-to-end Kona Coffee processes.

This bill will choke out Hawaii's prosperity, not enable it. Thank you for considering my testimony.

Testimony in Support of HB2298

Huahua Farm is a 4 acre coffee grower in Holualoa selling 100% Kona coffee via the internet. Huahua Farm is a member of the Kona Coffee Farmers Association and supports the attempt to protect a Hawaijan heritage crop that has an international reputation dating from 1893, by amending the current law that allows 10% content under the name Kona coffee. Many producing regions in the United States use geographical identity and legal protection to establish standards that assure quality and taste. The 10% content law produces an inferior quality and taste standard. Consumers are not expected to conduct a detailed reading of every label on every purchase. Blenders use this practice to enhance the word Kona and minimize the word 10% leaving the consumer to determine their purchase by price. The 100% Kona coffee market is firmly established at a significant premium to 10% Kona blend and the traditional non Kona coffee market. Kona coffee growers are unable to enlarge their market share when 10% blend is allowed to compete. Amending the law will benefit both growers and consumers. The growers will maximize their economic opportunity and consumers will appreciate the true quality and taste of the Kona coffee experience. The Act 222 economic study requested by the Senate in 2022 thoroughly analyses Kona coffee and its place in the general coffee market. It produces data that concludes there is a clear need to eliminate the 10% blend and this will protect Kona coffee's geographical identity, enhance Kona coffee's quality and taste, eliminate the confusion in the consumer's perception, and motivate the Kona coffee grower by enhancing his profitability.

Submitted on: 3/31/2024 2:27:04 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Testifying for Kanalani Ohana Farm	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee Members:

My name is Colehour Bondera, and I speak to you from Kanalani Ohana Farm, our families' certified organic farm in Honaunau.

Please support HB2298, regarding consumer protection in Hawai'i coffee labelling.

Consumer deception has long been the most significant concern for our farms' Kona coffee marketing.

I was recently invited to represent Kona coffee on a panel at a World Intellectual Property Organization (part of the United Nations) supported event in Guadalajara, Mexico on April 26.

Consumers trust US labels, and Hawai'i has long permitted deceptive labels on coffee products. The costs of such allowances are born by the coffee farmers. Hawai'i must look out for Hawai'i farmers.

As a farmer, I have been involved with local efforts to protect the name uses of place of origin for coffee. However, small-scale Kona coffee farmers have little chance to be heard if we cannot send a lobbyist to guide or sway decision-making in Honolulu. Involvement with Kona Coffee Farmers Association (KCFA), Hawaii Organic Farming Association and Hawaii Farmers Union United have all helped, to some degree.

However, with little benefit for farmers at the local level, at the national level I have worked with the American Origin Products Association; with leaders from entities such as Idaho Potatoes, Napa Valley Vintners, New Mexico Chiles, and Vermont Maple Syrup.

Also, as a lead plaintiff in a national lawsuit about deceptive marketing, it has been wonderful to see Kona coffee farmers receive financial reimbursement for the misuse of product name, since product testing has resulted in proof of inaccurate labels. These legal decisions are supported by the Lanham Act, which essentially comes down to truth-in-labelling. We must stop consumer deception.

Efforts of the global product protection group, oriGIn (https://www.origin-gi.com/), based in Geneva, Switzerland, are vital for international protection. The group works directly with

international law and the United Nations to establish rules to ensure that local and national regulations are followed and enforced through trade and marketing worldwide (remember that coffee is a much moved product around the world). We must recognize and work with oriGIn to be sure that products like Kona coffee are provided due protection. Kona coffee pursued oriGIn recognition alongside other entities, such as Café de Colombia, who also sought recognition for products of designated place of origin with the non-profit oriGIn, starting nearly 15 years ago.

HB2298 follows many years of effort to protect the farmers of Kona and other Hawai'i coffees. The 2023 HDOA study to look at economic impact of changes in coffee blend label requirements in Hawai'i had many of the short-comings of the 2010 piece of work done by economist Dr. Feldman, but reached similar conclusions: Farmers are suffering economically as the result of existing rules, and changes would mean that farmers are better supported, and consumer deception would wane.

For this historical reasoning, it is very important that we do not allow this legislation to be postponed over more than the original Bill language of a three-year phase-in. That is plenty of time for a well managed business to change marketing strategies and sell coffee as majority coffee, rather than deceptive labels selling primarily non-Hawaii products in Hawaii origin labels bags.

Thank you for your serious consideration for this important piece of legislation. While a compromise of less than 100% from original language may be tolerable, so 75% could be discussed, for example, nothing lower than a majority can be permitted in order to be able to use names of Hawai'i geographical origin in marketed products by anyone at any level, without exceptions.

Let me close by stating that when presenting about Kona coffee on an international panel in Guadalajara, Mexico, in just over three weeks, it would be outstanding to be able to state that Hawaii it going to legally protect our own products, and wants to have such recognition worldwide.

Sincerely,

Colehour Bondera

KANALANI OHANA FARM

colemel2@gmail.com

Submitted on: 3/31/2024 4:38:19 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	•	Organization	Testifier Position	Testify
Cynthia Maryan	off	Testifying for Absolute Palate LLC	Support	Written Testimony Only

Comments:

30 March 2024

Dear Senate Judiciary members

We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i. We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support]. Now we NEED YOUR SUPPORT of HB2298! 2022 yields of KONA coffee were extremely diminished due to CLR and weather damage so we need this passed now please! 2023 was a much better year because of the HI state reimbursements for treatments.

The new law does require more information but does not make blenders specify that it is *Arabica* so the remaining could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent start. Requiring % to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger as Kona Typica is Arabica!

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command high respect in the coffee world.

Fact: Friends from the mainland came to visit. They declined to drink coffee at our home because the "KONA" coffee they bought was too harsh. We tracked down the harsh bag: it was a 10% KONA blend with small lettering saying 10% Kona and no identity of the 90%.

We prepared them our 100% KONA small farm single estate coffee: they loved it! They immediately purchased 4 lb to take home! We need YOU to protect our market please!

Our reasons for strong support of HB 2298.

- 1. **Misleading labeling is fraudulent** consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION [case no.2:19-cv-00290-RSL]* in the United States District Court for the Western District of Washington as settlement benefits have been sent].
- 2. Use of the name without requiring the content exploits the region and deprives farmers of income. Further, not even identifying the coffee as *Arabica* or Robusta is also misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB2298.
- 3. Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with *Robusta* coffee also damages the brand.

Hawai'i needs to step up and protect the brand integrity of its premier *Arabica* coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of **HB2298!**

4. The study the **state of Hawaii paid for** says basically support HB2298!

Act 222 Economic Study says there is clear economic justification to increase minimum content and that current statute is harmful to farmers. Further it recommends transitioning to 100% immediately. The state paid for this study. We farmers took the time to fill out the lengthy document. You paid for the study. Please follow their guidance! Clear and truthful labeling reflects authenticity of our coffee [and the economic plight of bad years with HI state helping fight the intruders CBB and CLF, thankyou very much].

Cynthia and Bruce Maryanoff

Absolute Palate, LLC

Selling ABSOLUTELY! KONA COFFEE®

Submitted on: 3/31/2024 5:24:35 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharlene Gee	Testifying for Bea's Knees Farm, LLC	Support	Written Testimony Only

Comments:

I am a Kona coffee farmer and a Kona Coffee Farmers Association member testifying in strong support of HB2298 HD1 SD1, pertaining to coffee labeling. Our farm is small, under five acres. My great-grandparents on down have been involved with growing Kona coffee.

We need the extra income this could translate to, as soon as possible. With coffee berry borer beetle, coffee leaf rust, and climate change, it is becoming increasingly difficult to survive in this business. We are seriously considering quitting, necessitating removing our 85-year old trees (so as to not harbor beetle or rust that could impact other farms) if we can't make the economics work.

The Hawai'i-related designations are names used because of their high reputations. Using those geographic names when only a 1/10 portion of coffee is from that geographic origin is misleading. There should be truth and transparency in labeling. The current requirements result in product that's confusing to consumers and cheapens and damages our brand of 100% Kona, Ka'u, other single geographic origins, and Hawaiian. Act 222 Economic Study on Kona blending supports this.

Let's address this correctly now.

Hawai'i must protect the integrity of its premier coffee brands grown throughout the islands. Thank you for your positive consideration and passage of **HB2298**.



PO Box 168, Kealakekua, HI 96750

SENATE COMMITTEE ON JUDICIARY April 2, 2024 10:05 AM

RE: STRONG SUPPORT for HB2298 HD1 SD1; Relating to Consumer Protection

Aloha Chair Rhoads, Vice Chair Gabbard and members of the committee,

I am Chris Manfredi, testifying on behalf of Hawaii Coffee Association.

In 2022, Hawaii's Legislature and Governor enacted Act 222, that directed Hawaii's Dept. of Agriculture to "conduct an independent study to assess the economic impact on local coffee farmers and the local coffee industry from potential changes to coffee labeling requirements...".

Its conclusions are clear:

"Transitioning from a 10% blend to a 51% blend or 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers. This shift... suggests a net gain for the primary stakeholders in the coffee supply chain." and

"There is clear economic justification to increase the minimum content requirement for Kona coffee."

A foreign-grown coffee mixed at a ratio of 9:1 is below the point where consumers can taste the 10% Hawaii-grown coffee it may contain. Hawaii's producers are required to adhere to strict grade standards defined in HAR 4-143, yet these imported coffees are not. This is unfair. The HCA has analyzed several foreiegn-grown blends that carry Hawaii's origin names. We have often found defective coffee and severe insect damage. These substandard blends damage Hawaii's reputation for high quality coffee.

Foreign-grown blended coffee labeled with Hawaii's growing regions artificially floods the market with supply. This drives down price potential for Hawaii's growers and processors as they struggle to compete with cleverly priced fakes.

Some have argued that foreign-grown blends help make Hawaii-grown coffee more affordable for consumers. It's important to note that blends containing 90% foreign-grown coffee are not Hawaii-grown. Consumers who buy blends that carry the names of Hawaii's growing regions, thinking it's a Hawaii-grown product, are victims of deception.

Raw foreign-grown coffee beans imported directly into our growing regions are a prime vector for invasive pests and disease. Managing these pests and disease damages growers by driving up the cost of production and driving down yields.

The Hawaii Coffee Association respectfully asks this committee to support Hawaii's coffee growers by ending the profiteering enjoyed by a handful of blenders.

Thank you for your support of Hawaii's agricultural communities.



RE: SUPPORT for HB2298 HD1 SD1RELATING TO CONSUMER PROTECTION Consumer Protection; Coffee Labeling; Geographic Origins; Prohibitions

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in **strong support** of this Bill. Our consortium represents 1,500 coffee macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Among other programs, SHAC receives Federal USDA marketing funds to promote 100% Hawaiian origin products. We find that the **demand for 100% Hawaiian products far exceeds available supply.** This is particularly true with coffee. Quite simply, there is not enough Kona, Maui, or Ka'u coffee to meet the global desire for Hawaiian coffee. As the Act 222 Economic Study made clear, demand for Kona, in particular, is inelastic and increasing the blend ratio will have little effect on the quantity demanded or supplied.

Raising the bar to 100% Hawaii origin aligns with the recommendations of the Act 222 Economic Study just completed under the HDOA.

The study stated "There is clear economic justification to increase the minimum content requirement for Kona coffee" (p.6). Transitioning from a 10% blend to 100% Kona coffee "redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers" (p7). **The growers, who understand their market better than anyone else, are requesting this change.** It will raise their income, protect their brand, and be beneficial for the State's tax revenue (p7).

Passage of this Bill also provides consumers with correct labeling information. Food labels are a critical component of our agricultural economy, affecting a farmer's ability to earn a fair price for their products.

Mahalo nui loa for supporting this bill!

Suzanne Shriner Administrator

Jun Thin

An Equal Opportunity Cooperator Hawai'i Coffee Association • Hawai'i Floriculture and Nursery Association Hawai'i Macadamia Nut Association • Hawai'i Papaya Industry Association 190 Keawe Street Suite 25, Hilo, Hawai'i 96720 info@SHACHawai'i.org



TESTIMONY OF TINA YAMAKI PRESIDENT RETAIL MERCHANTS OF HAWAII APRIL 2, 2024 HB 2298 HD1 SD1 RELATING TO CONSUMER PROTECTION.

Good morning, Chair Rhoads, and members of the Senate Committee on Judiciary. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We have concerns regarding HB 2298 HD1 SD1. This measure establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin; exempts retailers that do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages from liability for the sale of roasted coffee, instant coffee, or ready-to-drink coffee beverages that use a label or advertisement in violation of the coffee labeling law; and takes effect 7/1/3000.

We are very grateful that, included in this measure, retailers who do not do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages are not liable.

However, we also recognize that there are other consequences of this measure for retailers as well as for the local coffee industry. By annually mandating an increase in minimum percentage of locally grown coffee, the cost of this product would significantly increase and may be a deterrent for people and businesses to purchase locally grown coffee and find cheaper alternative brands that are NOT from local coffee growers. We need to help to promote and encourage local business and not deter people from purchasing our local products because they are too expensive.

Furthermore, manufacturers and retailers of local coffee know the price point that their consumers are willing to pay. Currently many of our visitors return home with bags of local coffee to reminisce about their stay on the islands. Local restaurants use coffee grown in Hawaii. Residents enjoy local coffee in their homes. The majority who purchase and consume are well aware that the coffee they are purchasing is at least 10% a blend to 100% locally grown coffee beans. With the current drop in visitors and customers in restaurants and many retail stores, businesses are very cognizant of ordering supplies conservatively as well as the price point. We do not want to see our local coffee become so expensive that many locals are not able to afford to purchase a bag to brew at home or the visitor not willing to pay the price to be able to get a taste of what the islands have to offer with a sip of coffee with locally grown beans.

We are also wondering who will be responsible for ensuring that all the coffee products meet the percentage requirements. Retailers may not have the expertise or resources to verify this information accurately. Implementing a system for verification that is fair, transparent, and not overly burdensome is also crucial to the success of such a measure.

Retailers do not want to see our local products being priced out of the marketplace to where only the wealthy can purchase and not the average local Kama'aina or business.

Mahalo for this 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

April 2, 2024

HEARING BEFORE THE SENATE COMMITTEE ON JUDICIARY

TESTIMONY ON HB 2298, HD1, SD1 RELATING TO CONSUMER PROTECTION

Conference Room 016 & Videoconference 10:05 AM

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

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

The Hawai Farm Bureau supports HB 2298, HD1, SD1, which establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin, exempts retailers that do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages from liability for the sale of roasted coffee, instant coffee, or ready-to-drink coffee beverages that use a label or advertisement in violation of the coffee labeling law.

Hawai'i-grown coffee is recognized for its high quality and aromatic flavor. Hawai'i-grown coffee is held to a set of quality standards, making it one of the most expensive coffees in the world. It is one of Hawai'i's signature crops.

The 2021-2022 USDA National Agriculture Statistics Service (NASS) of Hawai'i Agriculture estimated the value of Hawai'i-grown coffee at \$61.9 million. It ranked coffee fifth among the top twenty agricultural commodities in the state.

To protect the Hawai i coffee industry from counterfeiting, the legislature in 2012 enacted Act 323, which established criminal penalties for Hawai i-grown cherry, parchment, and green coffee that is falsely labeled with regard to the geographic origin. However, in addition to the geographic origin, stricter enforcement of the labeling restrictions based on the quality of the coffee being sold is critical to prevent further counterfeiting of Hawai i's recognized high-quality coffee.

Thank you for the opportunity to testify on this measure.

Testimony of Jeffrey Clark

Ka'u Coffee Mill

April 2, 2024

HB2298 Relating to Consumer Protection

Aloha Chair, Vice-Chair and members of the Committee on Judiciary,

My name is Jeffrey Clark and I am the Chief Operating Officer for the Edmund C Olson Trust which owns and operates the Ka'u Coffee Mill. Ka'u Coffee Mill grows, processes and roasts 100% Ka'u-grown coffee and purchases coffee from 50 small farmers in the Ka'u district. Our farm grows coffee on 100 acres near Pahala on Wood Valley Road.

I am in full **SUPPORT** of HB2298.

As a grower, processor, roaster and retailer of 100% Kau Coffee, I can see the devastating result of blended coffees on the Hawaii-grown coffee industry. Blended coffees, using as little as 10% of Hawaiian coffee, create a real problem for local farmers. Blended coffees do not provide the consumer with the proper taste profile and mislead the consumer about the region's flavor qualities. Blended coffees also depress the price of 100% Hawaii-grown coffees as well. Products need to be properly labelled to inform the consumer not only of the percentage of Hawaii-grown coffee, but also of the percentage by origin of foreign grown coffee. Under the current law, blenders do not have to disclose the origin of foreign grown coffee and most only indicate the Hawaii-grown percentage which misleads consumers.

The coffee industry in Hawaii started over 100 years ago by farmers and today, it represents one of the largest crops grown in the state of Hawaii. Hawaiian farmers have built a reputation for growing high quality, specialty coffees that command premium prices. Blenders have taken advantage of this reputation by minimally blending Hawaii-grown coffee with lesser cost and quality coffees grown elsewhere.

I urge you to stand with coffee farmers to protect their high-quality reputation.

Sincerely,

Jeffrey Clark

Chief Operating Officer, Edmund C Olson Trust No 2 / Ka'u Coffee Mill

Submitted on: 4/1/2024 7:25:35 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Mastin	Testifying for The Buna Coffee Company	Support	Written Testimony Only

Comments:

I am a coffee farm owner and farmer in Holualoa, in the ahupua'a of Hienaloli. We are a small family farm.

I IMPLORE you to preserve the original language of this bill – protect Kona and all other Hawaiian coffee at 100% with a phase in period of 3 years as stated.

Hawaiian coffee is what I call a heritage crop – that's not a legal term, but it describes what we're talking about. First and foremost, is grown on royal lands. The title to my farm originates with King Kamehameha III who, during the great Mehele, deeded it to a native family (who now lives in the Keahou area). It then went to the Thurstons and then to another family, who leased it to Japanese immigrants to grow coffee. SO many hands have worked this land and left their mark. The coffee production process is 1090% done by hand, each tree cared for, evaluated, and stewarded with care and procedures, many of which are unique to Hawaii and some even just unique to Kona. We even have a pruning method called "Kona Style" that has been used for over 100 years. Hawaiian coffee has a culture of its own, within the larger culture of these islands.

It represents and embodies the ali'i lands, the families, the immigrants, all the people that have come and gone from them. The roots here run deep. This is no ordinary crop. It's qualilty and culture is known the world over - it's time for our state to protect it.

As a result, I argue that Hawaiian coffee is a heritage crop deserving of 100% protection from pretenders. Because not only is it superior coffee, it contains history, heritage, ua poko, aloha... those are the things that make this coffee grow and I believe it is what makes it so incredibly good. That is deserving of protection.

From a regulatory standpoint, it would be a nightmare to protect Kona at any other level other than at 100% - imagine the nightmare of havoing to enforce blend percentage standrds (as we have now, which isn't being regulated because it is a regulatory nightmare of the state).

Please do not allow the blenders and pretenders with deep pockets to define, own and sell what is KONA. What is Hawaiian. The heritage and history and aloha of this coffee deserves full protection – at 100%. If blenders are going to blend, they are not to use the Kona name and should be blending with other Hawaiian coffees in order to call their product Hawaiian. But they dn't want to - because right now they are making hand over fist money selling crap coffee with the Kona or Hawaiian name. It's being stolen. It's misleading. It's just wrong.

PLEASE PROTECT KON AND HAWAIIAN COFFEES AT 100% WITH A 3-YEAR PHASE
IN, just as written. The Consumer Fraud committee heard a lot of live testimony and took
careful consideration in returning the bill to the original 100%/3 year language, which I ask you
to defer to.

Mahalo.

Submitted on: 4/1/2024 8:33:09 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Tony Tate	Testifying for Ka'awaloa Trail Farm	Support	Written Testimony Only

Comments:

It is imperative that our government protect the Kona name by ensuring that all coffee sold is 100% Kona coffee. This will be a benefit to farmers, consumers and the economy. Governments of other states and countries fight to protect the names associated with their products; it is time for Hawaii to step up and do the same. Thank you!



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

Executive Officers

Gary Okimoto, Safeway Hawaii, Chair
Maile Miyashiro, C&S Wholesale Grocer, Vice Chair
Kit Okimoto, Okimoto Corp., Secretary/Treas.
Lauren Zirbel, HFIA, Executive Director
Paul Kosasa, ABC Stores, Advisor
Derek Kurisu, KTA Superstores, Advisor
Toby Taniguchi, KTA Superstores, Advisor
Joe Carter, Coca-Cola Bottling of Hawaii, Advisor
Eddie Asato, Pint Size Hawaii, Immediate Past Chair

TO: Committee on Judiciary

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: April 2, 2024 TIME: 10:05am PLACE: Room 16

RE: HB2298 HD1 SD1 Relating to Consumer Protection

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

The Hawaii Food Industry Association (HFIA) appreciates the opportunity to provide testimony on the proposed bill concerning labeling and advertising regulations for coffee products. While HFIA recognizes the intent of the bill to uphold transparency and accuracy in labeling, we have concerns regarding its potential impacts on the coffee industry in Hawaii.

One immediate concern is the July 2024 deadline, which is only a few months away. The rapid implementation timeline may not provide sufficient lead time for businesses to adjust their sourcing practices and comply with the new regulations. Given the complexity of supply chains and the time required to establish new partnerships and secure adequate supplies, meeting the requirements by July 2024 may prove logistically challenging, if not impossible, for many industry stakeholders.

This short timeframe particularly poses a significant burden on smaller businesses and local producers who may lack the resources and infrastructure to swiftly adapt to the new requirements. Without adequate support and flexibility, these entities risk facing disruptions in their operations and potential financial hardships, which could have adverse effects on the overall resilience and sustainability of Hawaii's coffee industry.

Furthermore, the phased increase in the required percentage of coffee by weight from a specific geographic origin over the coming years adds further uncertainty and complexity to compliance efforts. While the gradual transition may provide some relief, the initial deadline of

July 2024 presents an immediate hurdle that requires careful consideration and potentially adjustment to ensure a smooth and equitable transition for all stakeholders.

In addition to the concerns regarding the implementation timeline, the bill's stringent requirements regarding the percentage of coffee by weight from a specific geographic origin could significantly limit the flexibility of coffee producers and manufacturers. The phased increase in the required percentage from 25% to 100% over several years may pose challenges for businesses, particularly smaller ones, to adjust their sourcing practices accordingly. This could potentially lead to disruptions in the supply chain and increased production costs, ultimately affecting consumer choice and affordability.

Additionally, the requirement to disclose the percentage of coffee by weight from a geographic origin on packaging adds another layer of complexity to labeling regulations. While transparency is essential, excessive labeling requirements may overwhelm consumers and obscure other pertinent information on packaging.

The mandate for roasters, manufacturers, and other entities to maintain detailed records on coffee volume and geographic origin imposes administrative burdens and costs on businesses. Compliance with record-keeping requirements may divert resources away from core operations and pose challenges for smaller enterprises with limited capacity.

In conclusion, while HFIA supports efforts to ensure accuracy and transparency in coffee labeling, we urge the Committee to reconsider the feasibility of the proposed July 2024 deadline and to provide adequate support and flexibility for industry stakeholders to comply with the new regulations. Collaborative dialogue and constructive engagement with all affected parties are essential to developing effective and sustainable solutions that uphold the integrity of Hawaii's coffee industry while safeguarding its economic competitiveness.

Submitted on: 4/1/2024 8:49:35 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chair Rhodes, Vice Chair Gabbard and members of the Senate Judiciary Committee,

On behalf of the Hawaii Coffee Growers Association, a group of Hawaii coffee farmers representing over 70% of Hawaii's Coffee growing acreage, I wish to ask for your support in moving HB-2298 forward. The legacy of the Hawaii coffee origin in branding began with our farmers here. They were successful in creating a product recognized world wide for it's elite quality. This farmer should be rewarded for that success, instead, their product is diluted in the marketplace by those hoping to reap those successes earned by others. This needs to stop.

Hawaii's current laws allow for this stealing to occur, and because the greed does not stop there. The lawsuits prove that you can't keep cheating the customer and hope to continue to be perceived as as high end.

Thank you for the opportunity to testify.

Submitted on: 4/1/2024 9:24:10 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Johansen	Testifying for Cyanotech Corporation	Support	Written Testimony Only

Comments:

I'm writing today on behalf of Cyanotech Corporation, microalgae aquaculture farmers on the Kona coast, and producers of Hawaiian Spirulina® and BioAstin® Hawaiian Astaxanthin® microalgae based Dietary Supplements. These Hawaii grown products are the number one brands in the natural products market. A vast majority of our success comes from the consumer's care for and appreciation of the product's origin, Hawaii. We relate to the coffee farmers of Hawaii and understand the importance of protecting Hawaii grown products and consumer's expectation of Hawaii origin when purchasing products labeled as such. We are one of a handful of publicly held companies on the big island and employee approximately 80 people.

We respectfully request that HB 2298 be passed with the original draft language presented by Rep. Nicole Lowen and the 24 co-sponsors. Phasing in the 100% Hawaii grown rule over 3 years. We strongly believe that the exemption of retailer liability for selling or advertising coffee with label violations needs to be removed. Retailers should be responsible and accountable for maintaining such a law and protecting Hawaii coffee farmers.

HAWAII COFFEE COMPANY

1555 Kalani Street Honolulu, Hawaii 96817 Ph: 808-847-3600 Fax: 808-847-7900 www.hicoffeeco.com



TO: Senator Karl Rhoads, Chair

Senator Mike Gabbard, Vice Chair

Committee on Judiciary

FROM: Gerard Bastiaanse

President- Hawaii Coffee Company

RE: HB 2298 HD1 SD1 - Relating to Consumer Protection – Oppose, Request

Amendments

Tuesday, April 2, 2024; 10:05 a.m.

Conference Room 016 & Videoconference

Aloha Chair Rhoads, Vice Chair Gabbard and members of the committee:

Hawaii Coffee Company has concerns with HB 2298 HD1 SD1, which establishes a timeline by which roasted coffee, instant coffee and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain percent coffee by weight from that geographic origin.

HB 2298 HD1 SD1 increases blend requirements up to 25% from July 1, 2024 - June 30, 2025, up to 50% from July 1, 2025 - June 30, 2026, up to 75% from July 1, 2026 - June 30, 2027, and 100% from July 1, 2027 and on. Allowing only one (1) year for each transition period is unduly burdensome and not commercially reasonable as it would require significant economic investment to modify packaging every year (e.g., complete redesign or, at minimum, placement of label stickers over existing packaging). Without adequate time to sell-off existing inventory before the increased minimum weight percentages take effect, businesses will be forced to dispose of millions of dollars of product. Indeed, even the recent coffee labeling law study funded by the Department of Agriculture recognized that a more effective approach to mitigate industry shock is to provide a longer lead time for the industry to prepare for the new requirements.

Hawaii Coffee Company offers a range of coffee, from 10% Kona blend to 100% Kona coffee as well as similar consumer coffee blend options from other Hawaii coffee growing regions. We believe it is important to offer consumers a range of coffee products so they have options to choose based on taste preferences and affordability. HB 2298 HD1 SD1 will force consumers to either select another affordable alternative roasted on the mainland or abroad, by a mainland or international company, or to pay a much higher price for a 100% Kona coffee product. Additionally, this bill will reduce the volume of coffee purchased, roasted and packaged at our facility in Kalihi. As a result, the number of employees we currently employ would not be sustainable and a reduction in workforce would occur.

HB 2298 HD1 SD1 also prohibits the use of or require alteration of federally registered trademarks that incorporate geographic designations of origin (such as Hawai'i, Kona, or Ka'u) with coffee products that contain some, but less than the proposed minimum blend requirement. In that regard, it may be preempted and rendered unenforceable to the extent it conflicts with the Lanham Act, and potentially lead to lawsuits challenging the validity of HB 2298 HD1 SD1.¹

A key purpose of the Lanham Act is "to protect registered marks used in such commerce from interference by State, or territorial legislation...." Lanham Act § 45. Indeed, it is well-established that "when state laws would narrow rights provided by the federal Lanham Act, federal trademark law preempts state law." 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 22:2 (5th ed. 2022) (citing *Moran v. Edie Parker, LLC,* 563 F. Supp. 3d 671, 2021 WL 4427246, *5 (E.D. Mich. 2021) (state publicity rights law could not be used to restrict the rights of the owner of an incontestable federal registration); *Blockbuster Videos, Inc. v. City of Tempe,* 141 F.3d 1295, 46 U.S.P.Q.2d 1437 (9th Cir. 1998) (Lanham Act section 39(b) prohibiting states or their political subdivisions from requiring alteration of registered mark prohibited city from requiring retailer to alter service mark to comply with city zoning law requiring signage to be of uniform appearance and color). ²

In summary, federal trademark laws are designed to promote and encourage uniform trademark use, and to discourage activities which would result in confusion among purchasers. Local trademark display regulations which require alterations of federally registered marks for local use conflict with federal law and underlying public policy. To the extent that the proposed legislation purports to require alteration of one of Hawaii Coffee Company's federal registered marks, federal trademark law would preempt the Hawaii law.

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¹ A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of goods or services. Hawaii Coffee Company is the owner of a number of well-known and widely recognized federal and state trademarks ("HCC Marks"). Hawaii Coffee Company has spent significant time, energy, and expense promoting the HCC Marks and the HCC Marks have accrued considerable value and goodwill to Hawaii Coffee Company. Hawaii Coffee Company's claims of ownership in the HCC Marks are based upon long existing and clearly delineated common law and statutory rights. These rights constitute legally protectable property.

Section 39(b) of the Lanham Act provides that: "no state or other jurisdiction of the United States or any political subdivision, or any agency thereof may require alteration of a registered mark, or require that additional trademarks, service marks, trade names, or corporate names that may be associated with or incorporated into the registered mark be displayed in the mark in a manner different from the display of such additional trademarks, service marks, tradenames, or corporate names contemplated by the registered mark as exhibited in the certificate of registration issued by the United States Patent and Trademark Office." Section 39(b) of the Lanham Act was enacted in response to problems encountered by Century 21 when various state regulatory agencies required varying displays of its federally registered service mark. *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Com.*, 448 F. Supp. 1237 (D. Nev. 1978), aff'd, 440 U.S. 941, 59 L. Ed. 2d 630, 99 S. Ct. 1415 (1979). "Senator Hatch stated that the purpose of the amendment was to ensure that owners of federally registered marks will be permitted to use their marks in interstate commerce without interference by local regulation." 3 J. McCarthy, *supra* §22:4 (citing Cong. Rec. S12633, 97th Cong., 2d Sess. (Sept. 29, 1982)).

For the foregoing reasons, we ask that this measure be held. However, if the Committee is inclined to pass this measure, we urge you to consider amending to the HD1, which allows for a reasonable time to comply with the new requirements and ease the burden on businesses.

Additionally, we ask that HB 2298 HD1 SD1 amend HRS § 486-120.6(b) to replace the word "foreign" ("Foreign-grown Coffee") in subsection (b) be replaced with "international." The word "international" does not change the intent of HRS § 486-120.6.

Thank you for the opportunity to express our concerns.

Submitted on: 4/1/2024 9:38:45 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted B	y	Organization	Testifier Position	Testify
Bruce Maryano	off	Testifying for Absolute Palate LLC	Support	Written Testimony Only

Comments:

We need this bill passed

Raw foreign-grown coffee imported into our growing regions is a prime vector for invasive pests and disease

while the state of HI has been helpful with subsidies to fight each invasion, they will still occur as long as non Hawaiian grown coffee is being mixed with KONA coffee to furnish a fraudulent non- 100% KONA coffee.

please stop the influx of pests! We farmers lost too many years of good coffee to bad actors brought in " accidentally"

please support 100% KONA coffee and make it effective now!!

sincerely

Bruce Maryanoff

Absolute Palate LLC

growing and processing coffee from two single estate farms with delicious coffee!

while

Submitted on: 4/1/2024 9:50:50 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Bachmann	Testifying for South Kona Estate Coffee Farm	Support	Written Testimony Only

Comments:

I am reaching out to voice my support for the enactment of Hawaii Legislature Bill HB2298, a critical measure aimed at preserving the authenticity and reputation of our beloved Kona coffee. This bill's commitment to ensuring that coffee labeled with geographic regions such as Kona is 100% grown in those areas is essential for the sustainability of our local coffee industry and the satisfaction of consumers worldwide.

The practice permitted by the current statute, which allows for the Kona label to be used on coffee blends containing as little as 10% Kona-grown beans, is misleading and detrimental to both consumers and local farmers. This mislabeling not only deceives consumers who expect a pure product from the Kona region but also significantly harms the economic interests of our local growers. The Act 222 Economic Study has highlighted the necessity of increasing the minimum content requirement for Kona coffee, indicating a clear economic justification for this change.

Transitioning to a requirement for 100% Kona coffee in labeled products would shift economic benefits towards growers and consumers, ensuring a fairer distribution of profits and enhancing the value of our coffee. The study also points out that consumer demand for Kona coffee remains strong, with many willing to pay a premium for genuine Kona coffee. However, the current labeling practices dilute the brand's value and mislead consumers, ultimately damaging Kona coffee's reputation in the specialty market.

By supporting HB2298, we can protect the integrity of Kona coffee, ensuring that consumers receive the authentic product they expect and deserve. This measure will also support our local economy by providing a more equitable distribution of income among our coffee growers.

Mahalo for your attention to this important matter.



April 1, 2024

'Āina Design Corp. 1105 Uluopihi Lp. Kailua, HI 96734

RE: HB2298

Dear Legislative Team,

Kona-branded coffee is setting a worthwhile precedence for our agribusiness community. We are in full support of HB2298. Local supply chains must prepare now to deal with the uniqueness of Hawaii-made, grown, and produced agricultural products. Local businesses are concerned about quality and, more importantly, the benefits to domestic and foreign consumers. Our state partners must see this economic and environmental legislation to connect with our community of growers and producers with the field knowledge to deliver consumer-promised goods. This way, fairness in trade can eventually extend to how industry stakeholders connect to a more knowledgeable consumer inundated with many other brand campaigns, good or bad. We look forward to working closely as a supply chain stakeholder and digital services provider.

Sincerely,

Joe Hagedorn

Founder, 'Aina Design Corp.

Joseph Hagedorn

Email : admin@ainadesign.org

Website: www.ainadesign.org

TIN: 32-0466202 **ENTITY QUALIFICATIONS** CAGE Code: 7WCD4

FOOD SAFETY: Fspca #5990c0e3



Senate Committee on Judiciary

Hawai'i Alliance for Progressive Action (HAPA) Supports: HB2998 HD1 SD1

Tuesday, April 2nd, 2024 10:05 a.m. Conference Room 016

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

We support HB2998 HD1 SD1 which establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin. Exempts retailers that do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages from liability for the sale of roasted coffee, instant coffee, or ready-to-drink coffee beverages that use a label or advertisement in violation of the coffee labeling law.

HAPA understands the importance of enforcing the integrity of the "Hawai'i Brand" and that there is a genuine need for stronger protections of this brand integrity.¹

This bill closes an important loophole where counterfeiters have been escaping oversight. By granting HDOA the ability to verify the authenticity of a roasted coffee's origin, it opens the door for better enforcement and higher profits to farmers. The less counterfeit coffee in the marketplace, the greater the demand for real Hawaiian coffee.

We support extending the offense, and fine, of false labeling of Hawai'i-grown coffee to include roasted coffee.

Please support HB2998 HD1 SD1.

Thank you for your consideration.

Respectfully,

Anne Frederick
Executive Director

¹ https://www.sfgate.com/hawaii/article/hawaii-products-not-from-islands-17312415.php



Hawaii Legislative Council Members

Joell Edwards Wainiha Country Market Hanalei

Russell Ruderman Island Naturals Hilo/Kona

Dr. Andrew Johnson Niko Niko Family Dentistry Honolulu

> Robert H. Pahia Hawaii Taro Farm Wailuku

> > Maile Meyer Na Mea Hawaii Honolulu

Tina Wildberger Kihei Ice Kihei

L. Malu Shizue Miki Abundant Life Natural Foods Hilo

Kim Coco Iwamoto Enlightened Energy Honolulu

> Chamber of Sustainable Commerce P.O. Box 22394 Honolulu, HI 96823

Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair Committee on Judiciary

Tuesday, April 2, 2024 10:00 AM, Room 016

RE: HB2298 HD1 SD1 Consumer Protections- Support with Amendments

Dear Chair Rhoads, Vice-Chair Gabbard and Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State of Hawaii that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment.

We generally support **HB2298 HD1 SD1**, which establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin. **However, we urge this committee to amend this bill to its original form or remove the exemption** for retailers that do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages from liability for the sale of roasted coffee, instant coffee, or ready-to-drink coffee beverages that use a label or advertisement in violation of the coffee labeling law.

This is about protecting consumers AND Hawaii's coffee farmers from product dilution and brand degradation. It is absurd that legislators have allocated more than \$80M/year of taxpayer money building the "Hawaii" brand identity and marketing "Hawaii" to the world; then turn around and allow Hawaii's locally grown coffee to be diluted by lesser, cheaper, imported coffee and passed off to consumers as "Hawaii-grown".

It is time to require clear and factual labeling regarding the percentage of Hawaii-grown coffee being sold for all consumer products containing coffee labeled as Hawaii-grown.



Submitted on: 4/1/2024 4:08:21 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Mulgrew	Testifying for Mulvadi corporation	Oppose	Written Testimony Only

Comments:

I am opposed to this bill. It will only support very small farmers to maximize profits but does not consider the larger farms that have to sell on the world market. This bill will completly destroy the Kona industry. Without the big farms and Millers how will the small guys survive. We do not need to control a free market. The belief that the consumer will buy 100% Kona coffee at a high price is for a select few. The Kona crop will not be sold and the new crop will come in and than supply and demand will come into place. Offloading beans to pay bills at lower prices goes against the supporters of this bill. Coffee market from Kona has already collapsed, this will completly devastate the already weak demand for Kona Coffee. This bill is not in the best interest of Hawaii or the consumer it caters to pressure from a few individuals.

Submitted on: 3/30/2024 8:59:27 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Terry Martin The Martin Ohana Farm	Individual	Support	Written Testimony Only

Comments:

- Protecting agricultural brand names have extensive state and Federal legal precedence, whether Napa wines, Idaho potatoes, or Vermont maple syrup.
- Consumers expect 100% Kona in the bag when they see Kona on the label. They don't know they are getting a blend as it stands today
- The Act 222 Economic Study states "There is clear economic justification to increase the minimum content requirement for Kona coffee" "Transitioning to 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers."

Submitted on: 4/1/2024 4:51:10 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
David Gridley	Testifying for A Better Cup (coffee consulting)	Oppose	Written Testimony Only

Comments:

I have been an avid supporter of quality coffee in Hawaii and an advocate of Truth in Labeling, with enforced penalties for deceptive labeling practices for a long time. I was a founding member of the Hawaii Coffee Association in 1994 and a founding member of the Maui Coffee Association 2002 and can tell you that most coffee roasters and retailers in Hawaii support the clear and accurate labeling of Hawaiian grown coffee. These businesses import international coffees as well because there is not enough Hawaiian coffee to even come close to meeting demand. I can tell you that most roasters and importers are smart enough to know there is no market for sub-standard coffee in Hawaii. Our minimum quality standards are necessary if you want to get the price the market needs to survive. Requiring Truth in Labeling and setting minimum standards for using Hawaii origin names is necessary, but DON'T tie the hands of green bean importers and roasters, who go through extensive treatment to protect local coffee crops and markets by not allowing non-permitted green bean importation or by requiring roasters to divulge proprietary recipes when not using Hawaiian origin names on their labels! If you don't allow the importation of green coffee into Hawaii or don't allow roasters to protect their blend formulas, you will sabotage our industry and many of the people who are working hard for its development. I don't support any ban of the importation of green coffee in Hawaii.

Submitted on: 3/28/2024 8:51:52 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Spencer Turer	Individual	Oppose	Written Testimony Only

Comments:

Hello

I am a specialty coffee professional with 30 years' experience in coffee souring/trading, product development, quality control, retail operations and merchandising. I am active within the industry as a coffee writer, competition judge, educator, and consultant.

I have enjoyed Hawaiian coffee from various growing regions throughout my professional career and as a coffee consumer.

It is my testimony that Hawaii coffee should have labeling regulations like juice labelling requirements. My perspective is from a culinary, food service, and consumer packaged goods perspective. In my judgment, the Hawaii State Legislature should not require a specific percentage of coffee wo be sued by roasters and coffee brands. Instead, regulations should require the labelling to accurately inform the consumer of the ingredients used and the percentages within the product.

For coffee blends using Hawaiian coffee and/or claiming to be Hawaiian coffee blends:

- List country of origin / growing regions of the coffee components in descending order of predominance by weight in the ingredient statement.
- Clearly present the total percentage of Hawaiian coffee on the label.

Respectfully submitted,

Spencer Turer

"Coffeetaster"

Testimony for HB2298 SD1 – **Oppose**

March 28, 2024



To: COMMITTEE ON JUDICIARY Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

Aloha e JDC,

The intent of HB2298 SD1 is honorable and ethical. It aims to support the numerous and myriad farmers who grow one of Hawai'i's most important crops: coffee. It aims to bring transparency and integrity to all of Hawai'i's coffee origins, but primarily to the Kona coffee brand, while eliminating ambiguity as to the contents of a coffee package purchased within the state. It wants to align our marketing strategy with that of many other global food products by making the package contain entirely Hawai'i-grown coffee or no Hawai'i-grown coffee at all.

It is hard not to embrace this bill and revel in the glory of our spectacular coffee industry. Unquestionably, this bill has the best of intentions and I support those intentions. Unfortunately, if this bill passes, the realization of those intentions will take years to materialize, if ever they do. More importantly, many, if not all, of the farmers this bill wants to support will be harmed significantly.

The Kona coffee farming community, generally, is composed of two types of farmers: estate farmers who grow coffee and sell it as green or roasted coffee and cherry farmers who grow coffee and sell it as cherry. Much of the coffee from the cherry farmers likely ends up in 10% Kona Coffee Blends. Unfortunately, there are no published or reliable values for how many farmers fall in each category or how much of the Kona coffee crop ends up in 10% Kona Blends. I estimate that 30-60% of Kona coffee ends up in blends; one of Kona's most respected farmers recently gave me an estimate of 40%.

There's a reason consumers purchase 10% Kona Coffee Blends. While no survey has asked consumers why they choose blends over a pure product, I speculate that price is the biggest reason. After all, often, if not always, a 100% Kona Coffee option is sold on the same shelf as the blends, yet many consumers choose the blends. What will happen when the content of those bags changes to 50% Kona Coffee Blends or 100% Kona Coffee? Will consumers still buy these much more expensive coffees? If they don't, what will happen?

Fortunately, the recently published study, <u>Economic Report on Changes in Hawai'i's Coffee Labeling Law</u>, by GUILD Consulting and Forecasting & Business Analytics, LLC, 2023, helps us answer this question. The answer is that consumers won't shift to the more expensive, higher Kona content options.

In consumer surveys, the authors asked consumers what they'd be willing to spend on 51% Kona (or Ka'ū) Coffee Blends and 100% Kona (or Ka'ū) Coffee. How helpful! One can then go to today's marketplace and compare actual prices of Kona coffee with what consumers said they would be willing to spend. As visiting stores across the islands was not feasible, I created a list of prices to enable the comparison. The data discussed below can be seen on these Google Sheets.

51% Kona scenario = minimum blend content allowed

I visited 9 websites of Hawai'i roasters and listed one of their cheaper international coffee options and their cheapest 100% Kona coffee option. I averaged the 9 coffees within both lists, multiplied them by 50%, and added those numbers together. This affords a reasonable estimate of what these roasters would likely charge for a 50% Kona Coffee Blend. Also, using data from the Honolulu Coffee Company website, I made a regression line using an international coffee blend, a 25% Kona Coffee Blend, and their cheapest 100% Kona Coffee (to the best of my knowledge, they are the only local company that offers a Kona blend that contains more than 10% Kona coffee). I used the regression equation to calculate their likely price for a 50% Kona Blend.

The average price/lb from the 9 roasters was \$50.03/lb. The Honolulu Coffee Company price was \$55.78/lb. From the survey, 2.69% (mainland residents) and 1.02% (Hawai'i residents) of respondents would spend more than \$46/lb and \$42/lb, respectively, for a 51% Kona Coffee Blend. Written another way: hardly anyone, *today*, would buy a 50% Kona Coffee Blend.

100% Kona scenario = no blends allowed

I searched for the cheapest Kona coffees I could find along with some mid-range and pricier options. I ended up with 23 100% Kona Coffee bags from different companies. The average price/lb was \$63.52 with the median price being \$61.69. From the survey, 73% (mainland residents) and 76% (Hawai'i residents) of respondents would *not* spend more than \$53.99/lb for 100% Kona coffee. Written another way: most respondents, *today*, would not buy 100% Kona Coffee at today's prices. It is a bleaker story when K-cups were considered.

Based on the survey from the economic study, 50% Kona Coffee Blends are clearly a terrible choice; they won't sell. Moving entirely to 100% Kona Coffee is bad but not nearly as bad as the 50% Kona Coffee Blends.

If 10% Kona Coffee Blends are eliminated and the content of Kona coffee increases to either of these levels, much less Kona coffee is going to be sold. Retailers will then stop offering the languishing products and all that coffee that went into the blends, a huge supply (remember, 40% of the Kona coffee crop may go to blends), will flood the market. This supply increase will decrease prices throughout the supply chain, hitting farmers the hardest, as they, ultimately, are stuck with the coffee.

Critically, the cherry farmers whose coffee primarily ends up in blends will have no outlet for their coffee. They will suffer, immensely, for several years while the market corrects itself and they learn to manage the new reality. If they manage it. What will happen to those farmers in those early years?

It is not just the cherry farmers who will suffer. What will happen to the estate farmers, who are currently struggling to produce a profitable product, when Kona coffee prices drop for several years? Do the estate farmers have sufficient cash reserves or crop diversity to weather a meaningful drop in coffee prices for multiple years?

I think eliminating blends will significantly harm our farmers in the short term, not help them. I foresee short-term disaster. Yes, the market will correct itself but how long will it take and how many farmers and businesses will be hurt in the process? This bill, having the best of intentions, will hurt those it aims to help.

Eliminating the 10% Kona Coffee Blends is noble, wholesome, and honest. I support it, in principle. However, the consequences may be too dire for us to do it this way, as this bill planseven with the gradual increase in percent content in the next 3 years.

Unfortunately, our industry heavily relies on these blends; we can't simply stop using them without preparing for the consequences. Before we make these changes, we need to reduce our reliance on blends. We need more outlets for our coffee. We need exceptional quality to support higher prices. We need to prepare.

Mahalo for your time,

Shawn Steiman, PhD.

Author, The Hawai'i Coffee Book: A Gourmet's Guide From Kona to Kaua'i

Owner, Coffea Consulting

have tems

Owner, Grok Coffee

Submitted on: 3/29/2024 8:46:31 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Stacie Kaiwi	Individual	Oppose	Written Testimony Only

Comments:

Aloha my name is Stacie Kaiwi. Im the wife of a multigenerational farmer. Pryor to meeting my husband I could only afford a 10% blend , because 100% is out of reach for local folks. This bill only hurts the local farmer. It's aimed to only appease the Hobby farmer. This bill would definately hurt my family and our ability to stay in the industry! Please vote to kill this bill!

Stacie Kaiwi

Submitted on: 3/29/2024 1:36:36 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Cecelia Smith	Individual	Support	Written Testimony Only

Comments:

As a Kona coffee farmer for **35** years!, please pass HB2298 and protect the whole value of our 100% Kona Coffee. We need this bill to pass. Mahalo plenty and with aloha!

Submitted on: 3/29/2024 1:52:07 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Bob Smith	Individual	Support	Written Testimony Only

Comments:

I have been farming Kona Coffee for 35 years as Smithfarms. Over the years I have seen and been involved in numerous attempts to increase the percentage of Kona sold as a blend. Our attempts failed every year because the blenders had more money and political power than we did. It was never about doing the right thing. This bill will finally do the right thing if it can be passed and made into law.

Thank You, Bob Smith

<u>HB-2298-SD-1</u> Submitted on: 3/29/2024 2:31:02 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Leilani Kaiwi-Machen	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

Submitted on: 3/29/2024 3:26:26 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Carolyn Witcover	Individual	Support	Written Testimony Only

Comments:

I am a small Kona coffee farmer in Captain Cook. I have read the economic study and it fully supports the benefit of allowing only 100% Kona to be sold within the state! It is time for the legislature to get behind Hawai'i farmers. heritage, and products.

Submitted on: 3/29/2024 4:05:25 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kris Adair	Individual	Support	Written Testimony Only

Comments:

Chairman Karl Rhoads Committee on Judiciary Hawaii State Senate 25 Aupuni St. Honolulu, HI 96813

Aloha Chairman Rhoads,

I am reaching out to express my concerns regarding the current labeling practices for Kona coffee, as addressed in Hawaii Legislature Bill HB2298. Living in Holualoa, at the heart of the Kona coffee belt, I have seen the confusion and disappointment among consumers who believe they are purchasing coffee that is predominantly grown in Kona, only to find out it contains as little as 10% of Kona-grown coffee. This misleading practice not only harms the consumer's trust but also significantly impacts the livelihood of local Kona coffee farmers.

The current statute, which permits the use of the Kona brand on coffee with minimal Kona content, is deceptive and undermines the value of the Kona coffee brand. This is contrary to the practices recommended by the National Coffee Association for Origin coffees, which advocate for transparency and authenticity in the labeling of coffee products. Furthermore, the Act 222 Economic Study, funded by the legislature, has clearly stated that there is an economic justification for increasing the minimum content requirement for Kona coffee. This would not only benefit consumers by ensuring they receive a genuine product but also support our local economy by redistributing economic benefits to the growers.

It is imperative that we uphold the integrity of the Kona coffee brand by ensuring that any coffee labeled as Kona is 100% grown in the Kona region. This change would align with global standards for geographic agricultural labeling, such as Champagne from France or Maple Syrup from Vermont, where the product name is intrinsically linked to its origin.

I kindly urge you to consider amendments to HB2298 that would enforce a 100% Kona-grown requirement for any coffee labeled as such. By doing so, we can protect the reputation of Kona coffee, support our local farmers, and ensure consumers are not misled by deceptive labeling practices.

Mahalo for your consideration of this important issue.

Kris Adair 75-1097 Keopu Mauka Dr Holualoa, HI 96725

Submitted on: 3/29/2024 9:28:32 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Franz Weber	Individual	Support	Written Testimony Only

Comments:

The HDOA study mandated by the Legislature and released in January concluded that the phased-in requirement of 100% content should be adopted. The Legislature needs to enact the study recommendations it requested and funded.

Hawaii needs to protect its farmers with the same type of 100% content labeling requirements that other states provide for their farmers—for example, Idaho for its potato farmers; Vermont for its maple syrup producers; Georgia for Vidalia onion growers. Hawaii needs to support farmers.

Submitted on: 3/30/2024 12:42:02 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Casey Kaiwi	Individual	Oppose	Written Testimony Only

Comments:

HB 2298 Would be detrimental to any and all professional farmers. It creates an unfair advantage for hobby farmers.

Submitted on: 3/30/2024 8:48:35 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathleen Vass	Individual	Support	Written Testimony Only

Comments:

I support HB 2298 as a small farmer. This bill protects the small Hawaiian farmer and our farms and prevents diluting our wonderful coffee with other coffees thus taking away the unique flavor of Kona coffee. As a small farmer I struggle to make ends meet. We need this support.

Submitted on: 3/30/2024 9:44:24 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Skip Winrow	Individual	Oppose	Written Testimony Only

Comments:

I have a 10 acre Kona coffee farm where I support many workers. This bill will end my farm. We need blended coffee for those that like blended coffee.

not everyone will buy our 100% Kona coffee and I as one like to blend other coffees to make a flavor that I enjoy drinking.

please do not change something that is not broken.

thank you

skip

Submitted on: 3/30/2024 5:51:34 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Matt Sarver	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. My friends own a small farm where I have visited. Blends are necessary to sell Kona coffee! I love spending \$20-30 on a bag of Kona coffee. But \$50 is not ok. This bill doesn't benefit anyone! Makes Kona coffe too exclusive. I as a consumer want the choice to buy blends or pure coffee. I know what I can afford.



IN SUPPORT OF HB2298 RELATING TO CONSUMER PROTECTION Stricter Kona Coffee Labeling Laws

Aloha Chairperson Rhodes, and Esteemed Committee Members,

I am writing to express my support for the passage of HB2298 in the upcoming hearing. The findings from the economic study commissioned under Act 222 in 2023 provide compelling evidence for mandating a 100% Kona Coffee content for labeling, resulting in economic benefits that would support farmers, the very individuals who have dedicated their efforts to cultivating a product of exceptional quality.

The current practice that allows blenders and roasters to capitalize on the esteemed reputation of Kona Coffee, while potentially diluting the product with inferior blends, undermines the demanding work of our local farmers. It is essential to recognize that the demand for Kona Coffee remains strong, even as prices rise. Consumers are willing to pay a premium for authentic Kona Coffee, which speaks volumes about its global reputation and the trust consumers place in the label. That status should remain safe, not vulnerable by marketing of cheap blend knock offs that try to masquerade as authentic Kona Coffee.

Internationally, there are precedents for such regulatory measures, where coffee labels are strictly controlled to ensure quality and origin. For instance, Colombian coffee must meet specific standards to qualify for their label. Jamaican Blue Mountain Coffee is another example where regulations ensure that only coffee grown in the designated region can bear the name. We as coffee farmers must compete in the international market with other genuine specialty name recognizable coffees. These measures provided by HB2298 not only protect the integrity of Kona Coffee but also support the local economies and the farmers who are the backbone of the industry.

It is time for Hawaii to follow suit and take a stand for its farmers by passing HB2298. Doing so would also safeguard the reputation of Kona Coffee and ensure that the benefits of its sales rightfully support the hardworking individuals who cultivate this world-renowned product. An improvement in the economic returns to farmers will improve local economies in coffee regions and will give farmers more resources to better care for the land.

The market for coffee has changed in the past 20 years to the benefit of single origin coffees. I urge you to pass this bill so our coffee farming community can take advantage of the robust coffee market.

Mahalo for your kokua,

Polly Petersen, Coffee Farmer The Four Sens, LLC

Submitted on: 3/30/2024 7:17:02 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa K Mjorud	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. I should have the right to choose what type of coffee I buy. The farmers have lots of green coffee to manage and this would highly reduce the options they have.

<u>HB-2298-SD-1</u> Submitted on: 3/30/2024 7:32:32 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Phyllis Mjorud	Individual	Oppose	Written Testimony Only

Comments:

As a consumer, I'd like to have the option of buying either 100 Kona coffee or the cheaper blend.

Submitted on: 3/31/2024 12:22:22 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Joachim Oster	Individual	Support	Written Testimony Only

Comments:

Till very recently I had grown Kona coffee and retailed all as 100% Kona coffee for a total of 17 years. I purchased Kona coffee from my neighboring farms for most of this time as well. When my supply ran short I simply raised the retail price but never felt demand dropping. An educated consumer appreciates a transparent pricing system and responds with loyalty. Nearly all of my customers had been duped by fake Kona coffee initially, marked up in price by the "Kona" name recognition only. Only by chance did they go back to try out a real 100% Kona coffee to give it a second try.

100% Kona coffee is an expensive, difficult-to-grow product, and can NEVER be a cheap, everyday product. However, selling a foreign-grown food with a wrongly declared label, is a federal crime under the US Lanham Act (15 U.S. Code § 1125 - False designations of origin, false descriptions, and dilution forbidden).

Furthermore, US Federal Regulations, Title 21- Food and Drugs, Chapter 1, Subchapter B, Part 102, Subpart A, Sec. 102.5, (a) states clearly that 'The common or usual name of a food, which may be a coined term, shall accurately identify or describe, in as simple and direct terms as possible, the basic nature of the food or its characterizing properties or ingredients. The name shall be uniform among all identical or similar products and may not be confusingly similar to the name of any other food that is not reasonably encompassed within the same name. Each class or subclass of food shall be given its own common or usual name that states, in clear terms, what it is in a way that distinguishes it from different foods.'

It is not a 'democratic' act or pity towards folks who can't afford a high price item. All who participate knowingly in such a criminal action can be held accountable under Federal Law.

Always the same retailers and beverage manufacturers oppose changes to the current illegal practice of mislabeling foreign products. That they had criminally profited already for many decades by abusing good US-Hawai'ian names is not an argument to further delay the passing and enforcing this bill.

A few Hawai'ian coffee companies are opposing this bill. Yet none of my fellow farmers had ever sold green coffee or coffee cherry to them, nor do they have their own plantation. Yet they always list the cheapest 100% Kona coffee on websites or in local stores. The planned agricultural inspectors to test and control these coffees are therefore needed urgently.

Agriculture in Hawai'i is difficult for many reasons. To a substantial part, it is sadly undermined by the tolerated Hawaiian politics permitting cheap foreign-grown foods to be sold for an inflated price under the valuable Hawai'ian names.

Mahalo nui loa for making Hawai'ians farm more, farm better, farm with the legal protection they deserve.

Submitted on: 3/31/2024 8:03:19 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Franck Carisey	Individual	Support	Written Testimony Only

Comments:

I am writing to express my wholehearted support for HB2298, currently being reviewed by the Hawaii State Legislature. As a Kona coffee grower deeply concerned about the integrity of our agricultural products and the welfare of all local farmers, I believe this bill is a crucial step towards protecting the authenticity and value of Hawaii-grown coffee.

HB2298 addresses a significant issue concerning the misrepresentation of coffee origin regions, such as "Kona," "Kau," or "Kauai," on product packaging. Currently, existing laws permit the use of these regional names on coffee blends containing minimal amounts of beans from these specific regions. This deceptive practice not only misleads consumers but also harms our coffee growers who rely on the reputation of these esteemed regions.

Far too often, I hear from friends and neighbors expressing disappointment with Kona coffee, only to discover they purchased a blend containing just 10% Kona coffee. This misleading labeling practice has affected not only the end customers but also the farmers and all those involved in selling 100% Kona coffee. It's crucial that this bill addresses such deception to protect both consumers and the integrity of Kona coffee production.

The legislation draws attention to a crucial report by the Food and Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development, which emphasized the lack of strong protection for the name "Kona coffee" by the State, resulting in downstream stakeholders benefiting at the expense of farmers.

By ensuring that coffee products bearing geographic origin names truly reflect the quality and character of their respective regions, HB2298 not only protects consumers from deception but also upholds the integrity of Hawaii's coffee industry. I urge you to support and advocate for the passage of HB2298, as it is essential for the sustainability and prosperity of our local coffee farmers and our agricultural heritage.

Thank you for your attention to this matter and for your commitment to serving the best interests of our community

Submitted on: 3/31/2024 9:01:35 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
cary black	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill for several reasons

The study and evidence does not show that changing to 100% Kona is best for the industry. By eliminating markets for our product it will create a surplus therfore forcing price down and no farmer wants that.

With demand lower there will be less need for cherry from the small farmers who sell to the mills. With less cherry coming to the mills there will be less of a need for workers such as myself

I believe there is a market for both 100% and the blends. I believe the label is the key. Make it clear to the consumer if it is a blend and what percentage of Kona is in the package. This seems to be the best compromise.

Will this bill benefit the consumer? I think limiting the options the consumer has is not in their best interest. I believe the bill will take the affordable options away from a good many of people that purchase our product. How can that be good for the industry.

<u>HB-2298-SD-1</u> Submitted on: 3/31/2024 9:43:05 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
John Wicklander	Individual	Oppose	Written Testimony Only

Comments:

I John Wicklander Oppose Bill HB2298

<u>HB-2298-SD-1</u> Submitted on: 3/31/2024 11:26:03 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Wicklander	Individual	Oppose	Written Testimony Only

Comments:

I Mark Wicklander oppose HB2298.

Submitted on: 3/31/2024 1:06:27 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
James Slusser	Individual	Support	Written Testimony Only

Comments:

For over ten years I've poured my heart and soul into growing 100% Kona coffee on my small family owned farm in Keauhou. Fighting diseases such as coffee borer beatle and coffee leaf rust have demanded even more of my dedication to the process. Naturally, this comes at a price. Kona coffee is expensive, but according to my customers and friends, it's the best coffee they've ever had and well worth the money.

How frustrating then to see "Kona coffee" in the big retail stores, containing only a fraction of real Kona coffee and being sold for a ridiculously low price that makes me and other small Kona coffee businesses look bad. The labels are often deceiving and trying to hide the fact that they only contain 10% real Kona coffee.

Kona coffee is a big and important part of the economics of our beloved Kona town.

I believe that with granting our petition to only allow 100% Kona coffee to be sold within the state, the Kona coffee label will grow stronger and help the community here. It will provide consumers with a product they can trust and enjoy.

<u>HB-2298-SD-1</u> Submitted on: 3/31/2024 1:20:47 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Motter Anne Snell	Individual	Support	Written Testimony Only

Comments:

Please support coffee farmers with this bill. Very important to agriculture on BI. thanks

Submitted on: 3/31/2024 1:51:32 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Gloria Biven	Individual	Oppose	Written Testimony Only

Comments:

I am submitting testimony in opposition of Bill HB2298 HDI SDI in any form or with any amendments

Working in retail from 1976 to date and also food service from 1989 to date I have worked with thousands of consumers & buyers, locally and from afar. One thing is for sure, they know what they like but cannot always afford to satisfy their wants. This holds true for coffee in any form. There are some that will always pay the price for 100 % anything but they are not the ones holding up this industry here in the Islands of Kona Coffees, Kau Coffees, Kauai Coffees. There is not one that fits all. What messages are we sending to these consumers & buyers when we keep changing the amount allowed in their cup they can't afford. The message is " buy from somewhere else." Hawaii is overpricing out of the markets should there be only 100% Kona Coffee, 100% Kaua Coffee, 100% Kauai Coffee. First 100%, then legislation tried to add 51%, then few years later tried to raise it to 75%, 35%. 10% has been a marketable product all these years who did the study appease to when you keep changing numbers. One bill was for the consumer, one bill was for the farmers. It is common sense, anything +1 = something a bit better but is it a "one size fits all"

I am with strong opposition to HB2298 HDI SDI in any form or amendments

. Mahalo for allowing me to submit my testimony

Gloria Biven

Submitted on: 3/31/2024 6:24:42 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Atchison	Individual	Oppose	Written Testimony Only

Comments:

I have recently learned of the legislatures action regarding blended Kona Coffee. I oppose this measure because we enjoy blended Kona coffee. That's what we like and frankly, that's what we can afford. Please keep government out of private business, as well as out of our kitchens!

Before the Senate Judiciary Committee Testimony of Bruce Silverglade — HB 2298 HD1 SD1 March 31, 2024

Dear Chairman and Members of the Committee:

I am Bruce Silverglade, former legal director of the Washington, DC-based Center for Science in the Public Interest (CSPI), writing in support of HB 2298 as originally introduced in the House.¹

The original version of HB 2298 would require coffee labeled as "Kona" to be 100% Kona coffee and is an essential consumer protection measure.

Its requirements are supported by the findings and conclusions in the *Economic Study on Changes in Coffee Labeling Law*, prepared for the HDOA pursuant to Act 222.² This is just one of several reports that have reached the same conclusion.

This newest study states, "There is clear economic justification to increase the minimum content requirement for Kona coffee." Furthermore, the recent report, endorsed by the HDOA, makes the unequivocal conclusion

¹ This testimony is submitted in my personal capacity; I served as Director of Legal Affairs of CSPI from 1981 to 2010 (I now reside full-time in the State of Hawaii and consult on food and agriculture federal regulatory issues). During my tenure at CSPI, I helped lead the fight for the enactment of the Nutrition Labeling and Education Act, including, *inter alia*, provisions ensuring that the State of Vermont could maintain special provisions regarding maple syrup.

² https://hdoa.hawaii.gov/wp-content/uploads/2023/11/Act-222-SLH-2022-FINAL-Report-on-Econ-Study-on-Changes-in-Coffee-Labeling-Law.pdf

³ Ibid, page 3.

that "increasing Kona coffee content requirements is likely to result in net economic benefit."

Thus, while farmers would benefit from the 100% Kona requirement in HB 2298, consumers would as well.

The general public deserves honest labeling, and consumers deserve to get what they expect they are buying when shopping in the grocery store. Calling a product "Kona 10% blend" is like calling a beverage "orange juice blend" when most of the juice is cheaper apple juice. The option to buy so-called diluted "Kona Blends" at inflated prices presents the consumer with a Hobson's choice that is of no benefit to the general public.

Other states have taken action to protect their unique brands. "Idaho potatoes" are by law 100% from Idaho. There are no "10% Idaho" grown potatoes. Similarly, "Kona" coffee is either real Kona coffee or it isn't.

Such measures with regard to Kona coffee are essential to protect consumers ranging from permanent Hawaii residents to unsuspecting visitors. In that regard, retailers should not be exempted from liability for selling packages with labels that violate the law.

I note that some blenders have claimed that federal trademark law preempts the State. That assertion is incorrect; see *When Your Trademark Is a False Advertisement* at https://katten.com/files/391153 kattwalk spring issue 16.pdf.

The passage of HB 2298, as originally introduced in the House, represents a vital step to protect the public from being misled and ensure a competitive level playing field in the industry.

I urge the committee to ensure that this bill as originally introduced in the House is enacted. Thank you for considering my views.

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⁴ Ibid, page 4.

Submitted on: 3/31/2024 7:19:32 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
MMMower	Individual	Oppose	Written Testimony Only

Comments:

My cousin is the owner of a Kona Coffee farm and is seriouly concerned that her family will lose their business and the incomes for a total of 20 families.

1. Preserving Reputation and Integrity:

- Reducing the percentage off coffee by weight from one hundred percent to fifty
 percent and an unreasonable phase in period undermines the original intent of
 protecting the value, integrity, and reputation associated with the geographic origin
 name of Hawaiian coffees.
- 2. Hawaiian coffees, especially Kona coffee, has a global reputation for quality and uniqueness. Ensuring accurate labeling maintains consumer trust and confidence in the product.
- 3. By enforcing stricter labeling requirements, the state can safeguard the reputation of its coffee industry and prevent misleading practices.

2. Economic Benefits for Farmers:

- 1. Hawaiian coffee growers face significant challenges due to the coffee berry borer (CBB) pest and coffee leaf rust (CLR), which affects yield and quality.
- 2. Implementing the bill immediately would enhance the economic benefits for farmers by ensuring that coffee blends accurately represent their geographic origin.
- 3. When consumers purchase coffee labeled as "Kona" or from other Hawaiian regions, they should receive a product that genuinely contains a substantial percentage of coffee from that location. This transparency benefits local coffee producers.

3. Tourism and Brand Value:

- 1. Hawaiian coffee contributes to the state's tourism industry. Visitors seek out authentic Kona coffee experiences during their stay.
- 2. Accurate labeling enhances the brand value of Hawaiian coffee, attracting tourists and supporting local businesses.
- 3. Immediate implementation ensures that the Kona Coffee Festival and similar events can showcase genuine Hawaiian coffee, benefiting both farmers and the tourism sector.

4. Consumer Protection:

- 1. Consumers deserve accurate information about the products they purchase. Misleading labeling harms consumer trust and can lead to dissatisfaction.
- 2. By enforcing the bill promptly, consumers can confidently choose coffee labeled with specific geographic origins, knowing they are getting what they expect.
- 3. Protecting consumers from deceptive practices ultimately benefits the entire coffee industry.

5. **Economic Impact Study Findings**:

- 1. The economic impact study conducted by the FAO and European Bank of Reconstruction and Development highlighted that Hawaiian coffee lacks sufficient protection of its name from the state.
- 2. Delaying implementation perpetuates this vulnerability, allowing downstream stakeholders (such as roasters and packagers) to benefit economically without adequately compensating farmers.
- 3. Immediate action aligns with the study's recommendations to strengthen labeling standards and protect the economic interests of coffee growers.

In summary, implementing the bill without delay ensures fairness, transparency, and economic benefits for Hawaiian coffee farmers.

Submitted on: 3/31/2024 8:05:09 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Deniz Tek	Individual	Support	Written Testimony Only

Comments:

Aloha, i am a small estate coffee farmer in Kona. Please pass HB2298 to protect both consumers and Kona Coffee farmers from misleading labeling. Please support and preserve our precious Kona coffee heritage reputation, now at risk of being trashed by mainland owned blenders. Mahalo.

Deniz Tek

Submitted on: 4/1/2024 2:45:31 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

;	Submitted By	Organization	Testifier Position	Testify
H	Ienry Wojtczak	Individual	Support	Written Testimony Only

Comments:

Chairman Karl Rhoads Committee on Judiciary Hawaii State Senate 25 Aupuni St. Honolulu, HI 96813

Aloha Chairman Rhoads, Vice-Chair Gabbard and Committee Members,

I am writing to express my strong support for Hawaii Legislature Bill HB2298, which seeks to ensure that coffee labeled with a geographic region, such as Kona, is indeed 100% grown in that region. This measure is crucial for preserving the integrity and reputation of our local coffee industry, and I believe it aligns with the interests of both consumers and growers.

The current statute allowing coffee to be labeled as "Kona" with as little as 10% Kona content is misleading and does not serve the best interests of consumers or the Kona coffee brand. Customers often do not read the fine print and are led to believe they are purchasing a product that is predominantly Kona coffee, when in fact, it is not. This practice is deceptive and dilutes the value of the Kona coffee brand, which has been built on the hard work and dedication of local farmers.

Moreover, the Act 222 Economic Study commissioned by the legislature last year supports the need for change. The study conclusively found that there is a clear economic justification for increasing the minimum content requirement for Kona coffee. It highlighted that transitioning to 100% Kona coffee would benefit both growers and consumers by redistributing economic surplus from downstream intermediaries to those who truly deserve it.

The demand for Kona coffee is inelastic, and consumers have shown a willingness to pay a premium for authentic Kona coffee. It is time our labeling laws reflect this reality and protect the integrity of one of Hawaii's most cherished agricultural products.

I urge you to support HB2298 and take a stand for truth in labeling and the future of the Kona coffee industry.

Mahalo for your consideration.

Me ke aloha pumehana,

Henry A. Wojtczak 76-5921 Mamalahoa Hwy #293 Holualoa, HI. 96725

Submitted on: 4/1/2024 3:21:32 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Wicklander	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

This bill sets to limit access to Kona coffee and thus harm the economy of Hawaii. I currently know of one farm that is sitting on a warehouse of green certified Kona coffee that cannot be sold. Their previous customers have turned away from buying Kona coffee. Taking away the option of blending will not stop unethical behavior but working with retailers and roasters to ensure processes are followed when and how much blending can be done would be better than this bill.

Thank you.

Submitted on: 4/1/2024 3:39:40 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith Shuster	Individual	Support	Written Testimony Only

Comments:

Please pass this bill. As a Kona coffee farmer we finally need protection like other state commodities-like with Federal legal precedence, whether Napa wines, Idaho potatoes, or Vermont maple syrup. I always get questions from customers as to why Kona coffee isn't protected

- Consumers expect 100% Kona in the bag when they see Kona on the label. The current statute allows for deceptive marketing and goes against the National Coffee Association's recommended practices for Origin coffees.
- The Act 222 Economic Study states "There is clear economic justification to increase the minimum content requirement for Kona coffee" (p.6). The current statute is economically harmful to growers. The Economic Study stated that "Transitioning to 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers

Submitted on: 4/1/2024 6:06:46 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Steven C Schreiner	Individual	Oppose	Written Testimony Only

Comments:

Hello, and thank you for taking the time to read this. Our family has a 5 acre coffee farm in Kona, and we sell green and roast some to sell on the mainland under the brand name of Ohana Harbor. We've always closely followed the labeling laws and we definitely understand the need to protect the Kona Coffee name. However, this bill will effectively kill Kona Coffee, as it will not allow the name to be used in blends, which are crucial not only to small farmers like ourselves, but to larger farms as well. This bill will dramatically negatively impact the industry and the entire Kona Region, as it is the main thing Kona offers besides tourism. Please consider the unintended consequences of passing this bill, it will kill Kona Coffee and the entire industry. Thank you.

Submitted on: 4/1/2024 7:29:23 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Sammi Piasecki	Individual	Support	Written Testimony Only

Comments:

Chairman Karl Rhoads Committee on Judiciary Hawaii State Senate 25 Aupuni St. Honolulu, HI 96813

Aloha Chairman Rhoads, Vice-Chair Gabbard and Committee Members,

I am writing to express my strong support for Hawaii Legislature Bill HB2298, which seeks to ensure that coffee labeled with a geographic region, such as Kona, is indeed 100% grown in that specific region. This measure is crucial for preserving the integrity and reputation of Hawaii's coffee industry, particularly for regions like Kona, Kau, and Volcano, which are renowned for their unique coffee flavors.

As a Lina coffee farmer, I feel the current statute allowing coffee to be labeled as "Kona" with as little as 10% Kona content is misleading and does a disservice to both consumers and growers. Customers picking up a bag of Kona coffee have the reasonable expectation that they are purchasing coffee wholly grown in the Kona region. The practice of labeling coffee with only a small percentage of Kona content under the Kona brand is deceptive and undermines consumer trust.

Moreover, this issue is not unique to Kona coffee but is a matter of broader concern in agricultural branding. Globally, there are numerous precedents for protecting geographic agricultural brand names, such as Champagne from France or Idaho potatoes. These protections are in place to ensure that consumers are not misled and that the products' quality and origin are accurately represented.

The Act 222 Economic Study commissioned by the legislature last year concluded that there is a clear economic justification for increasing the minimum content requirement for Kona coffee. This change would not only benefit consumers by providing them with a more authentic product but also support local growers by ensuring a fairer distribution of economic benefits.

I urge the committee to consider the long-term benefits of adopting HB2298 for the sustainability and reputation of Hawaii's coffee industry. Ensuring that coffee labeled with a geographic region

is 100% grown in that region is a step towards more transparent and honest practices that will benefit all stakeholders involved.

Mahalo for your consideration of this important issue.

Me ke aloha pumehana,

Sammi Piasecki 75-1115 Kamalani Street Holualoa,HI

Submitted on: 4/1/2024 8:19:34 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT.

WILL BE GOOD FOR LOCAL GROWERS.

MAHALO!

Submitted on: 4/1/2024 8:20:10 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Chet Gardiner	Individual	Support	Written Testimony Only

Comments:

Aloha Chairman Rhoads, Vice-Chair Gabbard and Committee Members,

I am writing to express my strong support for Hawaii Legislature Bill HB2298, which seeks to ensure that coffee labeled with a geographic region, such as Kona, is indeed 100% grown in that specified area. This measure is crucial for preserving the integrity and reputation of our local coffee industry.

The current statute allowing coffee to be branded as Kona with as little as 10% actual Kona content is misleading and deceptive to consumers. When people purchase a bag labeled as Kona coffee, they rightfully expect that they are getting a product entirely grown in the Kona region. However, under the current labeling standards, they are often unknowingly buying a product that is predominantly composed of coffee from other regions or countries. This practice not only deceives our consumers but also dilutes the prestigious reputation of Kona coffee in the specialty marketplace.

Furthermore, the Act 222 Economic Study funded by the legislature last year concluded that there is a clear economic justification for increasing the minimum content requirement for Kona coffee. The study highlights how transitioning to 100% Kona coffee would benefit both growers and consumers by redistributing economic surplus from downstream intermediaries to them. It also pointed out that consumers are willing to pay higher prices for authentic Kona coffee, indicating a demand for truthful and transparent labeling.

It is imperative that we align our labeling standards with the National Coffee Association's recommended practices for Origin coffees and protect the economic interests of our local growers. By ensuring that coffee labeled as Kona is genuinely 100% Kona, we can preserve the unique heritage and quality of our coffee, while also providing consumers with the authenticity they seek.

I have personally tasted some these blends and even a casual coffee drinking who paid a premium to buy a cheaper "mysterious blend" named KONA would be extremely disappointed. There is nothing about the blends that is KONA.

Mahalo for considering my support for this important measure.

Me ke aloha pumehana,

<u>HB-2298-SD-1</u> Submitted on: 4/1/2024 8:50:26 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Alla Kostenko	Individual	Support	Written Testimony Only

Comments:

Full support!

Submitted on: 4/1/2024 9:16:24 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
James A Monk	Individual	Support	Written Testimony Only

Comments:

Thank you for passing HB2298 with no amendments! Thanks for listening.

I am a Kona coffee farmer. It is time to end the practice of allowing the blenders to use our Kona name and throw in junk coffee so their profits can be large. The study the Hawaii Dept of Ag paid for clearly says that moving to 100% pure Kona coffee in the bag if the name is on the label will help the farmers. Why wait until 2027 to make this change? Do it now, do it soon. At a minimum just make the change to require that a bag must contain 100% pure Kona coffee if the label on the bag says Kona.

Thanks for your help.

Jim Monk

Monks Delight Kona Coffee

Submitted on: 4/1/2024 9:20:43 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Sechrist	Individual	Support	Written Testimony Only

Comments:

Aloha:

I am tired of seeing 10% blends masquerading as Hawaii-grown coffee. Farmers producing a 100% product having to compete with 10% blends in the market is unfair to both the farmer and to the consumer.

Hawaii coffee products containing 90% foreign-grown coffee, yet carrying the names of Hawaii's growing regions, push prices down for farmers and leave consumers with a terrible impression of Hawaiian coffee. These substandard blends undermine Hawaii's reputation for high-quality coffee.

Please support HB2298 to support Hawaii's coffee farms and farmers.

Respectfully submitted,

Jonathan Sechrist

Retired Kona Coffee farmer

Submitted on: 4/1/2024 9:32:57 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
David S. Case	Individual	Support	Written Testimony Only

Comments:

Thank you, Chairman Rhoads and members of the Senate Judiciary Committee (JDC) for holding this hearing on HB2298, SD1. I am a 12-year resident of Hawai'i Island and a long-time supporter of its farmers and a consumer of their Origin coffee products. I am writing in SUPPORT OF HB2298, SD1 as adopted by the Senate Commerce and Consumer Protection (CPN) Committee. However, I OPPOSE the addition to HR2298, SD1 of Section 2(e)-the BLANKET EXEMPTION from liability for retailers who sell products in violation of the proposed labeling requirements, amending HRS §486-120.6(e).

The exemption is a loophole in the law that will enable retailers to violate the new labeling requirements with impunity as long as the retailers do not package the coffee themselves. The Kona coffee farmers just recovered some \$40 million for just such deceptive retail marketing on a truly massive scale. In a free-markent economy, retailers are the first line of defense aganist deceptive labeling. They are the ones who in the first instatuce can ensure that the products they sell are genuine and should not be exempt from that obligation.

Hawai'i needs to support its farmers-- and the consumers who buy the products of their labor. The processors and retailers that sell those products should not be aided and abetted by the Legislature in any way to exaserbate these long-running deceptive practices. The judiciary is the best way to enforce the law in a free market economy. The JDC should not promote exemptions that frustrate the normal judical process for enforcing the laws the Legislature enacts. Yours Respectfully,

David S. Case.

Submitted on: 4/1/2024 9:43:36 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
David Magana	Individual	Oppose	Written Testimony Only

Comments:

Hi, I'm David Magana. I oppose this law because I have a very large coffee ranch. I'm one of the most important contractors on the island and this would affect many families. In many ways, I oppose this.

Submitted on: 4/1/2024 9:46:19 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Shultise	Individual	Support	Written Testimony Only

Comments:

I wish to express my strong support for the Hawaii Legislature Bill HB2298, which seeks to ensure that coffee labeled with a geographic region, such as Kona, is indeed 100% grown in that region. This measure is crucial for protecting the integrity and reputation of our local coffee industry, and I believe it aligns with the interests of both consumers and growers.

The current statute allowing coffee to be branded as "Kona" with as little as 10% Kona content is not only deceptive but also economically harmful to our local growers. This practice dilutes the value of the Kona brand and misleads consumers who expect to be purchasing a product entirely grown in the Kona coffee region. The Act 222 Economic Study clearly states that there is a "clear economic justification to increase the minimum content requirement for Kona coffee." By transitioning to 100% Kona coffee, we can redistribute economic benefits more fairly between growers and consumers, enhancing the overall value of our local product.

Moreover, the demand for Kona coffee is inelastic, with consumers willing to pay a premium for the authenticity and quality associated with the Kona brand. However, when consumers unknowingly purchase a blend with only 10% Kona coffee, they are not receiving the value they expect. This not only harms the consumer's experience but also undermines the reputation of Kona coffee in the specialty marketplace.

In conclusion, I urge you to support HB2298 to ensure that coffee labeled with a geographic region like Kona is genuinely reflective of its origin. This measure will protect the integrity of our local coffee industry, provide clear and truthful labeling for consumers, and support the economic well-being of our growers.

Mahalo for your consideration.

Submitted on: 4/1/2024 9:52:10 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricio Medina	Individual	Oppose	Written Testimony Only

Comments:

I manage small coffee farms as well as large coffee farms. This bill will put my self and my crew out of business. Like my self, there is many people that will go out of business along with their maintanance and picking crews. If we go out of business our people will have to find a new place to live, where i am heading with this explanation is. We have small farmers who constantly remind us that without us their farms would not exist. So i would like to ask, if we are not available for them anymore, who will do their labor and pick their coffee. I strongly oppse this bill as i believe it will put us all out of business, every dollar i have is invested in coffee farms and i am afraid i am about to loose it all because of this bill!

Submitted on: 4/1/2024 10:01:43 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Andrus	Individual	Support	Written Testimony Only

Comments:

I support HB 2298! As a hospitality professional and college professor a passion area for me is coffee and the its importance to the local economies. I've spent years researching, traveling, learning and teaching others about the coffee process, bean to cup!

Educated consumers expect the high quality coffee of the Hawaiian islands and are willing to pay higher prices because of it. Ultimately, providing the coffee farmers a fair price for their product.

Uneducated coffee consumers will purchase any blend of coffee with any version of the word "Hawaiian" on it because Hawaiian coffee has a reputation for being some of the best coffee in the world. Blends mislead the consumer. I've had this conversation many times with my students and others that know I am a home roaster.

It's simple, coffee blends deplete the value of the Hawaiian coffee, no matter what the label might state.

Thank you for the opportunity to support this awesome cause to protect Hawaiian coffee!

Dr. Lisa Andrus

Submitted on: 4/1/2024 10:22:31 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
David Bateman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Committee Members:

Heavenly Hawaiian Farms and the Bateman's strongly supports HB2298, in its original form (100%).

We are a 38 acre Koan coffee farm in Holualoa. We have been farming and selling 100% Kona coffee, both wholesale and retail, for over 18 years. We support HB2298 for the following reasons:

- Coffee farmers have suffered through natural hardships including, drought conditions, coffee beetle infestation and coffee leaf rust fungus infestations over the last decade, costing much of our hard earned profits to be reallocated to dealing with these calamities. Many smaller farms are barely getting by with little or no profit.
- Coffee farmers have had to compete with 10% blends at a much lower price point because of the much cheaper imported coffees from Brazil, Viet Nam, Central and South America comprising the remaining 90%. Using the Hawaiian coffee name in their retail marketing has unfairly and deceptively suggested to consumers that the taste will be be just as good as 100% Hawaiian origin coffees. That is not the case. This has caused an artificial downward price point pressure on 100% Hawaiian origin coffees substantialy reducing our price points and profit. Our coffees are some of the best in the world, and they deserve better recognition by the consumer. The way to accomplish this is through protections provided in HB2298, and requiring "truth in labeling."
- The recent HDOA economic analysis of our industry reflects the conclusions above and supports 100% labeling initiatives, to correct the problem and shift more of the profitability of Hawaiian origins back to the farmer, where it deserves to be.
- We must do everything possible to help our Hawaii coffee farmers both survive and thrive as an important segment of our agricultural legacy going forward to the next generation. We must attract new farmers and better profitability is one way to accomplish this economic policy.

Please pass HB2298 out of committee and into a bill for the Governor's signature.

Mahalo nui,

Dave Bateman, President and HCA Board Member

Heavenly Hawaiian Farms

Holualoa Hawaii

Submitted on: 4/1/2024 10:47:04 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronalee A Ashbach	Individual	Support	Written Testimony Only

Comments:

The passing of HB2298, HD1 and SD1 will allow Kona Coffee Farmers to thrive amongst tough economic and environmental concerns facing us to support our small coffee farms. Mahalo for listening to us as you continue to work on passing this bill.

<u>HB-2298-SD-1</u> Submitted on: 4/1/2024 11:23:54 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Janelle Gomes	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill!

Chairman Karl Rhoads Committee on Judiciary Hawaii State Senate 25 Aupuni St. Honolulu, HI 96813

Subject: Support for Authentic Kona Coffee Labeling - A Call for Transparency

Aloha Chairman Rhoads, Vice-Chair Gabbard and Committee Members,

Like many Kona Coffee Farmer, we are a small family run operation, and I am writing to express my strong support for Hawaii Legislature Bill HB2298, which seeks to ensure that coffee labeled with a geographic region, such as Kona, is indeed 100% grown in that region. This measure is not only about preserving the integrity of our beloved Kona coffee but also about protecting consumers from misleading and deceptive practices by large profit driven corporations and individuals.

Case in point: The civil class action lawsuit where companies were alleged to be leveraging the 10% Kona coffee content claim to sell more Kona coffee than was produced in Kona.

https://www.classaction.org/media/corker-et-al-v-costco-wholesale-corporation-et-al.pdf

For decades, the agricultural industry worldwide has recognized the importance of geographic labeling. From Napa Valley wines to Idaho potatoes, the precedent is clear: geographic labels should be reserved for products genuinely originating from those regions. This practice not only safeguards the reputation of these products but also ensures consumers are getting what they pay for.

Unfortunately, the current statute allowing coffee to be labeled as "Kona" with as little as 10% actual Kona content is deceptive, misleading, and possibly a violation of the Latham Act (5 U.S.C. § 1051 - U.S. Code - Unannotated Title 15. Commerce and Trade § 1051. Application for registration; verification), which is detrimental to both consumers and growers. When customers purchase a bag of coffee with "Kona coffee" stamped on it, they expect to be buying "Kona Coffee" that is entirely grown in the Kona region.

The current labeling standards, which are at odds with the National Coffee Association's recommended practices for Origin coffees, are an outright fraud on consumers and diminishes the value and prestige of the Kona Coffee brand.

The Act 222 Economic Study funded by the legislature last year concluded that there is a clear economic justification for increasing the minimum content requirement for Kona coffee. This change would not only benefit consumers by providing them with authentic products but also support our local growers by ensuring a fairer distribution of economic benefits.

In conclusion, I urge you to support HB2298 to protect the integrity of Kona coffee and other Hawaiian coffee regions. By requiring that coffee labeled with a geographic region is 100% grown in that region, we can preserve the reputation of our world-renowned coffee, protect consumers from deceptive labeling, and support our local agriculture.

Mahalo for your consideration.

Malama Pono,

Robert J Main 76-5906 Hookahi Road Holualoa, HI 96725

Submitted on: 4/1/2024 12:13:57 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kris Adair	Individual	Support	Written Testimony Only

Comments:

Kris Adair Guard Well Farm 75-1097 Keopu Mauka Dr Holualoa, HI 96725 kris.adair@guardwellfarm.com 785-840-7989 April 1, 2024

To the Esteemed Members of the Hawaii State Legislature,

Subject: Support for Bill 2298 - Ensuring Authenticity and Quality of Hawaii's Origin Coffee

I am writing to you as a proud Kona Coffee farmer. Our coffee, cultivated with dedication on the slopes of the Hualalai and Mauna Loa in the North and South Kona districts, represents the hard work of our community. It is in this spirit that I express my strong support for Bill 2298, which mandates that coffee labeled with Hawaii's revered origin names, including Kona and Ka'u, must contain 100% coffee from the specified origin by July of 2027.

The importance of this bill cannot be overstated. The Kona coffee name has been diluted by blends that contain as little as 10% of actual Kona coffee, misleading consumers and undermining the hard work of local farmers like myself. This practice not only affects the integrity of the Kona name but also significantly impacts our livelihoods and the economy of our local communities.

Bill 2298 presents a transformative opportunity to rectify these challenges by ensuring that when a label says Kona, or any other Hawaiian origin name, it means 100% genuine, locally grown coffee. This change will not only protect the legacy and authenticity of our coffee but also enhance consumer trust in the products they are buying. By making informed choices, consumers directly support the sustainability and prosperity of genuine Hawaiian coffee farming.

I urge you to support Bill 2298, not just for the sake of Hawaii's coffee farmers, but for the preservation of our state's coffee heritage and for consumers around the world who deserve to enjoy our coffee as it was meant to be experienced.

Thank you for considering my perspective on this critical issue. I am hopeful for your support and am available for any further discussions or to provide additional insights into the impact of this bill from the viewpoint of the farming community.

Sincerely,

Kris Adair Guard Well Farm

Submitted on: 4/1/2024 12:52:02 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Misty	Individual	Oppose	Written Testimony Only

Comments:

Please oppose any effort of furthering this bill that will most likely cause many hardships for coffee farmers and also limit affordability to consumers.

Submitted on: 4/1/2024 12:57:53 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Carolyn	Individual	Oppose	Written Testimony Only

Comments:

Please oppose to this bill from proceeding any further since it will most likely cause many hardships to coffee farmers and would also limit the affordability to consumers.

Submitted on: 4/1/2024 1:58:16 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

Please pass HB2298 HD1 SD1 to support local farmers and to protect the integrity of the Hawaii-grown coffee industry.

Thank you.

Submitted on: 4/1/2024 5:52:31 PM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Suzanne Omegna	Individual	Oppose	Written Testimony Only

Comments:

HB2298

I oppose this bill. I feel that those who are in favor of this bill have good intentions but are failing to see the big picture of how this will impact the consumer, much less the small and medium size plantations and their employees.

There are people who cannot afford to buy 100% Kona Coffee and buy a less expensive Kona coffee Blend and are proud to share, give away as a gift, and/or drink the blend. Consumers currently have a choice and buy according to their pocketbook. If you take away that option many will stop being consumers of Kona coffee altogether, which will be a sad day.

Suzanne Omegna

My name is William Schmidtke, President of Dealer Store Hawaii, specializing in reselling Made in Hawaii products on platforms like Amazon.com, Walmart.com, and eBay.com. I oppose HB2298 HD1 SD1 and all prior versions.

As a retired military analyst, I've carefully examined the House Final Report on the Economic Study on Changes in Coffee Labeling Law required by Act 222, and significant findings from the Kona Coffee Farmers' Kona Coffee Labeling Lawsuit. My analysis indicates that the Act 222 study was conducted too quickly and lacked important input from those involved, leading me to question its reliability. The report's suggestion for more research aligns with my view that changes in Hawai'i's coffee sector should be based on thorough investigation and extensive discussions with stakeholders. The apparent rush and lack of engagement in the study are concerning.

My analysis of the Kona Coffee Farmers' lawsuit against their own customers revealed <u>insufficient evidence of wrongdoing</u>, unverified soil studies, and differing opinions among expert witnesses. Consequently, large <u>companies settled without admitting fault</u>, leading to severe damage for some Hawaiian companies. The lack of clarity caused by this lawsuit has increased the risk for coffee resellers and underscores the need for a transparent and fair legal process that protects everyone, especially the local Hawaiian community.

Proponents of the bill claim it's time for a change after 30 years of ineffective labeling laws. However, in my opinion, the long period of legislative consideration suggests concerns that changing the current laws might do more harm than good, especially now since many large companies involved in the lawsuit have stopped purchasing Kona Coffee, and the full impact of this shift on the industry has not yet been fully realized.

My main concern is that the proposed changes <u>lack a robust enforcement plan</u>, which could lead to confusion and non-compliance, negatively affecting businesses like mine and the larger Made in Hawaii brand.

In conclusion, I **oppose** HB2298 HD1 SD1 due to concerns about stakeholder involvement, the depth of research, and the enforcement of the changes. I recommend waiting for the findings of Senate Resolution 137,

which calls for an investigation into the mislabeling of Hawaii-Made Food Products. <u>Delaying the bill would allow for a more inclusive and detailed legislative process</u>, considering the needs and interests of all stakeholders.

Shoddy Coffee Study + Settlements without any Finding of Guilt + Flawed Soil Science + Unenforceable Laws = BAD BILL

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Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Senate Judiciary Committee.

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports HB2298.**

HB2298 is crucial for protecting consumers and Hawaii farmers alike. By establishing a timeline for coffee products to contain a certain percentage of coffee from the geographic origin indicated on the label, this legislation ensures that consumers are getting the quality they expect when purchasing Hawaii coffee. This not only protects consumers from misleading advertising, but also upholds the integrity of Hawaii's coffee industry.

Studies have shown that consumers are willing to pay a higher price for Hawaii coffee products, reflecting the value they place on the unique qualities of coffee grown in Hawaii. However, without regulations in place, farmers often do not receive a fair share of this value due to the upward distribution to processors and distributors. By mandating a certain percentage of coffee from the labeled origin, farmers are guaranteed a fair compensation for their hard work in producing high-quality coffee.

Mahalo for the opportunity to testify.

Kaipo Kekona. President HFUU/HFUF

Kenned S. K. Kebene

<u>HB-2298-SD-1</u> Submitted on: 4/2/2024 8:03:31 AM

Testimony for JDC on 4/2/2024 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Harold M Hoogasian	Individual	Support	Written Testimony Only

Comments:

Blends only dilute what is special about Hawaiian grown coffee.