SYLVIA LUKE Lt. Governor



SHARON HURD Chairperson, Board of Agriculture

> **DEXTER KISHIDA** Deputy 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 COMMERCE & CONSUMER PROTECTION

WEDNESDAY, FEBRUARY 14, 2024 9:30 AM CONFERENCE ROOM 229 & VIDEOCONFERENCE

> SENATE BILL NO. 2103 RELATING TO AGRICULTURE

Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2103. This bill increases the fine of a criminal offense of false labeling of Hawaii-grown coffee to \$10,000 for each separate offense and includes roasted coffee. It makes an appropriation for 1.0 FTE enforcement position within the Department of Agriculture. The Department strongly supports this measure.

Raising the fine for a criminal offense to \$10,000 will serve as a deterrent to the counterfeiters of roasted coffees and hopefully better compliance under the law will increase the brand value and recognition of the product. With other changes possible with the coffee labeling laws this bill will help with the enforcement of those laws. A dedicated position to enforce these laws will help rebuild the Department of Agriculture packaging and labeling enforcement capability that was eliminated in 2010.

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



HAWAII COFFEE COMPANY

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TO:	Senator Jarrett Keohokalole, Chair		
	Senator Carol Fukunaga, Vice Chair		
	Committee on Commerce and Consumer Protection		

- FROM: Gerard Bastiaanse President- Hawaii Coffee Company
- RE: **SB 2103 Relating to Agriculture Comments** Wednesday, February 14, 2024; 9:30 A.M.; Conference Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and members of the committee:

Hawaii Coffee Company is offering comments regarding SB 2103, which extends the offense of false labeling of Hawai'i-grown coffee to include roasted coffee, and imposes a \$10,000 fine for each separate offense of false labeling of Hawai'i-grown coffee.

Our company complies with the FDA's strict food labeling laws, as well as Hawai'i state labeling regulations. False labeling of Hawai'i coffee products is a serious matter that harms both consumers as well as the coffee industry in Hawai'i.

SB 2103 provides in part that "In addition to any penalties imposed pursuant to section 706-605, the court shall impose on any defendant convicted of false labeling of Hawaii-grown coffee a mandatory fine of \$10,000 for each separate offense. The mandatory fine imposed shall not be suspended or waived."

This language would divest the Hawai'i courts of the ability to exercise discretion to waive or suspend the mandatory fine, including where exigent circumstances might warrant doing so. Further, it is unclear whether it is intended that penalties imposed result in a judgment that cannot be discharged in bankruptcy.

<u>SB-2103</u> Submitted on: 2/9/2024 8:10:57 AM Testimony for CPN on 2/14/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ben Robinson	Individual	Support	Written Testimony Only

Comments:

Support the measures to sustain the integrity of Kona coffee