

GOV. MSG. NO. 1300

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

July 3, 2024

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

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

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

HB2278 HD2 SD3 CD1

RELATING TO LABELING OF MACADAMIA NUTS.

ACT 199

Sincerely,

Josh Green, M.D.

Governor, State of Hawai'i

HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII

H.B. NO. 2278 H.D. 2

A BILL FOR AN ACT

RELATING TO LABELING OF MACADAMIA NUTS.

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

- 1 SECTION 1. The legislature finds that Hawaii-grown
- 2 commodities are an important sector of Hawaii's economy, and the
- 3 branding of such commodities is critical to protect and
- 4 safeguard consumers from fraudulent representations of the
- commodity's geographic origin. The macadamia nut production 5
- 6 industry in Hawaii is one such example. According to statistics
- 7 from the United States Department of Agriculture National
- 8 Agricultural Statistics Service, the value of the macadamia nut
- 9 crop in Hawaii in 2022 totaled \$33,200,000.
- 10 The legislature further finds that macadamia nuts are a
- 11 popular ingredient incorporated into a variety of products, such
- 12 as breads, cookies, energy bars, and other baked goods, candies,
- 13 milk, and ice cream. In such products, macadamia nuts are not
- 14 the main product, rather macadamia nuts are a part of another
- 15 product. The legislature notes that it is not the intent of
- 16 this Act to extend any labeling requirements to these products.

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Accordingly, the purpose of this Act is to enhance, 1 2 preserve, and protect the premium brand of Hawaii-grown macadamia nuts by providing clarity under the labeling 3 4 requirements for macadamia nuts, including adding a statement 5 indicating that a product may contain macadamia nuts grown 6 outside Hawaii. 7 SECTION 2. Section 486-120.5, Hawaii Revised Statutes, is 8 amended to read as follows: 9 "\$486-120.5 Macadamia nuts; labeling requirements. (a) 10 If a label on a consumer package contains language that all of 11 the raw or processed macadamia nuts contained in the package 12 were grown in [Hawaii,] the State, the label shall be worded, 13 "100% Hawaii-Grown Macadamia Nuts", "Hawaii-Grown Macadamia 14 Nuts", "100% Hawaiian Macadamia Nuts", or "Hawaiian Macadamia 15 Nuts", and shall appear on the principal display panel of the 16 package. 17 If [a label on] a [consumer package] product contains 18 [language that a portion of the] raw or processed macadamia nuts 19 [contained in the package was] grown [in Hawaii,] outside the 20 State, the product shall have a label [shall be worded "Hawaii-

Grown Macadamia Nuts", preceded by the per cent by weight of the

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- 1 macadamia nuts contained in the package that were grown in
- 2 Hawaii, and shall appear on the principal display panel of the
- 3 package. The per cent by weight of the macadamia nuts in the
- 4 package shall be the percentage calculated by dividing the
- 5 weight in pounds of the macadamia nuts grown in Hawaii that are
- 6 in the package by the weight in pounds of all macadamia nuts in
- 7 the package and multiplying the quotient by one hundred. | that
- 8 includes the following statement: "This product contains
- 9 macadamia nuts grown outside Hawai'i.".
- 10 (c) All nonconsumer packages containing macadamia nuts
- 11 grown in the State and introduced into intrastate or interstate
- 12 commerce shall bear on the package a label containing language
- 13 that the package contains Hawaii-grown macadamia nuts. This
- 14 label shall be in addition to all other labeling requirements
- 15 specified in this chapter.
- 16 (d) Any person keeping, offering, displaying, exposing for
- 17 sale, or soliciting for sale, any raw or processed macadamia nut
- 18 product[which] that represents or [which] is branded or
- 19 labeled that all [or a percentage] or portion of the macadamia
- 20 nuts were grown in [Hawaii,] the State, shall make available to
- 21 the administrator, upon demand, documented proof that the amount

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1	or macada	mia nuts represented to be grown in the State, was
2	grown in	the State.
3	(e)	It shall be a violation of this part[÷] to use a
4	<u>label:</u>	
5	(1)	[To use a label containing] Containing the words,
6		"100% Hawaii-Grown Macadamia Nuts", "Hawaii-Grown
7		Macadamia Nuts", "100% Hawaiian Macadamia Nuts", or
8		"Hawaiian Macadamia Nuts", or similar wording, or to
9		otherwise represent that all of the macadamia nuts in
10		the package were grown in [Hawaii,] the State, if any
11		portion of the macadamia nuts contained in the package
12		was not grown in the State;
13	(2)	[To use a label, as] As provided for under subsection
14		(b), [containing] without the words ["Hawaii-Grown
15		Macadamia Nuts" preceded by a percentage, if less than
16		the specified percentage or none of the macadamia nuts
17		in the package was grown in the State;] "This product
18		contains macadamia nuts grown outside Hawai'i."; or
19	(3)	[To use a label representing] Representing that any of
20	,	the macadamia nuts contained in the package was grown

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-	in the state, if none of the macadamia huts contained
2	in the package was grown in the State.
3	(f) Any person who violates this section shall be subject
4	to penalties under section 486-32.
5	(g) This section shall not apply to products that contain
6	any other ingredient, except seasonings and flavorings, in
7	addition to macadamia nuts.
8	(h) If this section or any provision of this section
9	conflicts at any time with federal law, then the federal law
10	shall prevail and this section or the relevant provisions of
11	this section shall become ineffective and invalid. The
12	ineffectiveness or invalidity of this section or any of its
13	provisions shall not affect any other provisions or applications
14	of this chapter which shall be given effect without the invalid
15	provision or application, and to this end, the provisions of
16	this section are severable.
17	(i) For purposes of this section:
18	"Flavoring" means a substance that contains the flavoring
19	constituents derived from a spice, fruit or fruit juice,
20	vegetable or vegetable juice, edible yeast, herb, bark, bud,
21	root, leaf or any other edible portions of a plant, meat,

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- 1 seafood, poultry, eggs, dairy products, or fermentation products
- 2 thereof, whose primary function in food is flavoring rather than
- 3 nutritional.
- 4 "Ingredient" means something that enters into a compound or
- 5 is a component part of any combination or mixture.
- 6 "Seasoning" means salt, pepper, herbs, or spices."
- 7 SECTION 3. Statutory material to be repealed is bracketed
- 8 and stricken. New statutory material is underscored.
- 9 SECTION 4. This Act shall take effect on January 1, 2026.

APPROVED this 3rd day of July, 2024

GOVERNOR OF THE STATE OF HAWAII

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024 Honolulu, Hawaii

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

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Scott K. Saiki Speaker House of Representatives

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Brian L. Takeshita

Chief Clerk

House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024

Honolulu, Hawai'i 96813

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

resident of the Senate

Clerk of the Senate