
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. The legislature finds that coffee is the
2 State's second most lucrative agricultural crop, valued by the
3 United States Department of Agriculture at up to \$64,300,000
4 annually, with additional upstream and downstream impacts that
5 include employment, land preservation, and tourism.

6 The legislature further finds that Hawaii-grown coffee is
7 among the highest priced coffee sold anywhere in the world,
8 largely due to the high cost of production and its reputation
9 for outstanding quality. As such, the State's coffee industry
10 is susceptible to fraud when less expensive coffees are falsely
11 labeled as originating from Hawaii. Existing state law imposes
12 penalties for the false labeling (counterfeiting) of Hawaii-
13 grown coffee in cherry and parchment form, but the fraud of
14 coffee counterfeiting has been almost exclusively committed in
15 roasted coffee products. Coffee counterfeiting undermines
16 Hawaii's coffee farmers by misrepresenting an increase in
17 supply, thereby creating downward price pressure and value



1 depreciation in the marketplace. Additionally, further harm
2 occurs when inferior products are introduced into the supply
3 chain, thereby undermining Hawaii's hard-fought brand identity
4 for high quality crops.

5 Accordingly, the purpose of this Act is to deter coffee
6 counterfeiting by extending the offense of false labeling of
7 Hawaii-grown coffee to include roasted coffee and enhancing the
8 penalties for the false labeling of Hawaii-grown coffee with
9 regard to its geographic origin through the imposition of a
10 mandatory fine and specification that each act of false labeling
11 is a separate offense.

12 SECTION 2. Section 708-871.5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+]§708-871.5[+] **False labeling of Hawaii-grown coffee.**

15 (1) A person commits the offense of false labeling of
16 Hawaii-grown coffee if the person knowingly transports,
17 distributes, advertises, sells, or possesses with the intent to
18 sell Hawaii-grown green coffee, cherry coffee, [~~o~~] parchment
19 coffee, or roasted coffee that is falsely labeled with regard to
20 the geographic origin of the Hawaii-grown coffee.

21 (2) For the purposes of this section:



1 "Cherry coffee" means the unprocessed fruit of the coffee
2 plant.

3 "Geographic origin" means the geographic areas designated
4 as follows:

5 (a) Hamakua is the Hamakua district on the island of
6 Hawaii, as designated by the State of Hawaii tax map;

7 (b) Hawaii is the State of Hawaii;

8 (c) Kau is the Kau district on the island of Hawaii, as
9 designated by the State of Hawaii tax map;

10 (d) Kauai is the island of Kauai;

11 (e) Kona is the north Kona and south Kona districts on the
12 island of Hawaii, as designated by the State of Hawaii
13 tax map;

14 (f) Maui is the island of Maui;

15 (g) Molokai is the island of Molokai; and

16 (h) Oahu is the island of Oahu.

17 "Green coffee" means the agricultural commodity comprised
18 of green coffee beans.

19 "Parchment coffee" means the dried product that remains
20 when coffee cherries are processed by removing the coffee seeds
21 from the pulp.



1 "Roasted coffee" means a product that results from heating
2 the cherry coffee seeds to augment aroma and flavor.

3 (3) False labeling of Hawaii-grown coffee is a class C
4 felony. In addition to any penalties imposed pursuant to
5 section 706-605, the court shall impose on any defendant
6 convicted of false labeling of Hawaii-grown coffee a mandatory
7 fine of \$10,000 for each separate offense. The mandatory fine
8 imposed shall not be suspended or waived."

9 SECTION 3. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Roasted Coffee; False Labeling; Fines

Description:

Extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee. Imposes a mandatory \$10,000 fine for each separate offense of false-labeling of Hawaii-grown roasted coffee. Effective 7/1/3000. (HD1)

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