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# 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 there has been  
2 increased discussion on changing Hawaii's Kona coffee blend  
3 laws, in particular, increasing from ten to seventy-five per  
4 cent the required percentage of Kona-grown coffee that entitles  
5 a coffee to be called "Kona" coffee.

6           In addition, there is support for strengthening the  
7 labeling laws to inform consumers properly about coffee's origin  
8 and requiring a certification for Kona coffee to ensure a high  
9 quality of Kona coffee. The legislature further finds that  
10 there is a need to have an objective, reasoned examination of  
11 these issues.

12           As Hawaii is the only coffee growing region in the United  
13 States, recent years have also seen an increase in other Hawaii  
14 regional coffees, and more information is needed to support and  
15 promote the coffee industry.

16           The purpose of this Act is to direct the department of  
17 agriculture to undertake a study to evaluate possible impacts on



1 farmers, processors, retailers, and consumers if certain changes  
2 are made to the current Hawaii Kona coffee blend laws, identify  
3 strategies to strengthen labeling laws, and provide  
4 recommendations on supporting and cultivating regional specialty  
5 coffee in Hawaii.

6 SECTION 2. (a) The department of agriculture shall  
7 conduct a study of the possible impacts of changes to current  
8 Hawaii Kona coffee blend laws, including:

- 9 (1) Increasing the required percentage of Kona-grown  
10 coffee that entitles a coffee to be labeled "Kona  
11 coffee", including, but not limited to, a seventy-five  
12 per cent requirement;
- 13 (2) Adapting the labeling standards accordingly;
- 14 (3) Requiring state certification for Kona coffee grown  
15 and sold in the north and south Kona districts to  
16 confirm the coffee's Kona origin; and
- 17 (4) Determining what measures and standards would be  
18 necessary to support the development and growth of  
19 other Hawaii regional coffees, similar to initiatives  
20 taken to protect and promote Kona coffee.

21 (b) The study shall include an analysis of pertinent  
22 issues, including:



- 1           (1) A description of the current economic situation  
2                   concerning Kona coffee as it pertains to farmers,  
3                   processors, and retailers;
- 4           (2) Identifying existing concerns or issues regarding the  
5                   current ten per cent Kona coffee minimum blend  
6                   requirement;
- 7           (3) An evaluation of the possible economic impact of  
8                   raising the current ten per cent Kona coffee minimum  
9                   blend requirement to a higher requirement, including,  
10                  but not limited to, seventy-five per cent. This shall  
11                  include the possible economic impact on:
  - 12                   (A) Farmers;
  - 13                   (B) Processors; and
  - 14                   (C) Retailers;
- 15           (4) An evaluation of anticipated consumer reaction, taking  
16                   into account a likely increase in the price of Kona  
17                   coffee;
- 18           (5) An evaluation of how to strengthen the State's "truth-  
19                   in-labeling" laws, as provided in section 486-120.6,  
20                   Hawaii Revised Statutes, to further enhance consumer  
21                   awareness of blended Kona coffee; provided that the  
22                   evaluation shall particularly take into account what



1 people in Hawaii's coffee industry perceive as a  
2 statutory omission that allows a double identity  
3 statement regarding the coffee, and shall propose  
4 solutions to achieve a more accurate description of  
5 all ingredients in the ingredient statement on the  
6 coffee package;

7 (6) An examination of how to achieve national recognition  
8 for Kona coffee and deter the illegal use of the term  
9 "Kona Coffee" in connection with coffee products in  
10 Hawaii and on the continental United States that do  
11 not meet Hawaii's standards established for Kona  
12 coffee;

13 (7) An evaluation of whether to institute state  
14 certification for Kona coffee grown and sold in the  
15 south Kona district and the north Kona district to  
16 confirm the coffee's Kona origin, and if so, how best  
17 to accomplish it; and

18 (8) A determination of what measures and standards would  
19 be necessary to support the development and growth of  
20 other Hawaii regional coffees, similar to initiatives  
21 taken to protect and promote Kona coffee.



1           The department of agriculture shall seek input from as many  
2 stakeholders as possible, including the Hawaii Coffee  
3 Association, the Kona Coffee Council, the Kona County farm  
4 bureau, the Hawaii Farm Bureau, and the University of Hawaii.

5           The department of business, economic development, and  
6 tourism, and the department of the attorney general, upon  
7 request, shall assist the department of agriculture in  
8 conducting this study.

9           SECTION 3. The department of agriculture shall submit a  
10 report of its findings, recommendations, and any proposed  
11 legislation to the legislature at least twenty days prior to the  
12 convening of the regular session of 2009.

13           SECTION 4. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$                   , or so  
15 much thereof as may be necessary for fiscal year 2008-2009, to  
16 fund the study by the department of agriculture required by this  
17 Act.

18           The sum appropriated shall be expended by the department of  
19 agriculture for the purposes of this Act.

20           SECTION 5. This Act shall take effect on July 1, 2008.



**Report Title:**

Kona Coffee; Study; Appropriation

**Description:**

Appropriates funds for a study by the department of agriculture on the effect of regulations of Kona coffee blends. (SD1)

