

Honolulu, Hawaii

FEB 14 2008

RE: S.B. No. 2905

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Agriculture and Hawaiian Affairs, to which was referred S.B. No. 2905 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to direct the Legislative Reference Bureau to undertake a study to evaluate possible impacts on farmers, processors, retailers, and consumers if certain changes are made to the current Hawaii Kona coffee blend laws, identify strategies to strengthen labeling laws, and provide recommendations on supporting and cultivating regional specialty coffee in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Coffee Association, Hawaii Coffee Company, Hawaii Coffee Association, and Kona Coffee Council. Testimony in opposition to this measure was submitted by the Hawaii County Council, Red Hill Farm, Luther Coffee Farm, Green Gecko Coffee, Aina Na Hoku Kai Farm, Kona Coffee Farmers Association, and seven individuals. Testimony expressing comments and concerns on this measure was submitted by the Legislative Reference Bureau.

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



In addition, your Committee finds the need to strengthen and further examine truth in labeling laws to inform consumers properly about coffee's origin and requiring a certification for Kona coffee to ensure a high quality of Kona coffee and to protect and support this important segment of our agricultural industry.

As Hawaii is the only coffee growing region in the United States, recent years have also seen an increase in other Hawaii regional coffees, such as Hamakua, Moloka'i, and Ka'u, and more information is needed to support and promote the coffee industry moving forward.

Your Committee has amended this measure by requiring that the Department of Agriculture conduct the required study and appropriating funds to the Department of Agriculture for that purpose.

Your Committee recommends that future committees hearing this measure consider appropriating the amount of \$150,000 to \$200,000 for the purpose of this measure, provided that this recommended amount should be lower if the Department of Agriculture is able to enlist the assistance of the Department of Business, Economic Development, and Tourism for the financial impact analysis required for the report.

As affirmed by the record of votes of the members of your Committee on Agriculture and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2905, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Hawaiian Affairs,



JILL TOKUDA, Chair



