

testimony

From: Colehour Bondera [colemel@kanalanifarm.org]
Sent: Monday, February 25, 2008 3:19 PM
To: testimony
Subject: Opposition to SB2905

“Testimony in Opposition to SB2905 Relating to a Study of Regulations of Kona Coffee Blends”

Senate Committee on Way and Means

Date: February 26, 2008
Time: 10:45 am
Place: Conference Room 211

To Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

**Testimony of Colehour Bondera of Kanalani Ohana Farm
IN OPPOSITION to SB2905-- (Relating to a Study of Regulations of Kona Coffee Blends)**

Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

My name is Colehour Bondera; my family and I are coffee farmers on the Big Island and am a member of the Kona Coffee Farmers Association (“KCFA”) and I provide this testimony with respect to my coffee farming business, Kanalani Ohana Farm.

I offer this testimony in OPPOSITION to SB2905.

I am in opposition to the Bill because I believe it is being used to avoid dealing with on-going Consumer Fraud--and more specifically to avoid consideration of the SB661 (Truth-in-Labeling for Kona Coffee) which is pending in the Committee on Agriculture and Hawaiian Affairs.

Last year the Legislature made a factual determination that: “existing labeling requirements for Kona coffee causes CONSUMER FRAUD and CONFUSION and DEGRADES the ‘Kona coffee’ name.” (SCR102/SD1/HD1). The legislature needs to address this “consumer fraud” without further delay.

My young children (ages eight and ten) are confused when their parents' have to explain not only to customers but to the family as well that most of what is sold as "Kona coffee" is actually NOT Kona coffee, and is providing financial support to people in other countries, and not the appropriate support that we could and should be receiving from our State of Hawaii.

I respectfully request that this Committee consider the written testimony presented to the Senate Committee on Agriculture and Hawaiian Affairs on February 5, 2008, by Hawaii County Council Legislative Liaison Ralph Boyea, by the KCFA and by thirteen Kona coffee farmers--all requesting immediate legislative action to put a stop to CONSUMER FRAUD--without the delay of a “study” sought by the corporate coffee blenders.

I hold two Masters' degrees, and conducted research studies for both of them. One of the main things that my Committees reminded me of as I developed my foci for the Masters' theses was that one must start with a question that needs to be answered. Not just with a question, but one that has not been answered that the answer to will provide new information. One that the study is needed to answer.

I got those degrees at an agricultural institution (University of California), and any efforts

pursued needed to not cause problems for farmers. In my opinion, this study will cause problems for Kona coffee farmers because the customers are being misled and thus the farmers are being held responsible by the customers. My children see that Kona coffee has to be explained since it is being misrepresented; how must children of non-Kona coffee farm families understand the topic?! Please consider that statements of Senator Clayton Hee made in opposition to SB2905 at the February 5 Hearing: This is not a complicated issue. Don't waste money on a study. No "study" is needed. Fix the fraud. Require truth-in-labeling and let the market work it out. Address the issue now. Don't delay. Protect the name of the farmers' crop.

The implication of proceeding with a study of the "economic impacts" of ending fraud is that the Legislature intends to let CONSUMER FRAUD continue if there are adverse economic impacts on the corporate coffee blenders. I believe that is an indefensible position for the Legislature to take. I, along with my family, and along with the organization of farmers, KCFA, request that this committee amend SB2905 to incorporate the Truth-in-Labeling provisions of SB661 and to change the purpose of the study to "How can the Hawaii Department of Agriculture effectively promote the marketing of Kona coffee and of other Hawaiian-grown coffees in a manner compatible with consumer protection and fair marketing principles." Pass and fund that study right away and help people here at home produce and market Hawaiian goods!

The Legislature has recognized that it is inherently deceptive to permit the use of the "Kona" name for 90% foreign-grown coffee. The Legislature should now act to end this deception and fraud.

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS
TUESDAY, FEBRUARY 26, 2008
10:45 A.M.

SENATE BILL NO. 2905, S. D. 1
RELATING TO AGRICULTURE

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to provide testimony on Senate Bill 2905, S. D. 1, directing the Hawaii Department of Agriculture 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; to identify strategies to strengthen labeling laws, and provide recommendations on supporting and cultivating regional specialty coffee in Hawaii. The department supports the intent of this bill; however, we have concerns about the possible adverse budgetary impact that this bill may have on the Executive Supplemental Budget request.

The department is currently addressing some of the requirements of Senate Concurrent Resolution (SCR) 102, SLH 2007 which will address Hawaii-grown coffee labeling and inspection issues, and the economic impact of potential changes to minimum content requirements. The economic analysis called for in the concurrent resolution is a major undertaking and requires funding which was not appropriated to the department. We recommend that since an economic impact analysis is called for in both the concurrent resolution and this bill, that the appropriation be used for a study that will satisfy both this bill and SCR 102, SLH 2007.

Senate
Twenty-Fourth Legislature
Regular Session of 2008

COMMITTEE ON WAYS AND MEANS

Hearing
Tuesday, February 26, 2008
10:45 a.m.

Chairperson Baker, Vice Chair Tsutsui and Honorable Senators,

Testimony by: Ralph C. Boyea, Legislative Advocate, Hawai'i County Council

Testimony in SUPPORT of SB 2905, SD1 RELATING TO AGRICULTURE

Senate Bill 2905, SD1 appropriates funds for a study by the State Department of Agriculture to evaluate possible impacts on farmers, processors, retailers, and consumers if changes are made to current Hawai'i Kona coffee blend laws, and to provide recommendations on supporting and cultivating regional specialty coffee in Hawai'i.

On December 20, 2006, the Hawai'i County Council adopted Resolution #18-06 requesting that the Hawai'i State Legislature revise and clarify HRS 486-120.6 and recommending that any coffee labeled "Kona Coffee Blend" shall have a minimum of 75% of Kona Coffee, and that it should be labeled accordingly.

In 2007, HB 72 was introduced by Representative Herkes and SB 661 was introduced by Senator Kokubun. These Bills call for changing the labeling requirements for Kona coffee by specifying the term "Kona" or "Kona Coffee" shall not be used on a package label unless the content of the package contains at least 75 percent of Kona coffee. These Bills addressed and incorporated the concerns raised by the Hawai'i County Council. Unfortunately, HB 72 and SB 661 have not moved out of their respective committees.

The Hawaii County Council testified against SB 2905 when it was heard by the Agriculture and Hawaiian Affairs Committee. Our position was a study would not be needed if they would hear and pass SB 661 and change the percentage of Kona Coffee in "Kona Coffee" blends from 10% to 75%. AHW chose not to comply with that request.

SB2905, SD1 is **the only vehicle available** to address the fraudulent, mis-labeling and misrepresentation of Kona Coffee. Therefore we support the passage of SB 2905, SD1.

We request that you pass SB2905, SD1.

Thank you.

testimony

From: Bruce Corker [corkclan@msn.com]
Sent: Sunday, February 24, 2008 3:08 PM
To: testimony
Subject: Testimony in Opposition to SB2905

**Testimony of the Kona Coffee Farmers Association
IN OPPOSITION to SB2905-- (Relating to a Study of
Regulations of Kona Coffee Blends)**

Senate Committee on Ways and Means

**Date: February 26, 2008
Time: 10:45 am
Place: Conference Room 211**

Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

My name is Bruce Corker; I am a coffee farmer in Holualoa on the Big Island. I am president of the Kona Coffee Farmers Association ("KCFA") and provide this testimony on behalf of the KCFA.

The KCFA is a membership organization with close to 200 members. The purpose of the Association is to protect the interests of Kona coffee growers. Voting membership is limited to coffee farmers.

The Kona Coffee Farmers Association OPPOSES SB2905.

We are in opposition to the Bill because we believe it is being used to avoid dealing with on-going Consumer Fraud--and more specifically to avoid consideration of the SB661 (Truth-in-Labeling for Kona Coffee) which is pending in the Committee on Agriculture and Hawaiian Affairs.

Last year the Legislature made a factual determination that: "existing labeling requirements for Kona coffee causes CONSUMER FRAUD and CONFUSION and DEGRADES the 'Kona coffee' name." (SCR102/SD1/HD1). The legislature needs to address this "consumer fraud" without further delay.

We respectfully request that this Committee consider the written testimony presented to the Senate Committee on Agriculture and Hawaiian Affairs on February 5, 2008, by Hawaii County Council Legislative Liaison Ralph Boyea, by the KCFA and and by 13 Kona coffee farmers--all requesting immediate legislative action to put a stop to CONSUMER FRAUD--without the delay of a "study" sought by the corporate coffee blenders.

We also respectfully request that this Committee consider that statements of Senator Clayton Hee made in opposition to SB2905 at the February 5 Hearing: This is not a complicated issue. Don't waste money on a study. No "study" is needed. Fix the fraud. Require truth-in-labeling and let the market work it out. Address the

issue now. Don't delay. Protect the name of the farmers' crop.

The implication of proceeding with a study of the "economic impacts" of ending fraud is that the Legislature intends to let CONSUMER FRAUD continue if there are adverse economic impacts on the corporate coffee blenders. We believe that is an indefensible position for the Legislature to take.

KCFA respectfully requests that this committee amend SB2905 to incorporate the Truth-in-Labeling provisions of SB661 and to change the purpose of the study to "How can the Hawaii Department of Agriculture effectively promote the marketing of Kona coffee and of other Hawaiian-grown coffees in a manner compatible with consumer protection and fair marketing principles."

The Legislature has recognized that it is inherently deceptive to permit the use of the "Kona" name for 90% foreign-grown coffee. The Legislature should act now to end this deception and fraud.

testimony

From: Chuck Moss [cmoss@turquoise.net]
Sent: Sunday, February 24, 2008 4:40 PM
To: testimony
Subject: Testimony in Opposition to SB2905 Relating to a Study of Regulation of Kona Coffee Blends, Senate Committee on Ways and Means

Aloha Chairperson Barker, Vice Chairperson Tsutsui, and members of the committee.

I am Chuck Moss, a "hands on" Kona Coffee Farmer. I am in opposition to this bill, as it would be wasting scarce funds on an unneeded study.

It is well established by prior studies, and in last year's SCR102 HD1/SD1 that the currently Hawaii coffee labeling practices are deceptive and contribute to fraud directed at unknowing consumers/tourists. The current practices are therefore harmful to the state as a whole and should be strengthened without further delay and/or study.

A study is not needed to address this basic issue. Furthermore the study being proposed puts a lot of emphasis on establishing the economic impacts on various stakeholders. I would suggest that we should establish a fair and level playing field, free of deceptive labeling, and let the market sort out the impacts.

It should also be noted that all prior attempts at establishing economic impacts of revised coffee labeling have been inconclusive, largely due to lack of hard data, partly due to the "proprietary" nature of much of the data. What makes it likely to succeed this time?

Often we Kona Coffee farmers hear from legislators that a consensus is needed before any change will be enacted. This simply won't happen, as there will be "winners and loser". It is like asking bank robbers to agree to outlawing bank robbery!!

Funding this "study" is counterproductive and will simply delay meaningful action.

It is simply unreasonable that a product that contains 90% foreign content, with no state imposed quality requirements at all on that content, be marketed as "Kona Coffee".

Mahalo, for your consideration.

Chuck Moss

testimony

From: Christine Sheppard [christinesheppard@hawaii.rr.com]
Sent: Monday, February 25, 2008 9:24 AM
To: testimony
Subject: Testimony in Opposition to SB2905 Relating to a Study of Regulations of Kona Coffee Blends

Senate Committee on Ways & Means

Date: February 26, 2008
Time: 10:45 pm
Place: Conference Room 211

To Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

I am a retired Kona coffee farmer, and now a custom roaster of Kona coffee. I oppose SB2905 because I see this as yet another delaying tactic thrown up by those major corporations who make huge profits out of Kona blend coffee, at the expense of Kona coffee farmers, and causing continuing damage to Hawaii's reputation by the ongoing consumer fraud.

This Legislature needs to change this Bill and incorporate the provisions outlined in HB72 and SB661 to protect Kona coffee and consumers. Our Hawaii County Council unanimously voted to request this protection. Please do not insult them by shuffling this off to a spurious "study". We do not need a study to confirm what you yourselves determined last year, that "existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the 'Kona coffee' name."

**Sincerely
Christine Sheppard**

Christine Sheppard
www.kona-coffee-country.com/coffee
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808-329-7239

testimony

From: Sandy G. Masterson [Sandy_Masterson@hotmail.com]
Sent: Monday, February 25, 2008 12:47 PM
To: testimony
Subject: FW: Testimony In Opposition to SB2905
Importance: High

**Testimony of [Sandy G. Masterson]
IN OPPOSITION to SB2905-- (Relating to a Study of
Regulations of Kona Coffee Blends)**

Senate Committee on Ways and Means

**Date: February 26, 2008
Time: 10:45 am
Place: Conference Room 211**

Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

My name is Sandy G. Masterson; I am a coffee farmer on the Big Island and am a member of the Kona Coffee Farmers Association ("KCFA") and provide this testimony with respect to my coffee farming business, [NAME OF YOUR FARM].

I offer this testimony in OPPOSITION to SB2905.

I am in opposition to the Bill because I believe it is being used to avoid dealing with on-going Consumer Fraud--and more specifically to avoid consideration of the SB661 (Truth-in-Labeling for Kona Coffee) which is pending in the Committee on Agriculture and Hawaiian Affairs.

Last year the Legislature made a factual determination that: "existing labeling requirements for Kona coffee causes CONSUMER FRAUD and CONFUSION and DEGRADES the 'Kona coffee' name." (SCR102/SD1/HD1). The legislature needs to address this "consumer fraud" without further delay.

I respectfully request that this Committee consider the written testimony presented to the Senate Committee on Agriculture and Hawaiian Affairs on February 5, 2008, by Hawaii County Council Legislative Liaison Ralph Boyea, by the KCFA and by 13 Kona coffee farmers--all requesting immediate legislative action to put a stop to CONSUMER FRAUD--without the delay of a "study" sought by the corporate coffee blenders.

I respectfully request that this Committee consider that statements of Senator Clayton Hee made in opposition to SB2905 at the February 5 Hearing: This is not a complicated issue. Don't waste money on a study. No "study" is needed. Fix the fraud. Require truth-in-labeling and let the market work it out. Address the issue now.

Don't delay. Protect the name of the farmers' crop.

The implication of proceeding with a study of the "economic impacts" of ending fraud is that the Legislature intends to let CONSUMER FRAUD continue if there are adverse economic impacts on the corporate coffee blenders. I believe that is an indefensible position for the Legislature to take.

KCFA respectfully requests that this committee amend SB2905 to incorporate the Truth-in-Labeling provisions of SB661 and to change the purpose of the study to "How can the Hawaii Department of Agriculture effectively promote the marketing of Kona coffee and of other Hawaiian-grown coffees in a manner compatible with consumer protection and fair marketing principles."

The Legislature has recognized that it is inherently deceptive to permit the use of the "Kona" name for 90% foreign-grown coffee. The Legislature should now act to end this deception and fraud.

testimony

From: Ken Sheppard [kensheppard@hawaii.rr.com]
Sent: Monday, February 25, 2008 9:49 AM
To: testimony
Subject: Testimony in Opposition to SB2905 Relating to a Study of Regulations of Kona Coffee Blends

Senate Committee on Ways & Means

Date: February 26, 2008
Time: 10:45 pm
Place: Conference Room 211

To Chairperson Barker, Vice Chairperson Tsutsui, and members of the Committee:

I am a retired Kona coffee farmer and a manufacturer of coffee processing equipment for small farms. I oppose SB2905 because I see this as yet another delaying tactic by major corporations who make huge profits out of Kona blend coffee which effectively lessens the value of real Kona coffee and negatively affects the livelihood of Kona coffee farmers. It is very unlikely that funding will be approved for the study, especially in the current economic climate, but I am sure that has been the plan all along. Unfortunately the legislature fell for it with the farmers economic interests overridden yet again.

The coffee farmers of Kona deserve a hearing of HB72 and SB661 during this session and expect their elected representatives to support such a request. Please allow open government by hearing HB72 and SB661, so that all sides may make their positions known to you.

Our Hawaii County Council unanimously voted to ask for HB72 and SB661 to be heard. They have not been so I request that you instead put the provisions of those Bills into this one, instead shuffling their legitimate concerns off to a spurious "study". We do not need a study to confirm what you yourselves determined last year, that "existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the 'Kona coffee' name."

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