

STAND. COM. REP. NO.

1199

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 1552  
H.D. 1  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1552, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COFFEE,"

begs leave to report as follows:

The purpose and intent of this measure is to restrict the use of terms indicating geographic origin of Hawaii-grown coffee on coffee packaging.

Your Committee received testimony in support of this measure from Retail Merchants of Hawaii; Hawaii Coffee Association; Hawaii Coffee Company; Captain Cook Coffee Company; Heavenly Hawaiian Farms; Paradise Beverages, Inc.; Castle and Company; MauiGrown Coffee, Inc.; The Madden Corporation; Coffees of Hawaii, Inc.; Rancilio Group; McDonald's Restaurants of Hawaii; Pacific Bag, Inc.; Excor, Inc.; and six private individuals. Your Committee received testimony in support of the intent of this measure from the Department of Agriculture. Your Committee received testimony in opposition to this measure from Kona Rising Coffee Company, Dysart Farms, Mahina Mele Farm, Pohaku Kona Coffee Farms, Lions Gate Farms, Mokulele Farms, Konacopia Farm, Kona Coffee Farmers Association, Luther Coffee Farm, Kona County Farm Bureau, Teshima Estate Kona Coffee, and nine private individuals.

Your Committee finds that this measure provides stricter guidelines for labeling packages of coffee to ensure that



consumers receive accurate information that enables them to make informed purchasing choices.

Your Committee has amended this measure by:

- (1) Prohibiting the use of a term that indicates a geographic origin on the front panel of a package of coffee unless the package contains one hundred percent coffee from the geographic origin or the term is part of a trademark;
- (2) Prohibiting the use of more than one trademark on a package of coffee unless the package contains one hundred percent coffee from the geographic origin specified by the trademark;
- (3) Prohibiting the use of a trademark that begins with the name of a geographic origin on a package of coffee unless one hundred percent of the coffee comes from the geographic origin or the trademark ends with words that indicate a business entity;
- (4) Prohibiting the printing on a package of coffee of a statement indicating the geographic origin of the coffee in a font smaller than that used for a trademark that includes the name of a geographic origin or in a location other than the front label panel of the package;
- (5) Changing its effective date to upon approval; provided that the labeling requirements effectuated by section 2 of the measure shall be effective on July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

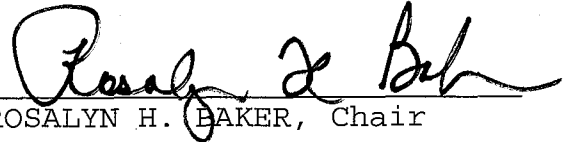
Your Committee finds that the amendments made to this measure clarify the labeling requirements for coffee to ensure that locally-grown coffee is not disadvantaged in the marketplace. Your Committee further finds that the amendments regarding the use of trademarks made by this measure address the concerns raised by independent coffee growers that unscrupulous packagers may use deliberately misleading packaging to circumvent truthful labeling requirements. Finally, your Committee finds that this measure, as amended, will promote the growth of Hawaii's coffee industry by



enabling consumers to easily identify and confidently choose Hawaii-grown coffee.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1552, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

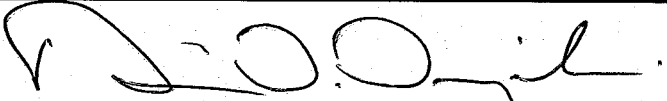


ROSALYN H. BAKER, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1552, HD1, SD1	AGL, CPN	4/1/2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh				✓
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	5	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes