

NEIL ABERCROMBIE
Governor



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

RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

**TESTIMONY OF RUSSELL KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
February 11, 2011
9:00 A.M.

**HOUSE BILL NO. 1552
RELATING TO AGRICULTURE**
Conference Room 312

Chairperson Tsuji and Members of the Committee:

Thank you for this opportunity to provide testimony on HB 1552 relating to coffee. The bill seeks to make it a violation to use the geographic origin on a label other than in the registered trademark or in the identity statement.

The Department supports the bill.

However, due to reductions in force, the Department is no longer staffed to provide label development support or retail level label inspection or enforcement support as required by the bill. The Measurement Standards Branch lost a total of nine positions due to the reduction-in-force. Positions were the Branch Manager, Packaging and Labeling Specialist position and 7 Measurement Standards inspectors.

Thank you for the opportunity to testify on this measure.



H.B. 1552

Form Letter:

Darryl Hara

Steven McLaughlin

Tom Greenwell

Steve Collector

David Gridley

Edward Schultz

Gloria Biven

Donna Woolley

Jim Wayman

Craig Nakatsukasa

Support

TESTIMONY ON HB 1552 - Relating to coffee... Restricts the use of geographic origin of Hawaii-grown coffee on coffee labels by limiting what the industry refers to as the use of a double identity statement on packages of coffee.

Your Name: **Darryl Hara**

Company Name or Affiliation : **Hawaii Coffee Company**

YES - FOR PASSAGE OF HB 1552.

HEARING DATE: FRIDAY FEBRUARY 11, 2011 AT 9:00 AM

HEARING LOCATION: CONFERENCE ROOM 312

STATE CAPITOL

415 SOUTH BERETANIA STREET.

TESTIMONY: Current truth in labeling regulations have a flaw that allows a confusing "Double Identity" statement to be used on packages of coffee when using any or all of the Hawaiian coffee origin names. This can confuse consumers into believing that they are purchasing 100% origin product when in fact they are purchasing a blend using Hawaii origin coffee. HB 1552 eliminates this practice by causing the use of a Hawaiian origin name only in a registered trademark and in an identity statement which must contain the percentage of origin coffee used immediately to the left of the origin name and in type of at least 3/16 of an inch high. I strongly believe that an informed consumer will then be able to decide what percentage of Hawaiian coffee they wish to purchase and at what price.

YES ON 1552

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 11:24 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: support
Testifier will be present: No
Submitted by: Alfred F Coscina
Organization: Coscina Brothers Coffee
Address:)
Phone: (
E-mail:
Submitted on: 2/10/2011

Comments:
I support this bill.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 4:28 PM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: support
Testifier will be present: No
Submitted by: Pataricia Wayman
Organization: Kona Coffee Council
Address:
Phone:
E-mail:
Submitted on: 2/10/2011

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 8:38 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: support
Testifier will be present: No
Submitted by: Jim Lenhart
Organization: Individual
Address:
Phone:
E-mail:
Submitted on: 2/10/2011

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 9:24 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: support
Testifier will be present: No
Submitted by: Terry T. Ikehara
Organization: Individual
Address: _____
Phone: _____
E-mail: _____
Submitted on: 2/10/2011

Comments:

RE: HB 1552

Submitted by: BethAnne Webb

Captain Cook, HI

Please come to the rescue of Kona Coffee Farmers instead of repeating your history of supporting more and more misleading labeling of products containing 10% Kona Coffee. Defeat HB 1552!

Kona Coffee is a product that has been very unfairly treated by the Department of Agriculture and the legislature of Hawaii in the past thanks to the influence of large companies who have made a great deal of money by attaching the cachet of the Kona Coffee name to products which have (typically) only 10% real Kona coffee in them. To say that this practice is not harming the majority of coffee farmers is utter "hogwash". I am having a very hard time marketing my product and I talk to so many would-be purchasers who have been fooled by the misleading labeling into thinking they are getting something like 100% Kona coffee or even Hawaiian coffee. If products labels with the word Kona coffee were required to have a majority of Kona coffee in the bag and the remaining coffee's origin clearly stated, this would go a long way toward being fairer to farmers. Instead, this bill seeks to further dilute our precious Kona name.

When, if ever, will the farmers who grow real 100% Kona Coffee, of which I am one, receive protection from this blatant misuse of our origin name? When will legislators listen to the wisdom of protecting this very important heritage product?

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 09, 2011 9:08 PM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Jacqueline Wikum
Organization: Pohaku Kona Coffee Farms
Address:
Phone:
E-mail:
Submitted on: 2/9/2011

Comments:

I was recently on the mainland and was shocked to drive past a Jack in the Box with a sign that said "Kona Coffee Served Here".

Oh really? Kona coffee? No actually, a Kona Blend. Contrary to a Mainlander's common misconception, a Kona blend is not a mix of Kona coffees. Rather it is a blend of 90% or more of cheap South American coffee and likely less than 10% Kona. In fact, there is no federal law regarding the proportions, so it could actually just be one (ONE!) Kona bean mixed in to a substandard grade of coffee. So that "Kona coffee" is not really Kona at all. More like Folgers with a fancified name.

Why do I care so much? Well, all those consumers now associate Kona coffee with some bitter brew they drank at a fast food restaurant. Tell me how this is not horribly bad for my gourmet brand?

For the same reason that Louis Vuitton fights the cheap ripoffs sold out of backalleys, we Kona farmers are trying to protect our name. But the battle is not easy. We face conflicts within our own region. We small farmers are butting heads against the blenders, some of whom are based in our own backyards. Here in Hawaii, we have a state law that requires at least 10% Kona in the Kona blend. Attempts to raise this minimum have been being met by strong opposition from the blenders and large coffee middlemen who make millions selling Kona Blend to consumers who don't understand the difference.

These Blenders are not the Kona Coffee Industry. They are merely profiteers. Their big bucks depend on the substandard ripoff of Kona's good reputation. They threaten our livelihoods with short-term gains.

This Bill does nothing to protect the farmers from the true harm - 10% blends. Our coffee is more than just a cup of coffee. It is an excellent cup of coffee. And it represents a way of life that is under threat.

Please vote no on this bad bill.

EMAIL TESTIMONY AGAINST HB1552

By: Maria da Silva, Kona Rising Coffee Company

Hearing Date: February 11, 2011 9 am Room 312, State Capitol
Committee: House Agriculture Committee

Dear Sirs:

While it is encouraging to see that legislators are beginning to take notice of the devastating effects of deceptive labeling on the 100% Kona Coffee, and other Hawaiian Coffee industries, it is very disheartening for those of us who wish to participate in the process of "righting the wrongs" to have been left out of the process. While this bill purports to eliminate some deceptive labeling practices, it not only falls short, but allows the most deceptive of all practices to continue.

True labeling reform needs to take place. And in today's world of consumer advocates demanding "Truth in Labeling" I believe that this will happen for Hawaii's coffee industry in the near future. However, this haphazard bill does not have the input of genuine consumer advocates and appears to be the work of one marketing organization against another marketing organization. Consumer protection is not just an idle phrase. It is a moral obligation of our legislators. Please do not send this flawed bill forward.

Mahalo ,

Maria de Fatima da Silva
Kona Coffee Farmer and Consumer

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 5:19 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position:
Testifier will be present: No
Submitted by: Carol Weaver
Organization: Kona Coffee Farmers Association
Address: Kiai Captain Cook
Phone:
E-mail:
Submitted on: 2/10/2011

Comments:

I OPPOSE this bill.

It would make consumer deception worse, not better, by expressly authorizing the deceptive use of Hawaii geographic origins in registered trademarks. An example: use of Royal Kona in the largest print on packages containing 90% imported coffee of undisclosed origin. This deceptive use of the Hawaii geographic origin Kona is every bit as harmful as the Kona Classic used by Hawaiian Isles, which Hawaii Coffee Company complains is a secondary label.

Signed, Carol Weaver, certified organic Kona coffee farm owner.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 09, 2011 11:34 PM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Michelle D Joven
Organization: Mama's Kona Coffee LLC
Address:
Phone:
E-mail:
Submitted on: 2/9/2011

Comments:

RE: HB1552 Coffee Labeling Requirements

As a 100% Kona coffee farmer I oppose HB1552 (Coffee Labeling Requirements) as it currently reads. HB1552 does not go far enough. This law will only make more holes in the law for blenders to confuse customers.

If blenders are allowed to continue to use the name "Kona" in any part of the name or as a registered trademark, it is still confusing to the customer. Having the name "Kona" in it, is still misleading. If 90% of this blend is from Ethiopia or India, then that is what should be listed on the bag (label or trademark), but from what I understand in this bill, the 90% doesn't even have to be disclosed. Regardless, these blenders have tarnished the name of "Kona" long enough. Please enough is enough. They should not be allowed to continue use of the name.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 6:26 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Shai Yerlick
Organization: LILKOI INN COFFEE
Address:
Phone:
E-mail: _____
Submitted on: 2/10/2011

Comments:

This bill does not help Kona coffee. The label provides no truth in labeling and makes people think they are getting Kona coffee when in fact they have foreign coffee instead of the real Kona coffee. Our hard work to make good coffee is not evident with this false label. Only 100% Kona should have our label!

Cecelia Smith

www.Smithfarms.com- owner and Kona Coffee Farmers Association- member
House Agriculture Committee

Friday, February 11, 2011 at 9:00 am in Room 312, State Capitol

As drafted, this bill splits the funding and the processing for developing a **comprehensive** and **practical** CBB mitigation program for Kona between at least 3 entities, UH CTAHR HDOA and the CBB Task Force.

What does make sense is, to assign this task and the funding to UH CTAHR where the research capability is located and where the link to Kona farmers is also located with the federally funded Cooperative Extension Service.

Further more,I am totally opposed to pesticide fumigation of Kona coffee (damaging to the crop's reputation as a specialty, gourmet, organic product) and to wasting State money on a fumigation facility to be located in our community, especially when alternative non-pesticide measures are available to provide effective protections for other islands. **Please!!!!**

My husband and I have farmed Kona Coffee for 23 years and part of the reputation of our 100% Kona Coffee, besides its superior taste is the fact that nothing touches our coffee, besides water, from our farm to our customer's cup.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 7:36 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Joan Prater, Pua Kea Coffee
Organization: Pua Kea Coffee, Kona Coffee Farmers Assoc
Address:
Phone:
E-mail:
Submitted on: 2/10/2011

Comments:

As a Kona Coffee Farmer, I work hard to produce an excellent product which reflects Kona and the State of Hawaii.

Bill 1552 increases deception of the Hawaii geographic origin.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 10:10 AM
To: AGRtestimony
Cc: |
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Kathy Wood
Organization: Individual
Address:
Phone: |
E-mail:
Submitted on: 2/10/2011

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 09, 2011 8:42 PM
To: AGRtestimony
Cc: 1
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Suzanne Shriner
Organization: Individual
Address:
Phone:
E-mail:
Submitted on: 2/9/2011

Comments:

This bill was submitted without the input of the Kona coffee farmers. Mr. Coffman does not represent the wishes of his constituents here. I know this because I am the owner of a 10-acre coffee farm.

The Hawaii farmers, who grow 100% Kona, would like to see a bill that actually protects Kona. This bill does not. This bill protects one company, the Hawaii Coffee Company, as it seeks to put another company out of business. This is not the purpose of the legislative process.

These large companys arguing over language on "10% blends" are not the Kona Coffee Industry. They are merely profiteers. Their big bucks depend on the substandard ripoff of Kona's good reputation. They threaten the farmer's livelihoods with short-term gains.

Please vote NO on this bill. It does nothing to protect Kona's proud heritage.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 09, 2011 7:35 PM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: John Koontz
Organization: Individual
Address:
Phone:
E-mail:
Submitted on: 2/9/2011

Comments:

I oppose any degradation of the Kona name when used in a blend. When contains 51% Kona coffee, then it can be labeled as a Kona blend.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 10, 2011 8:48 AM
To: AGRtestimony
Cc:
Subject: Testimony for HB1552 on 2/11/2011 9:00:00 AM

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312
Testifier position: oppose
Testifier will be present: No
Submitted by: Ben Dysart
Organization: Individual
Address: Kailua-Kona hawaii
Phone:
E-mail:
Submitted on: 2/10/2011

Comments:

Sirs, I believe it is an intense disservice to the people of Hawaii that the Kona Coffee geographic origin dispute has gone on for as long as it has. I am thoroughly against Bill 1552 "Coffee Labelling Requirements" because it continues to allow DECEPTIVE LABELLING. Please, let's protect Hawaii's agricultural people.
Mahalo from a Kona coffee farmer.

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312

Testifier position: oppose

Testifier will be present: Yes

Submitted by: Paul Uster

Organization: Kona Coffee Farmers Association

Submitted on: 2/10/2011

I am a coffee farmer in Kahalu'u- Keahou mauka in the Kona region and am a newly elected Board Member of the Kona Coffee Farmers Association (KCFA).

I joined the board to support the local coffee industry and help my fellow small farmers grow better coffee, and to improve the reputation and quality of KonaThi and other Hawai'ian coffees with consumers who are completely confused and unknowingly misled by current labeling practice.

I ask you to NOT enact HB 1552. I am in favor substantially strengthening the coffee labeling laws, but this bill will sanction and generate more deceptive marketing.

If enacted, HB 1552 will mislead the consumer even more than the current statute, by explicitly legalizing the deceptive use of Hawai'i geographic origins in registered trademarks.

Deceptive use of geographic origins like "Kona" in huge type on a registered trademark are every bit as harmful as, for example, the "Kona Classic" used by Hawaiian Isles in their secondary label. Consumers believe they are buying coffee from Hawaii when it is predominantly off-grade coffee from Central America and elsewhere.

I would like to see a strong statute. I ask you to adopt the strategy California used to protect consumers and wine growers from deceptive use of the "Napa" geographic origin. The California Legislature enacted a law prohibiting the use of the name "Napa" anywhere on a wine label (including in registered trademarks) unless the bottle contains a minimum of 75% wine from Napa-grown grapes. We must do the same to protect Kona and ALL of our Hawai'ian coffee origins.

To stop counterfeiting and deception as did California, I ask you to amend the language of the proposed additional subsection (c) (7) in HB 1552 to read:

"(7) To use the geographic origin on a label other than in the identity statement as authorized in subsection in subsection (a)(1) and (2), unless the package of roasted or instant coffee contains at least seventy-five per cent coffee by weight from that geographic origin."

Language like this will better combat the current deceptive practices in "secondary

labels” and registered trademarks.

By doing so the Legislature would be making a significant stride toward better truth-in labeling, thereby better protecting the consumer and making the local coffee industry more competitive (because of improved quality) in the world market.

Testimony for AGR 2/11/2011 9:00:00 AM HB1552

Conference room: 312

Testifier position: oppose

Testifier will be present: No

Submitted by: Nancy Griffith-Lukela

Organization: Individual

Submitted on: 2/9/2011

Comments:

Only a sly mongoose would tolerate calling a bag of coffee "Kona" with only 10 percent Kona Coffee inside.

If 90 percent of the coffee in a package is from one or more foreign countries, it is a deliberate calculated deception to have the origin of the 10 percent content on the label as the origin, the only origin mentioned. If the label says Kona it should contain Kona – and, without more information, any normal human being would rightly believe more than 50 percent Kona.

Anyone who approves of this practice is a sly mongoose.