

NEIL ABERCROMBIE
Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

KEN H. KAKESAKO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**MONDAY, MARCH 17, 2014
9:00 A.M.**

**SENATE BILL NO. 2913 SENATE DRAFT 1
RELATING TO AGRICULTURE**

Chairperson Wooley and Members of the Committee:

Thank you for this opportunity to provide testimony on Senate Bill 2913 SD1, which establishes the offense of false labeling of Hawaii-grown coffee to include grade standard violations and all stages of production of Hawaii-grown coffee. The Department supports the intent of the bill.

In 2012, Act 328 was enacted which established criminal penalties for falsely labeled Hawaii-grown cherry, parchment, and green coffee with regard to geographic origin. The Department, along with the several representatives of the coffee industry met with representatives of the Hawaii County Prosecutor's office on the limitations of Act 328 with regard to origin counterfeiting and the need to include quality counterfeiting to maintain the recognition of Hawaii-grown coffee is known for. This bill will expand the enforcement on counterfeiting to also include quality on all Hawaii-grown coffees.

Thank you for the opportunity to testify on this measure.





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e-mail info@hfbf.org; www.hfbf.org

March 17, 2014

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 2913, SD1
RELATING TO AGRICULTURE

Room 312
9:00 AM

Aloha Chair Wooley, Vice Chair Onishi, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,832 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFB is in strong support of SB 2913, SD1. The passage of HB280/Act 328 in 2012 addressed false labeling of Hawaiian coffee; commonly known as counterfeiting.

In order to legally offer coffee for sale labeled with one of the defined geographical origins located throughout the state, including Hawaiian coffee, it must meet established minimum grade standards. While the 2012 Act made strides to protect green, parchment and cherry coffee, it did not go far enough to protect Hawaii's coffee origins. SB 2913 strengthens the law to include all coffee including roasted coffee. Passage of this measure will help protect Hawaii's stellar reputation for high quality specialty coffee.

Please pass SB 2913, SD1.

Thank you for the opportunity to comment on this measure.



**Testimony to the House Committee on Agriculture.
Monday, March 17, 2014**

RE: **Support For SB 2913** – Hawaii-Grown Coffee: Labeling Restrictions.

Chair Wooley, Vice Chair Onishi, and Committee Members:

Greenwell Farms is a coffee farming, processing, and marketing company in Kona, Hawaii. We export Kona Coffee to locations in Europe, across the Mainland, USA, and all around the Pacific Rim. For decades, we have relied upon the coffee produced by many farmers in North and South Kona to supply us with the highest quality coffee.

SB 2913 makes very important changes to Section 708-871.5 of the Hawaii Revised Statutes covering false labeling of Hawaii-grown coffee. These changes clarify existing law in order to make enforcement of existing Hawaii-grown standards more effective. Under the current law, coffee produced in Hawaii cannot be sold using Hawaii Origin names unless it meets the standards set forth in Title 4, Subtitle 7, Chapter 143 of the Hawaii Administrative Rules adopted under Section 147-22 of the Hawaii Revised Statutes.

SB 2913 does not change existing standards that Hawaii coffee producers are required to meet. These proposed changes simply clarify existing law and facilitate enforcement. In recent years, the Hawaii coffee industry has met huge challenges as a result of the CBB epidemic which has increased the temptation for some to engage in coffee counterfeiting.

Our industry needs to have these changes in the law sooner rather than later. **PLEASE PASS SB 2913.**

Thank you for your attention to this matter.

Thomas F. Greenwell, President

Steve Hicks, CFO



Lions Gate, Inc
PO Box 761
Honaunau, HI 96726

Phone: 808-989-4883
Fax: 866-475-8602
sales@coffeeofkona.com
www.coffeeofkona.com

March 16, 2014

SUBMITTED TESTIMONY

Aloha Members of the Legislature,

I am a second-generation Kona farmer with ten acres of coffee. I am wholly supported by my farm income. Fully half of our sales come from roasted coffee. These rules will have a material impact on my business.

Please vote **no** on this bill and refocus on the issue that hurts our farmers most: labeling a 10% blend as "Kona coffee".

As it stands now, the Grades cited under Chapter 147 are voluntary. Adding roasted as another category to voluntary standards will not protect Kona coffee. Indeed, how is this enforceable on any sort of scale? When unenforceable rules are enacted, these rules are meaningless. The HDOA does not have the staffing nor the means to police the regulations they currently have in place. Their lack of staffing is why the rules were made voluntary in the first place. Now you are adding more?

As a whole, the rules seem targeted towards Large Processors with little regard for the business models of the several hundred Estate-direct farms. These farmers struggle simply to get their green certified in a timely manner. How would a roasted process be viable for us? I might remind you that the needs of the many should outweigh the needs of the few.

As a whole, I feel these standards fail to protect quality while increasing the bureaucracy. This does little to protect the name of Hawaiian coffee.

Mahalo for your consideration,

Suzanne Shriner
President
Lions Gate Inc, dba Lions Gate Farms



1768 Kalawi Place
Wailuku (Maui), Hawaii 96793

March 16, 2014

Vincent Mina
President
Maui

The Honorable Jessica Wooley
Chair Agriculture Committee
Hawaii State Capitol, Rm 441
415 South Beretania Street
Honolulu, Hawaii 96813
repwooley@capitol.hawaii.gov

Simon Russell
Vice-President
Maui

Aloha Chair Wooley,

RE: OPPOSITION TO SB2913, SD1: HEARING MARCH 17, 2014 AT 9:00 AM, RM 312

David Case
Secretary
Kona

The Hawaii Farmers Union United opposes SB2913, SD1 because the amendments in Section 2 of the Bill to add subsections (b) and (c) to HRS §708-871.5 penalize conduct that is in violation of rules yet to be written and that in the case of subsection (c) are likely to be impossible to enforce. These provisions run the risk of imposing new, unnecessary and uncertain requirements on small scale family coffee farms for which there has never been a reported incident of coffee counterfeiting.

Ray Maki
Treasurer
Kauai

Subsection (b) requires roasted and other forms of coffee to meet: “The grade standard classification of Hawaii-grown coffee set forth in rules adopted pursuant to chapter 147[.]” Adopted in 2012 Act 328 (HB280) required similar rule making, and the Department of Agriculture engaged in an extensive process to adopt those rules. The Department encountered significant, practical opposition, and the rules have yet to be finalized. If this legislation passes it will likely take two or more years to adopt the necessary rules to enforce it.

Pamela Boyar
Member
Oahu

Subsection (c) prohibits: “The use of a geographic origin in the labeling of roasted or instant coffee, if the green coffee beans used in the roasted or instant coffee do not meet the adopted rules regarding the grade standard classifications for Hawaii -grown coffee.” This begs the very practical question of exactly how one is to determine if the green beans used to make roasted coffee met the grade standard requirements for green coffee after they have been altered in the roasting process. Subsection (c) also conflates the old green coffee “wholesale quantities” labeling and quality standards that were the rule for decades under HAR §4-143-1(a) before Act 328 was adopted with new standards (not yet written) for roasted coffee.

David Fisher
Member
Maui

We request that your Committee defer this Bill in favor of the green coffee quality and labeling standards that still appear to be in effect. At minimum, the effective date of SB2913 should be deferred until the rules being enforced are adopted and have been fully considered by all parties affected including especially the many small-scale direct marketing Hawaii coffee farmers.

Steve Sakala
Member
Kona

Mahalo nui loa,
HAWAII FARMERS UNION UNITED

Vincent Mina
Vincent Mina, President

onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 2:01 PM
To: AGRtestimony
Cc: rkaiwi@hicoffeeco.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Roger Kaiwi	Kona Coffee Council	Support	No

Comments: I strongly support SB2913. Please continue to help strengthen the Hawaii Coffee industry. Roger Kaiwi

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 1:59 PM
To: AGRtestimony
Cc: jwayman@hicoffeeco.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Wayman	Hawaii Coffee Assoc	Support	Yes

Comments: SB2913 - Strong Support Bill scheduled to be heard by AGR on Monday, 03-17-14 9:00AM in House conference room 312. Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class c felony. Thank you,

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 2:07 PM
To: AGRtestimony
Cc: gbiven@hicoffeeco.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Gloria Biven	Royal Kona Coffee Visitor Center Mill & Museum	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. Thank you in advance. Gloria Biven

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Aloha House Agriculture Committee Chair and Members:

As an independent Kona Coffee farm, I hereby submit testimony in strong opposition to SB2913/SD1.

Kona's coffee farmers have for many years opposed misleading and fraudulent labeling of Hawaii-grown coffee. That opposition includes efforts to reform the State's "10% Hawaii Coffee Blend Law". We have repeatedly encouraged the Legislature to effectively reform this "10% Blend law" in light of the Legislature's own finding of fact in 2007 that, "existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the 'Kona Coffee' name." (SCR 102)

Overall the Legislature's ill-considered enactment of HB280 (in 2012) is being extended further. Instead it is time to listen to Hawaii farmers and enact systems that are equal for all. HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of Agriculture (HDOA). That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre-2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes. Otherwise only those who

are not friends with the most wealthy will be cited with criminal penalty and this is not a fair system for all involved. Instead this is maintaining the plantation mentality for Hawaii agriculture, which we need to recognize as historical, and does not need to be further encouraged.

There is neither historical precedent nor need to assign unwritten (and/or undisclosed) standards and rules to roasted coffee. Such an extension as put forth in SB2913 should not be adopted until the specific provisions of those roasted coffee standards are spelled out - and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. For the sake of understanding, several hundred farms - well over 25% of Kona coffee farms! - will have to deal with some new and not needed rules and mechanisms, which will not be of any help to the many customers who consume their coffee as pure and 100% Kona from farm to table...

Hawaii is internationally unusual since here it is permitted that coffee is imported for processing/sale. Since SB2913 addresses only false labeling of Hawaii-grown coffee, and does nothing about deceptively and falsely labeled imported foreign-grown coffee, this bill invites deceptive labeling and marketing of foreign coffee as being Hawaii-grown. We do not need more fraud!

Please reject SB2913. Instead, use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee.

Sincerely,

Colehour Bondera
KANALANI OHANA FARM

Re: SB2913/sd1

House Agriculture Committee Members

I am a coffee farmer in Kona, Hawaii.

I am in opposition to this bill as it is written. I do support the intended goals of the bill. For me to support this bill the language would need to be changed to include specific guidelines for determining what is false labeling, as well as the grade standard specifications. We all want to see quality Coffee from our state. But this bill would establish another level of expense to the coffee farmer by requiring additional time and expense to assure that it meets the yet unspecified grade standard and expense. If this were to apply to the 7 or 8 oz of coffee then we are out of business. I am below the break-even point now with the expense of trying to minimize the CBB damage.

If this committee does see a need for an additional bill on false labeling, then the bill must include language that identifies," omissions" as equal to false labeling, for the purpose of clarity and consistency.

The coffee industry in Hawaii does need help but this bill does not provide it.

Respectfully Submitted

James (Jim) Gardner

'Alaneo Farm

Kailua-Kona



March 15, 2014

Dear House Agriculture Committee Members:

On behalf of its more than 300 members, the Kona Coffee Farmers Association submits this testimony in strong opposition to SB2913/SD1.

Before stating the reasons for opposition to SB2913, the KCFA emphasizes that Kona's coffee farmers have for many years vigorously opposed (and continue to vigorously oppose) counterfeiting of Hawaii coffee and the misleading and fraudulent use of the name "Hawaii" and Hawaii place names in coffee labeling. That opposition has included repeated calls for the Legislature to bring Hawaii's disgraceful coffee labeling laws into accord with basic consumer protection and fair marketing principles. For the last seven years the Kona Coffee Farmers Association has been urging the Legislature to heed its own finding of fact that **"existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the 'Kona Coffee' name."** (SCR 102. 2007) Yes, Hawaii needs to stop misleading and fraudulent labeling of its coffee, but SB2913 is a step in the wrong direction.

The reasons Kona's coffee farmers strongly oppose SB2913 include the following:

1—SB2913 merely tinkers with the Legislature's ill-considered enactment of HB280 (2012). HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of

Agriculture. That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Coffee Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre-2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes. In a meeting with farmers in Kailua-Kona on February 4, Governor Abercrombie strongly agreed with farmers that replacing a smooth functioning, efficient and long-standing system of HDOA inspection and certification with a voluntary system relying on criminal penalties is a mistake as a matter of good governmental policy.

2—SB2913 seeks to extend—for the first time—unwritten and/or undisclosed coffee standards rules to roasted coffee. Such an extension should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona, Ka’u and other coffee farmers who roast and market directly their own coffee.

3—SB2913 addresses only false labeling of Hawaii-grown coffee and does nothing about deceptive and false labeling of foreign-grown coffee as “Hawaiian Coffee”. Millions of pounds of foreign-grown coffee are imported into Hawaii each year and marketed in packages bearing the names “Hawaii”, “Hawaiian”, “Kona” and other Hawaii place names—with no indication whatever on the label that the majority of the contents is foreign-

grown coffee or the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue.

Please reject SB2913. Please use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee. Please do not return us to the days of the Kona Kai Coffee Counterfeiting Scandal.

Respectfully submitted,

Bruce Corker, Chair

Legislative Committee

Kona Coffee Farmers Association

cc: Carolyn Lucas-Zenk, West Hawaii Today

Sophie Cocke, Civil Beat

Jennifer Kelleher, Associated Press

onishi2-Micah-Seth

From: Manuel Martinez <mmartinez10@sbcglobal.net>
Sent: Saturday, March 15, 2014 4:40 PM
To: AGRtestimony
Subject: Opposition to SB2913/SD1

Dear House Agriculture Committee Members:

I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1.

Before stating the reasons for opposition to the bill, I want to clearly indicate that Kona's coffee farmers have for many years vigorously opposed (and continue to vigorously oppose) misleading and fraudulent labeling of Hawaii-grown coffee. That opposition includes efforts to reform the State's "10% Hawaii Coffee Blend Law". We have repeatedly encouraged the Legislature to effectively reform this "10% Blend law" in light of the Legislature's own finding of fact in 2007 that "existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the 'Kona Coffee' name." (SCR 102)

My reasons for opposing SB2913 include the following:

1—SB2913 merely tinkers with the Legislature's ill-considered enactment of HB280 (2012). HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of Agriculture. That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre-2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes.

2—SB2913 seeks to extend—for the first time—unwritten and/or undisclosed standards and rules to roasted coffee. Such an extension should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee.

3—SB2913 addresses only false labeling of Hawaii-grown coffee and does nothing about deceptively and falsely labeled imported foreign-grown coffee. This bill invites deceptive labeling and marketing of foreign coffee as being Hawaii-grown.

Please reject SB2913 and please use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee.

Respectfully submitted,

Manuel Martinez
Kailua Kona Farms, Inc.

onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 15, 2014 8:23 AM
To: AGRtestimony
Cc: john@olsontrust.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/15/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
John C. Cross	Edmund C. Olson Trust II	Support	No

Comments: The Edmund C. Olson Trust II, grower of over 100 acres of coffee and owner of Kau Coffee Mill, LLC strongly supports this bill. We need to protect the quality of our coffee by enforcing stronger penalties upon those unscrupulous marketers of counterfeit roasted products.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 2:41 PM
To: AGRtestimony
Cc: info@KonaEarth.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Strawn	Individual	Support	No

Comments: Generally, I want the government to get out of my way and leave me alone, I don't need the government's help. Every once in awhile, there is an exception. This is one of those times. Counterfeiting is a huge problem with Kona coffee. There are known counterfeiters, right down the road from me, that are blatantly breaking the existing labeling laws. They have been caught red-handed but not prosecuted. Obviously this hurts honest farmers, consumers and anybody that cares about the reputation of Hawaiian products. This bill will help stop counterfeiters. Please, pass SB2913 so the existing laws can be enforced.

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Sent: Friday, March 14, 2014 3:17 PM
To: AGRtestimony
Cc: wildnwoolley@gmail.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
donna woolley	Individual	Comments Only	No

Comments: SB2913 - Strong Support Bill scheduled to be heard by AGR on Monday, 03-17-14 9:00AM in House conference room 312. Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class c felony. Thank you, Donna Woolley

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onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 16, 2014 3:00 PM
To: AGRtestimony
Cc: richardmakrevis@gmail.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/16/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
richard makrevis	Individual	Comments Only	No

Comments: My wife and I are Kona Coffee Farmers and we respectively oppose SB 2913.

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 15, 2014 6:04 PM
To: AGRtestimony
Cc: randy@randyphillips.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/15/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Phillips	Individual	Oppose	No

Comments: Dear House Agriculture Committee Members: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. I currently roast coffee off premise but am currently building a fully permitted roast shack to house an artisanal coffee roaster. Before stating the reasons for opposition to the bill, I want to clearly indicate that Kona’s coffee farmers have for many years vigorously opposed (and continue to vigorously oppose) misleading and fraudulent labeling of Hawaii–grown coffee. That opposition includes efforts to reform the State’s “10% Hawaii Coffee Blend Law”. We have repeatedly encouraged the Legislature to effectively reform this “10% Blend law” in light of the Legislature’s own finding of fact in 2007 that “existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the ‘Kona Coffee’ name.” (SCR 102). I am at a complete loss to know why these real concerns have never prevailed in legislation. Try selling “Champagne” from California and see how long before you are sued. Powers that be have watered down the name “Kona Coffee” to a ridiculous amount. My reasons for opposing SB2913 include the following: 1. SB2913 merely tinkers with the Legislature’s ill-considered enactment of HB280 (2012). HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of Agriculture. That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre- 2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes. 2. SB2913 seeks to extend—for the first time—unwritten and/or undisclosed standards and rules to roasted coffee. You are putting the horse before the cart here. Such an extension should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. 3. SB2913 addresses only false labeling of Hawaii-grown coffee and does nothing about deceptively and falsely labeled imported foreign- grown coffee. This bill invites deceptive labeling and marketing of foreign coffee as being Hawaii-grown. If you really want to protect Kona Coffee you need to be as concerned with the 90% that you now allow to be labeled a Kona Blend. The 90% blend of course is a joke that is well known - coffee geeks will tell you that you

could not possibly determine a 10% blend of Kona coffee with anything - unless it was off-grade. The focus has to be as much with the substandard cheap coffee that is blended with Kona grown coffee. The substandard cheap coffee that is making millions off of our "good name" is killing our good name. If nothing is done soon Kona Coffee will fall by the wayside as overpriced mediocre coffee. When in fact at 100% it is one of the few single origin coffees that holds its own against all single origin coffees world wide. What a shame that time and time again we see the legislative erosion of anything that can be a help. What really is going on here? Please reject SB2913 and please use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee. Respectfully submitted, Randy Phillips Kona View Coffee

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onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 15, 2014 11:25 AM
To: AGRtestimony
Cc: mikedata@ucc-hawaii.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/15/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Makoto Ikeda	Individual	Support	No

Comments: SB2913 - Strong Support Bill scheduled to be heard by AGR on Monday, 03-17-14 9:00AM in House conference room 312. Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class c felony. Thank you, Makoto Ikeda

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onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 7:46 PM
To: AGRtestimony
Cc: coffee@heavenlyhawaiian.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/14/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
David Bateman	Individual	Support	No

Comments: SB2913 - Strong Support > > Bill scheduled to be heard by AGR on Monday, 03-17-14 9:00AM in House conference room 312. >> > Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. >> > HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class c felony. > > Thank you, David Bateman, President Heavenly Hawaiian Farms Holualoa HI

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onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 16, 2014 6:20 AM
To: AGRtestimony
Cc: smithfarms.purekona@hawaiiantel.net
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/16/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Cecelia B Smith	Individual	Oppose	No

Comments: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. Before stating the reasons for opposition to the bill, I want to clearly indicate that Kona’s coffee farmers have for many years vigorously opposed (and continue to vigorously oppose) misleading and fraudulent labeling of Hawaii–grown coffee. That opposition includes efforts to reform the State’s “10% Hawaii Coffee Blend Law”. We have repeatedly encouraged the Legislature to effectively reform this “10% Blend law” in light of the Legislature’s own finding of fact in 2007 that “existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the ‘Kona Coffee’ name.” (SCR 102) My reasons for opposing SB2913 include the following: 1—SB2913 merely tinkers with the Legislature’s ill-considered enactment of HB280 (2012). HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of Agriculture. That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre- 2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes. 2—SB2913 seeks to extend—for the first time—unwritten and/or undisclosed standards and rules to roasted coffee. Such an extension should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. 3—SB2913 addresses only false labeling of Hawaii-grown coffee and does nothing about deceptively and falsely labeled imported foreign-grown coffee. This bill invites deceptive labeling and marketing of foreign coffee as being Hawaii-grown. Please reject SB2913 and please use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee. Respectfully submitted, Cecelia Smith smithfarms pure Kona

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onishi2-Micah-Seth

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 15, 2014 4:37 PM
To: AGRtestimony
Cc: anitakelleher@me.com
Subject: Submitted testimony for SB2913 on Mar 17, 2014 09:00AM

SB2913

Submitted on: 3/15/2014

Testimony for AGR on Mar 17, 2014 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
anita	Individual	Comments Only	No

Comments: Dear House Agriculture Committee Members: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. Before stating the reasons for opposition to the bill, I want to clearly indicate that Kona’s coffee farmers have for many years vigorously opposed (and continue to vigorously oppose) misleading and fraudulent labeling of Hawaii–grown coffee. That opposition includes efforts to reform the State’s “10% Hawaii Coffee Blend Law”. We have repeatedly encouraged the Legislature to effectively reform this “10% Blend law” in light of the Legislature’s own finding of fact in 2007 that “existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the ‘Kona Coffee” name.” (SCR 102) My reasons for opposing SB2913 include the following: 1—SB2913 merely tinkers with the Legislature’s ill-considered enactment of HB280 (2012). HB280 repealed the system of mandatory inspection and certification of green coffee by the Hawaii Department of Agriculture. That mandatory system had operated well to protect the integrity of Hawaii-grown coffee for almost two decades after the Kona Kai Counterfeiting Scandal of the 1990s. The Legislature should reinstate the pre-2012 inspection system and appropriate the funds necessary for the HDOA to operate that system as it did prior to the adoption of HB280. The prior system of mandatory inspection and certification worked; the series of criminal penalties adopted by HB280 have provided no apparent protection from labeling abuse. As a matter of good governmental policy, on-going regulatory oversight (such as the pre-2012 inspection system) is far better at protecting against fraud than relying on the uneven application of criminal statutes. 2—SB2913 seeks to extend—for the first time—unwritten and/or undisclosed standards and rules to roasted coffee. Such an extension should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers and roasters have had an opportunity to provide comment and input on the impact of such proposed changes. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. 3—SB2913 addresses only false labeling of Hawaii- grown coffee and does nothing about deceptively and falsely labeled imported foreign-grown coffee. This bill invites deceptive labeling and marketing of foreign coffee as being Hawaii-grown. Please reject SB2913 and please use the 2014 Legislative session to re-instate and fully fund the pre-2012 system of mandatory inspection and certification of green coffee. Respectfully submitted, Anita Kelleher Blue corner Coffee Kailua Kona, Hawaii

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convening of the public hearing.

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