

NEIL ABERCROMBIE
Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

KEN H. KAKESAKO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

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

**BEFORE THE HOUSE COMMITTEES ON JUDICIARY AND CONSUMER
PROTECTION & COMMERCE**

**FRIDAY, MARCH 28, 2014
2:00 P.M.**

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

Chairpersons Rhoads and McKelvey and Members of the Committees:

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.



SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
bruce corker	Kona Coffee Farmers Association	Oppose	Yes

Comments:

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**Testimony to the Joint House Committee on Judiciary and
House Committee on Consumer Protection and Commerce.
Friday March 28, 2014**

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

Chair Roads, Vice Chair Har, Chair McKelvey and Vice Chair Kawakami, 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

SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Jim Wayman

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SB2913

Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Derek Lanter	Dole Waialua Estate	Support	No

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SB2913

Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Michael	Intelligent Blends	Support	No

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Please accept my testimony as I am in STRONG SUPPORT of SB2913 This act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands and Hawaii's reputation for high quality coffee. Mahalo for your attention to this important matter and our families of Hawaii future. Aloha, Gloria Biven Royal Kona Coffee Visitor Center Mill & Museum

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

March 25, 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.

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.

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

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
stacy aurway	makua coffee	Oppose	No

Comments: 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal. Respectfully submitted, Stacy Aurway, Makua Coffee Company

SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
John King	Harold L. King & Co., Inc.	Support	No

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March 28, 2014

HEARING BEFORE THE
HOUSE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2913, SD1
RELATING TO AGRICULTURE

Room 211
2:00 PM

Aloha Chair Ige, Vice Chair Kidani, 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.

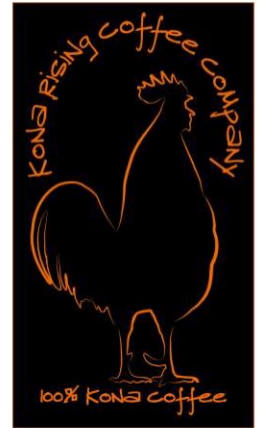
HFB is in strong support of SB 2913, SD1. The passage of HB280/Act 328 in 2012 addressed false labeling of Hawaiian coffee; commonly known as counterfeiting.

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 reputation for high quality specialty coffee.

Please pass SB 2913, SD1.

Thank you.

Kona Rising Coffee Company
79-1055 Hokukano Road
Kealahou, HI 96759
(808) 938-5631
www.konarising.com



March 27, 2014

RE: SB2913

To The Decision Makers:

I wholeheartedly support the intent of SB2913 –however I think it needs some additional “fixing.” Currently it appears that the only basis for determining whether roasted coffee meets the criteria is whether it meets the grading standards. How can that work for ground coffee? Or instant coffee? Is there supposed to be a trailback to the green? If so, this should be spelled out. And it should be spelled out clearly so that we, as voters and the people affected by this law, can determine if it makes sense. I don’t see how one can pass a law that is supposed to be enforced if there is no way to the law. If you exclude roasted and instant coffee from the legislation OR if you define how ground roasted coffee on grocery store shelves will be judged to be meeting the standards, then pass the bill. We definitely need more effective deterrents for folks that don’t adhere to the rules.

A warm aloha,

Maria de Fatima da Silva
Purveyor of Fine Artisan Roasted Coffee

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
David Weber	The Annex	Comments Only	No

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1768 Kalawi Place
Wailuku (Maui), Hawaii 96793

March 27, 2014

SUBMITTED ON LEGISLATIVE WEBSITE

The Honorable Karl Rhoads
Chair, House Judiciary Committee
c/o Hawaii State Capitol, Rm 438
415 South Beretania Street
Honolulu, Hawaii 96813

The Honorable Angus L. K. McKelvey
Chair House Consumer Protection
& Commerce Committee
c/o Hawaii State Capitol, Rm 438
415 South Beretania Street
Honolulu, Hawaii 96813

Aloha Chairs Rhoads and McKelvey,

RE: OPPOSITION TO SB2913, SD1: JUD/CPC HEARING MARCH 28, 2014, 2:00PM, RM 325

Vincent Mina
President
Maui

First, let's be clear the Hawaii Farmers Union United ("HFUU") supports every reasonable effort to prohibit counterfeiting of coffee (or any Hawaii Origin product). HFUU opposes SB2913, SD1 for the reasons articulated in the House Agricultural Committee Report ("SCR 1112-14") as to the effect of this legislation on "small-scale, farm to table businesses for which there is no history of coffee counterfeiting." The amendments in Section 2 of the Bill add subsections (a), (b) and (c) to HRS §708-871.5. These changes would impose requirements and felony penalties for their violation for the false labeling of coffee roasted in a Hawaii Origin for the first time in Hawaii's history.

Simon Russell
Vice-President
Maui

Initially this may sound like a good idea, but as SCR 1112-14 also notes there is a difference between the "larger farms and coffee processors that also process and roast coffee from other farms" and "small-scale farms in the Kona District . . . who harvest, process, roast, and sell coffee direct from farm to table." That difference is their business models and the incentives one model offers for counterfeiting that the other does not. Although there are variations, the Kona, small-farm business model is to "integrate" growing, processing, roasting and selling of coffee from a single farm.

David Case
Secretary
Kona

The coffee sold from these farms is often marketed as "Estate Grown" or "Estate Coffee". If it is grown and roasted in Kona, grading is not required for it to be sold as "Kona" coffee. The guarantee of quality is the personal relationship the coffee farmers have with their peers and customers. There is little incentive to counterfeit because for one thing the small farmers take a great deal of pride in their coffee. They also do not have the capital, volume and equipment required to make counterfeiting pay.

Ray Maki
Treasurer
Kauai

Most larger farms and processors care about the same things as the small farmers—quality, customer satisfaction and making a living. Larger farms and processors also, however, have the capital and equipment to buy and roast large amounts of other Hawaii or even foreign-grown coffee with Kona coffee, undercut the market and sell the counterfeit as "Kona Coffee". Their operations are big enough to be able to hide their wrongdoing, and in large volumes they can make large profits even at low profit margins.

Pamela Boyar
Member
Oahu

This Bill runs the risk of jeopardizing hundreds of small Kona farms with new, unnecessary, costly and uncertain requirements even though there has never been a reported incident of coffee counterfeiting on small farms. We request that your committees defer the measure until a better solution can be crafted.

David Fisher
Member
Maui

Mahalo nui loa,
HAWAII FARMERS UNION UNITED
Vincent Mina

Steve Sakala
Member
Kona

Vincent Mina, President

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Steven McLaughlin	Captain Cook Coffee Co	Support	No

Comments: The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses considered as a class C felony. HB 280 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 current law and clarifying acts covered by punishment under a class C felony. I strongly support SB2913 Thank you Captain Cook Coffee Co Steven M. McLaughlin Chief Executive Officer

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Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Joachim Oster	ATHENA of HAWAI'I LLC	Comments Only	No

Comments: t the March 2014 Hawaii Coffee industry meeting it was clearly noted amongst us members that there is no possibility to control roasted, ground coffee for quality standards. Yet the majority of counterfeit Kona coffee (nobody counterfeits any other Hawaiian coffee) is in roasted & ground form. The other contradiction is that the 10% Kona Blend coffees would still have to adhere to standards only for 10% Kona bean content in a bag. Yet the other 90% coffee added have no quality standards whatsoever to follow and can be offgrade / junk coffee. Substantial amounts of current offgrade coffee from Kona go into those 10% Kona Blends, effectively creating a highly profitable shadow market without any control mechanisms. ATHENA of HAWAI'I Coffee LLC POB 286 Kealakekua, HI 96750 Hawai'i Seal of Quality member

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Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Hawaii Coffee Growers Assn	Support	No

Comments: Dear members or the CPC/JUD committees, Please support SB2913. The Hawaii Coffee Growers Assn. is comprised of coffee growers in this state who also make up better than 70% of the farmed coffee acreage here. Advancing this bill will help protect the industry from false labeling practices. Mahalo James Kimo Falconer, President, Hawaii Coffee Growers Assn.

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SB2913

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

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Submitted on: 3/26/2014

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

Comments: I am a Kona coffee farmer and I support SB2913. I was recently talking to a first time visitor to Hawaii and they said "I tried some of that Kona coffee and it was horrible." As a Kona coffee farmer, I was concerned. Looking into the issue further I discovered that the coffee in question was indeed labeled "100% Kona coffee" and had been purchased from a local store. However, looking in the bag it was immediately obvious that it was off-grade coffee which can not legally be called Kona coffee. However, current legislation offers nearly zero protection so mislabeling and counterfeiting is rampant, even here in our local stores. Please, pass HB2361 to help protect this important Hawaiian product. I am a farmer, I can not fight these counterfeiters on my own.

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive

labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal. Respectfully submitted and with aloha,

Cecelia Smith, smithfarms.com

SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Charles L Moss	Individual	Oppose	No

Comments: Aloha, I am a small coffee farmer who personally, on the farm, grows, processes, roasts and packs coffee for direct sale to consumers. Although I am not opposed to putting teeth into truth in labeling for geographic origin, I am strongly opposed to establishing standards for roasted coffee beyond the current requirement that it be the roasted product of green coffee meeting prime or better standards. Historically Hawaii standards for coffee have been focused on wholesale quantities of green coffee. Rules suitable for wholesale quantities will likely severely harm small direct to the consumer producers such as myself. I also note that there are no enforcement provisions and therefore doubt the potential effectiveness of this bill if passed. Where's the beef??? What counterfeiting of Hawaiian roasted coffee has been documented? Maholo, please let this counterproductive bill die. Charles Moss, Holualoa

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Chung	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Randy Chung

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SB2913

Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Ken Love	Individual	Oppose	No

Comments:

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Roger Kaiwi	Individual	Support	No

Comments: I strongly support SB2913. Please assist Hawaii Coffee growers by toughening our laws. Roger Kaiwi

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal. Respectfully submitted, Anita Kelleher
Blue corner Coffee Kailua Kona, HI 96740

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Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary Committee Members: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. Mahalo, Richard & Celeste Makrevis, Owners, Blue Moon 100% Kona Coffee

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Stacie Loo	Individual	Support	No

Comments: I strongly support SB2913. Stacie Loo

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SB2913

Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
allan frank	Individual	Oppose	No

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal.

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
RACHEL NISHIHARA	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Rachel Nishihara

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Shawn Mawae	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Shawn Mawae

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
francine fong	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Francine Fong

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
susan de boer	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Susan de Boer

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: CPC/JUD Joint Committee Members: Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this bill is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 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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Submitted By	Organization	Testifier Position	Present at Hearing
Paul Ah Cook	Individual	Support	No

Comments:

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SB2913

Submitted on: 3/26/2014

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

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Makoto Ikeda

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SB2913

Submitted on: 3/26/2014

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

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Andrew LeBlanc

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SB2913

Submitted on: 3/26/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Darryl Hara	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913.

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Submitted By	Organization	Testifier Position	Present at Hearing
W. Afalava	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, W. Afalava

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Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James Lenhart	Individual	Support	No

Comments: I strongly support SB2913

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From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]

Sent: Thursday, March 27, 2014 9:34 AM

To: CPCtestimony

Cc: mfeldman@resourcedecisions.net

Subject: Submitted testimony for SB2913 on Mar 28, 2014 14:00PM

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
marvin feldman	Individual	Oppose	No

Comments: House Consumer Protection and Commerce Committee and House Judiciary Committee Members: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. SB2913/SD1 is an unnecessary and harmful bill. It creates undue burdens and even criminalizes small coffee farmers who might inadvertently run afoul of the as-yet unpromulgated rules. Furthermore, the bill fails to protect consumers from fraudulent representations that coffee is of Kona or Hawaiian origin. Coffees that are 90% foreign would still be labeled Kona or Hawaiian coffee. The sole beneficiaries of this bill are the large blenders who continue to make unearned profits from their misleading so-called Hawaiian blends. Consumers will continue to be misled. Small processors and sellers of 100% will be disadvantaged by this burdensome regulation and might be forced to cease retail sales, leaving the market totally to large processor/blenders. There is no justification whatsoever for this unnecessary and ill-considered bill. A vote for this bill is a vote against small farmers and processors. A vote for this bill is tantamount to an admission that you have been bought off by the larger processor/blenders.

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Submitted By	Organization	Testifier Position	Present at Hearing
Dan Kuhn	Individual	Support	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913.

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

Comments: Please except this testimony in stong support of SB2913

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Submitted By	Organization	Testifier Position	Present at Hearing
marvin feldman	Individual	Oppose	No

Comments: House Consumer Protection and Commerce Committee and House Judiciary Committee Members: I am a Kona Coffee farmer and I submit this testimony in strong opposition to SB2913/SD1. SB2913/SD1 is an unnecessary and harmful bill. It creates undue burdens and even criminalizes small coffee farmers who might inadvertently run afoul of the as-yet unpromulgated rules. Furthermore, the bill fails to protect consumers from fraudulent representations that coffee is of Kona or Hawaiian origin. Coffees that are 90% foreign would still be labeled Kona or Hawaiian coffee. The sole beneficiaries of this bill are the large blenders who continue to make unearned profits from their misleading so-called Hawaiian blends. Consumers will continue to be misled. Small processors and sellers of 100% will be disadvantaged by this burdensome regulation and might be forced to cease retail sales, leaving the market totally to large processor/blenders. There is no justification whatsoever for this unnecessary and ill-considered bill. A vote for this bill is a vote against small farmers and processors. A vote for this bill is tantamount to an admission that you have been bought off by the larger processor/blenders.

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Submitted By	Organization	Testifier Position	Present at Hearing
james slusser	Individual	Oppose	No

Comments:

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Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Eva Woo	Individual	Oppose	No

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Eva Woo

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Udovch	Individual	Oppose	No

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona

Kai Scandal. Respectfully submitted, Justin Udovch Hawaii Farm Goods

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Louise Hanna	Individual	Oppose	No

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary Committee Members: I am a Kona Coffee Farmer and I am strongly opposed to SB2913/SD1. This bill is not an appropriate way to provide consumer protection and truth in labeling. This bill is not an appropriate way to undo HB280(2012). The legislature should reinstate the pre 2012 inspection system for green coffee and appropriate sufficient funding to the HDOA to provide the inspections. Roasted coffee shipped directly to consumers in small quantities does not need to be inspected to protect the consumer. The inspection will be "in the cup" and a buyer will not rebuy what they do not like. Correcting the labeling law to protect consumers from buying foreign coffee labeled as Kona or Hawaiian coffee when the package only contains 10% Kona grown or 10% Hawaiian grown coffee would be far a more appropriate action for the legislature to take. Sincerely, Louise Hanna Luther Coffee Farm (living under trees helps earth renew)

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SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
jason ito	Individual	Support	No

Comments: I am a proponent of "truth in advertising". Kona coffee farming is important to the local economy and provides Hawaii with a unique differentiator in producing a quality product.

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Michael MacCheyne	Individual	Oppose	No

Comments: As a small framer needing to increase the value of our product, we use roasting as a method of 'value added'. This bill eliminates our use of 'estate coffee' to describe the green coffee used in our roast. Our coffee, our estate, our taste of Kona we export to our customers. The result of this bill will be to add the coast of grading which cuts into our bottom line or turns us into felons. This bill should not be passed. It attacks the small farmers, it puts extra burdens on us at a time drought and CBB are taking there toll across the island. No small farmer is interested in counterfeiting Kona Coffee. I oppose this bill and request that you throw it out.

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Beth Webb	Individual	Oppose	No

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona

Kai Scandal. Respectfully submitted, Beth Webb, Kona Coffee Farmer from Honaunau, HI

SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction. 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. 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 standards and rules to roasted coffee. The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes. 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 any indication of the origin of that foreign-grown coffee. This bill invites those deceptive labeling and marketing practices to continue. Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal. Respectfully submitted, Bob Smith

Please accept this testimony in STRONG SUPPORT of SB2913.

Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325.

The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony.

Thank you,

Robert Dewitz

20 years of trying to get help!!!!

Dear House Consumer Protection and Commerce Committee and House Judiciary 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) Yes, we need protection against deceptive labeling, but SB2914 is a step in the wrong direction.

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. 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 standards and rules to roasted coffee.

The bill will place unnecessary and costly new burdens on Kona Coffee farmers who roast and directly market their own coffee. There is no record whatsoever of counterfeiting in farm direct sales by estate coffee farmers. There is no reason to impose burdensome requirements on small-scale family farms. In any case, roasted coffee standards and requirements should not be adopted until the specific provisions of those roasted coffee standards are spelled out—and only after Hawaii growers have had an opportunity to provide comment and input on the impact of such proposed changes.

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

Please reject SB2913. Please do not return us to the days of the Kona Kai Scandal.

Respectfully submitted,

Kally Goschke
Kona Coffee Farmer
87-2802 Mamalahoa Highway
Captain Cook, HI 96704

SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Connie Phillips	Individual	Support	No

Comments:

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SB2913

Submitted on: 3/26/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: Please accept this testimony in STRONG SUPPORT of SB2913. Bill scheduled to be heard by CPC/JUD on Friday, 03-28-14 2:00PM in House conference room 325. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting. This helps protect Hawaii's origin coffee brands 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 offenses 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 current law and clarifying acts covered by punishment under a class c felony. Thank you, Andrew LeBlanc

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LATE

SB2913

Submitted on: 3/27/2014

Testimony for CPC/JUD on Mar 28, 2014 14:00PM in Conference Room 325

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

Comments: The Edmund C. Olson Trust and it's coffee growing and roasting subsidiaries STRONGLY SUPPORT this bill. We need to have more teeth in prosecuting those who market fraudulent roasted coffee products.

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