

SB 558

Testimony

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT
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 RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE
Thursday, February 7, 2013
3:05 P.M.
Conference Room 229

SENATE BILL NO. 558
RELATING TO AGRICULTURAL PRODUCT LABELING

Chairperson Nishihara, Vice Chair Kouchi and Members of the Committee,

Thank you for the opportunity to testify on House Bill No. 558. This bill amends Chapter 486, Hawaii Revised Statutes, Measurement Standards, to add a new section designated as "Agricultural product branding and country or region of origin labeling."

This bill conflicts with Sections 486-120.5, 486-120.6 or 486-119 governing the labeling for macadamia nuts, roasted or instant coffee, and processed products, which the Department supports through its Quality Assurance Division (QAD). QAD enforces laws that help to improve the market quality of agricultural commodities, promote fair trade and honest business practices.

The Department opposes this bill because it creates standards that would add costs and difficult labeling requirements for Hawaii producers. Value-added producers make honest efforts to source raw materials that are Hawaii-grown and use "Hawaiian" in their product name. Under this bill, if there is a shortage of raw materials companies may need to seek ingredients from multiple sources, requiring changes to the origins and percentages on the label. This would place an undue burden on companies by requiring amendments to their labels in order to account for the percentage of raw ingredients and the respective country of origin and increase costs to their business expenses.

The USDA Country of Origin Labeling (COOL) law, that became effective in March 2009, requires retailers to notify customers regarding the origin of certain foods that are sold fresh, green or raw, and included macadamia nuts. Processed foods as covered by SB 558, are excluded from COOL. Once transformed, through roasting, for

example, determining origin of multiple processed products for the purpose of the enforcement as required by SB 558 would require additional staff and equipment to be effective.

The Department believes the statutes currently in place to be appropriate and that this bill is unnecessary.

Thank you for the opportunity to submit testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2013**

ON THE FOLLOWING MEASURE:

S.B. NO. 558, RELATING TO AGRICULTURAL PRODUCT LABELING.

BEFORE THE:

SENATE COMMITTEE ON AGRICULTURE

DATE: Thursday, February 7, 2013

TIME: 3:05 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): David M. Louie, Attorney General, or
Margaret S. Ahn, Deputy Attorney General

Chair Nishihara and Members of the Committee:

The Department of the Attorney General provides the following comments regarding a constitutional issue in this bill.

This bill regulates the labeling of agricultural products grown, packaged, or sold in Hawaii that provides "any information or name indicating" Hawaii, Hawaiian, or any region of Hawaii. This bill includes the following mandates: (1) the label must include all (non-Hawaii) countries or regions of origin and the percentage of each country's or region's portion of the product; (2) if the label includes "Hawaii (product)," "Hawaiian (product)," "Hawaii-grown (product)," "Hawaii-made (product)" or "Hawaiian-made (product)," the product must be one hundred percent of a Hawaii-grown product; and (3) products that contain less than one hundred percent of a Hawaii-grown product cannot be labeled with the words "Hawaii," "Hawaiian," or a Hawaiian region unless at least seventy-five percent of the product is from the named region and all other countries or regions of origin and the percentage of each country's or region's portion of the product are listed on the label.

The bill uses the terms "agricultural products" and "plant or animal products" interchangeably without any apparent distinction. We respectfully recommend adding a definition of "agricultural products" that does not include animal products, and deleting references to "animal products" to avoid a federal preemption challenge under the Supremacy Clause of the United States Constitution.

The Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA) provide federal labeling requirements for meat and poultry and explicitly preempt state laws on the same subject by providing that "marking, labeling, packaging, or ingredient requirements in

addition to, or different than, those made under this Act may not be imposed by any State.” (21 U.S.C. § 678 (meat); 21 U.S.C. § 467(e) (poultry)). Federal regulations on the use of country of origin and terms having geographic significance on meat and poultry labels have been promulgated. (9 C.F.R. § 327.14-.15 (country of origin); 9 C.F.R. § 317.8(b)(1) (meat); 9 C.F.R. § 381.129(b)(2) (poultry)). Furthermore, courts have upheld federal preemption of meat labeling requirements when states have attempted to enact differing requirements. *See, e.g., Armour & Co. v. Ball*, 468 F.2d 76 (6th Cir. 1972), *cert. denied*, 411 U.S. 981 (1973); *Jones v. Rath Packing Co.*, 430 U.S. 519 (1977).

Therefore, we respectfully recommend that this bill be amended to exclude its application to animal products. We further believe that the term “any information . . . indicating” Hawaii, Hawaiian, or any region of Hawaii is overly vague and should be deleted.

Council Chair
Gladys C. Baisa

Vice-Chair
Robert Carroll

Council Members
Elle Cochran
Donald G. Couch, Jr.
Stacy Crivello
Don S. Guzman
G. Riki Hokama
Michael P. Victorino
Mike White




Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

February 6, 2013

TO: The Honorable Clarence K. Nishihara, Chair
Senate Committee on Agriculture

FROM: Michael P. Victorino, Treasurer
Hawaii State Association of Counties 

SUBJECT: **HEARING OF FEBRUARY 7, 2013; TESTIMONY IN SUPPORT OF SB 558,
RELATING TO AGRICULTURAL PRODUCT LABELING**

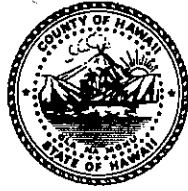
Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to establish clearly defined standards for agricultural products labeled as being Hawaiian, from Hawaii, or from any region of Hawaii, preventing misleading information on labels.

I am aware that the President of the Hawaii State Association of Counties ("HSAC") has submitted testimony, on behalf of HSAC, in support of this measure, which is in the HSAC Legislative Package. As the Treasurer of HSAC, I concur with the testimony submitted by the President, and urge you to support this measure.

ocs:proj:legis:13legis:13testimony:sb558_paf13-054a_kmh

Handwritten signature

Karen Eoff
Vice Chair
Council District 8 – North Kona



Phone: (808) 323-4280
Fax: (808) 329-4786
Email: keoff@co.hawaii.hi.us

HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

February 6, 2013

Senate Committee on Agriculture
Senator Clarence K. Nishihara, Chair
Senator Ronald D. Kouchi, Vice Chair
415 South Beretania Street
State Capitol
Conference Room 229
Honolulu, Hawaii 96813

Email: AGLtestimony@capitol.hawaii.gov
Email: sennishihara@capitol.hawaii.gov
Email: senkouchi@capitol.hawaii.gov

Re: Testimony on SB558 Relating To Agricultural Product Labeling
Hearing Date: Thursday, February 7, 2013; 3:05 p.m.; State Capitol Room 229

Dear Senators Nishihara, Kouchi & Committee:

On behalf of myself and my constituents of Council District 8, North Kona, I would like to thank the Hawaii State Association of Counties for introducing this bill as part of the 2013 legislative package, and I hereby submit a brief testimony as follows:

With regard to SB558 "Relating to Agriculture Product Labeling", I support the truth in labeling measures and benefit that will be brought to consumers by bringing fair marketing and disclosure to the labeling of Hawaii grown agricultural products, particularly honey, macadamia nut, coffee, tea and vanilla.

Deceptive labeling of agricultural products reduces the income of Hawaii farmers and reduces the demand for genuine Hawaii-grown produce and products. I strongly urge the enactment of SB558.

Thank you for your time and consideration.

Sincerely,

Handwritten signature of Karen Eoff in cursive script.

KAREN EOFF, Vice Chair,
Council District 8, North Kona

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i & City & County of Honolulu

February 5, 2013

TESTIMONY OF MEL RAPOZO
PRESIDENT, HAWAII STATE ASSOCIATION OF COUNTIES
ON

S.B. NO. 558, RELATING TO AGRICULTURAL PRODUCT LABELING

Committee on Agriculture
Thursday, February 7, 2013
3:05 P.M.

Conference Room 229

Dear Chair Nishihara and Committee Members:

Thank you for this opportunity to submit testimony in strong support of S.B. No. 558, relating to agricultural product branding and country or region of origin labeling. My testimony is submitted in my capacity as President of the Hawai'i State Association of Counties (HSAC).

HSAC is in full support of S.B. No. 558, which amends Chapter 486 of the Hawai'i Revised Statutes (HRS) regarding the branding of agricultural products and country or region of origin labeling, in order to protect Hawai'i's regional crops and the investments made by our local growers.

Milk products require ninety percent (90%) of the product to be produced in Hawai'i before the product can be labeled with "Island Fresh." However, other Hawaiian products such as coffee, tea, vanilla, and macadamia nut products are allowed to be labeled with a Hawaiian regional name and/or use the word "blend" with only being required to have as little as ten percent (10%) of a Hawaiian product. This discrepancy creates a disadvantage to many growers and creates confusion in the marketplace.

Amending HRS Chapter 486 to clearly define the method in which all agricultural products are labeled and blended by increasing the minimum percentage in blends of any product to seventy-five percent (75%), will prevent misleading information on labels, and provide consumers with proper information.

For the reason stated above, HSAC is in strong support of S.B. No. 558 and asks for your favorable support. Again, thank you for this opportunity to submit testimony.

Sincerely,



MEL RAPOZO
President, HSAC

AB:lc

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i & City & County of
Honolulu

February 5, 2013

TESTIMONY OF STANLEY CHANG
SECRETARY, HAWAII STATE ASSOCIATION OF COUNTIES

On

S.B. No. 558, RELATING AGRICULTURAL PRODUCT LABELING

Committee on Agriculture

Thursday, February 7, 2013

3:05 p.m.

Conference Room 229

Dear Chair Nishihara and Committee Members:

Thank you for allowing me the opportunity to submit testimony in support of S.B. 558 Relating to Agricultural Product Labeling in my capacity as Secretary of the Hawaii State Association of Counties (HSAC) Executive Committee.

S.B. 558, if adopted, would establish certain standards for agricultural products labeled as being Hawaiian or from Hawaii.

The purpose of this Bill is to protect the integrity of products labeled as Hawaiian or from Hawaii. This benefits local growers and producers by discouraging the sale of their respective products at diluted rates.

For these reasons, we respectfully ask for your favorable passage of S.B. 558 Relating to Agricultural Product Labeling and thank the Committee for allowing me to provide testimony.

Sincerely,



Stanley Chang
Secretary, HSAC



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO: COMMITTEE ON AGRICULTURE

Senator Clarence K. Nishihara, Chair

Senator Ronald D. Kouchi, Vice Chair

DATE: Thursday, February 7, 2013

TIME: 3:05 P.M.

PLACE: Conference Room 229

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

RE: SB 558 RELATING TO AGRICULTURAL PRODUCT LABELING

POSITION: IN OPPOSITION

Chair & Committee Members:

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

HFIA strongly opposes this mandate as expense, burdensome and unnecessary.

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii, which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

* Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.

* The word Blend must follow the percentage used and the origin name

i.e. 10% Kona Coffee Blend

* Only one identity statement is allowed on the front of the package.

* One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.

* The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

3. There are two distinct small coffee farmer groups in Hawaii:

* Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.

* Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.

4. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.

5. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.

6. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting companies from producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.

7. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.

8. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells

for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.

9. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.

10. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.

11. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.

12. The irony about SB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.

13. The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

The members of Hawaii Food Industry Association respectfully urge you to hold this bill.

Thank you for your consideration and for the opportunity to comment on this measure.



ALOHA
Petroleum, Ltd.

TESTIMONY TO THE
SENATE COMMITTEE ON AGRICULTURE
ON
SB 558 RELATING TO AGRICULTURAL PRODUCT LABELING
By
Richard Parry
President and Chief Executive Officer
Aloha Petroleum, Ltd.

Committee on Agriculture

Chair: Senator Clarence K. Nishihara
Vice Chair: Senator Ronald D. Kouchi

SB 558 Relating to Agricultural Product Labeling

Hearing Date: February 07, 2013
Time: 3:05 p.m.

Place: Conference Room 229

Chair and Members of the Senate Committee on Agriculture, I am Richard Parry, President and Chief Executive Officer of Aloha Petroleum, Ltd.

The intent of SB 558 is to change the way agricultural products are labeled in Hawaii. The intent of the bill seems laudable to Aloha Petroleum; however we are concerned about the unintended consequences of the bill as it relates to Hawaiian coffee production and the sale of brewed Kona coffee in Hawaii.

As we understand it, for us to sell brewed Kona coffee at Aloha's convenience stores, SB 558 will require us to brew coffee from packages that have in excess of 75% coffee beans actually grown in Kona on Hawaii island. Our customers enjoy the brewed Kona coffee blend we now sell, but the price point of the coffee is important to them. This new regulation will likely raise the price of a cup of brewed coffee by a significant amount, which we expect will have a major negative impact on sales and may well cause us to discontinue selling the product using blended Kona coffee altogether.

For this reason, Aloha Petroleum opposes the legislation as written, and suggests that coffee be excluded from the proposed labeling requirements.

Thank you for the opportunity to testify in opposition to Senate Bill 558.

Senator Clarence K. Nishihara, Chair
Senator Ronald D. Kouchi, Vice Chair
Committee on Agriculture



HEARING Thursday, February 07, 2013
 3:05 pm
 Conference Room 229
 State Capitol, Honolulu, Hawaii 96813

RE: SB558, Relating to Agricultural Product Labeling

Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

RMH opposes SB558, which establishes certain standards for agricultural products labeled as being Hawaiian or from Hawaii. SB558 will have fundamental, far-reaching and devastating unintended consequences for Hawaii food manufacturers as well as coffee producers, most of which are vendors for our retail members.

Manufacturers of Hawaii food products have operated successful home-grown small businesses under the existing provisions in §486-119, HRS, for well over 20 years. Changing the rules would definitely impact the parameters under which these companies operate. The reality is that a large proportion of the raw ingredients in Hawaii products are imported; these are just not produced here. However, it is the addition of that Hawaii-grown juice, macadamia nuts or special flavor that makes the product unique. Additionally, manufacturers have spent tremendous resources on trademarks, labels, branding and marketing. SB558 will have serious, costly and disastrous effects on these companies.

The coffee industry has developed labeling rules around which a thriving industry continues to prosper. In our global economy, we must recognize that competition for Hawaii coffee is international. Mandating an increase in the percentage of Hawaii-grown coffee in these products will price them out of the marketplace. Our Hawaii blended coffees will lose to companies like Starbucks, Dunkin' Donuts and Gevalia, all of which market extensively to our visitors and kama'aina.

In 2009, RMH cooperated with DBEDT to produce a retail-specific satisfaction survey of the Japanese market. One area of interest was the kind of products our Japanese visitors purchased on their vacations – at the very top of that list was Hawaii products!

Hawaii's retailers want to support local manufacturers; our customers want to support local businesses. The cost of doing business in Hawaii already is huge; this measure surely will decrease our competitiveness in the international arena.

We urge you to hold SB558. Thank you for your consideration and for the opportunity to comment on this measure.

A handwritten signature in cursive script, appearing to read 'Carol Pregill'.

Carol Pregill, President

RETAIL MERCHANTS OF HAWAII
1240 Ala Moana Boulevard, Suite 215
Honolulu, HI 96814
ph: 808-592-4200 / fax: 808-592-4202



**IN SUPPORT OF SB 558
WITH AMENDMENTS
Hawaii Senate Agriculture Committee
Hearings February 7, 2013, 3:05 PM**

Vincent Mina
President
Maui

Aloha Chairman Nishihara and Members of the Committee

My name is Vincent Mina who along with my wife and son operates a small family farm. I am also the President of the Hawaii Farmers Union United, a chapter of the National Farmers Union. The National Farmers Union is 110 years old and the only organization in the country dedicated to the interests of the family and other small scale farms. Like its national counterpart the Hawaii Farmers Union focuses on three matters of importance to our members: legislation, cooperation and education. This testimony is in general support of SB 558, legislation that with amendments will greatly benefit Hawaii's more than 1,000 family and other small-scale farms and the rural economies that depend on them.

David Case
Secretary
Kona

As written SB 558 would add a new section to Chapter 486 of the Hawaii Revised Statutes to require that any agricultural product marketed as "Hawaii grown" or from an "Hawaii Origin" actually contain at least 75% agricultural products that are grown in Hawaii and must disclose the content of any non-Hawaii products included in the 75% blend. The bill would require strict labeling requirements for any agricultural product marketed as 100% from Hawaii or an Hawaii origin.

Ray Maki
Treasurer
Kauai

The Hawaii Farmers Union appreciates that SB 558 was introduced at the request of the Hawaii State Association of Counties and reflects the support of all four of Hawaii's County Councils. We also recognize and support our affiliate the Kona Coffee Farmers Association, who urge enactment of SB 558 as written. With some exceptions, such as supported by the Kona Coffee Farmers, we think that any agricultural product marketed as of "Hawaii Origin" should be 100% Hawaii grown unless there is a principled reason to blend it with non-Hawaii products.

Accordingly we would recommend that SB 558 be amended to delete subsection (d) (relating to 75% blends) and that subsection (d)(2) on page 4 be re-designated as "(d)" and revised to read:

Moriah Smith
Member Elect
Oahu

"(d) Except as otherwise provided by law, any product that contains less than one hundred percent of a Hawaii grown product shall not use the names "Hawai'i" or "Hawaiian" or an Hawaii region name on the label."

Specific exceptions ought to then be made for 75% blends of Kona coffee or other specific products that have a principled reason to allow for blending. Requiring that products marketed as of "Hawaii Origin" be 100% from Hawaii will promote the economies of the family and other small-scale farms that depend for their success on the premium prices that are justified for products that are 100% from Hawaii's aina.

Mahalo nui loa.
HAWAII FARMERS UNION UNITED

Vincent Mina

Vincent Mina, President
(808) 357-4999

From: cdseel@cs.com
To: [AGL Testimony](#)
Subject: SB 558
Date: Monday, February 04, 2013 11:27:38 AM

Agriculture Senate Committee,

As a small Kona coffee farmer I am strongly in support of SB 558.

When our coffee is used as a small percentage of packaged beans and labeled as a blend, the public generally assumes that this is a blend of various Kona coffees. It is in fact primarily a product of imported cheaper beans of poorer quality than our smooth and aromatic, 100% Kona coffee - a trademark and an important agricultural product of our state.

We work hard to maintain the superior quality of our coffee and have a loyal customer following but need support to establish truth in labeling to allow the consumer to purchase a product that is correctly labeled.

Thank you for placing this issue for a vote.

Sincerely,

Carol Seel
Jasminum Farms

From: [Dennis Simonis](#)
To: [AGL Testimony](#)
Subject: Opposition to SB 558
Date: Tuesday, February 05, 2013 4:42:08 PM

Testimony Opposed SB to 558

We are strongly OPPOSED to SB 558 which contains provisions which we believe will prove harmful to the to our company, to the macadamia industry and to our consumers.

Royal Hawaiian Orchards, L.P. is a Hawaii-based company with over 300 employees, farming over 6,000 acres of orchards and owning significant other assets on the island of Hawaii. We founded the global macadamia industry in the 1960's and are still the largest grower of macadamia nuts in Hawaii and perhaps the largest in the world.

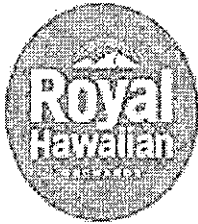
We do not believe there is not a significant problem in our industry with foreign macadamia nuts being mislabeled and sold in the Hawaii market as Hawaiian grown. Hawaiian farmers grow ample supply for our own market and we export a high percentage of our crop to the U.S. mainland and Asia.

While we are strong advocates of Truth in Labeling and firmly believe that only authentic Hawaiian products should be marketed as "Hawaiian", whether here or throughout the world, our view is that SB 558 is overly broad and will present significant problems for Hawaiian growers and processors, all of which produce and market products that contain Hawaiian macadamia nuts as an key ingredient (but not over 75%). As you know, many producers have created healthy, tasty products using Hawaiian macadamias as a key ingredient along with dried fruits, chocolate, glazes and other ingredients which are not available in Hawaii. These products add value to macadamia nuts by making the products affordable and complementing their excellent taste. We do not believe the bill should not affect the marketing or labeling of these products.

If there are labeling issues then a better solution would be to adopt

“Truth in Labeling” rules similar to those that that have protected Hawaii’s coffee farmers and consumers for many years. Please feel free to contact me via e-mail or at 808-969-8052 if I can be of any assistance.

Best regards,



Dennis J. Simonis
President / CEO
Royal Hawaiian Orchards, L.P.
26-238 Hawaii Belt Rd.
Hilo, HI 96720

Direct 808-969-8052
Mobile 808-937-7185
Fax 808-969-8123

February 5, 2013

Via Email to: AGLtestimony@capitol.hawaii.gov

Honorable Senator Clarence K. Nishihara, Chair
Honorable Senator Ronald D. Kouchi, Vice Chair

RE: Testimony in Opposition to Senate Bill SB558

Dear Honorable Chair Clarence Nishihara and Vice Chair Ronald Kouchi and members of the Committee on Agriculture.

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name

i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.



Testimony in Opposition of SB558

Page 2

February 5, 2013

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

I urge you to oppose this bill.

Aloha,

S. Steven Sofos, President/CEO
Sofos Realty Corporation
600 Kapiolani Boulevard, Suite 200
Honolulu, HI 96813

From: dwoolley@hawaii.rr.com
To: [AGI Testimony](#)
Date: Wednesday, February 06, 2013 2:57:58 PM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing.

Why are these other groups continually trying to waste our legislators time? Is it their intent to ruin our industry?

Sincerely,

Donna Woolley
Island Sun Coffee

From: [Ed Schultz](#)
To: [AGL Testimony](#)
Subject: Testimony SB 558
Date: Wednesday, February 06, 2013 3:40:29 PM

Testimony Opposed SB to 558

I am OPPOSED to SB 558 as currently being discussed which seeks impractical measures which will prove harmful to the agricultural industry now and in the future.

While we do believe that an increase in the percentage of Kona Coffee should be increased from 10% to 25%-50% in order to use the word "Kona Blend" an increase to 75% is impractical and would be detrimental to farmers, processors and roasters.

Our company is a roaster and 15 store retailer of Kona and Hawaiian focused coffees in Hawaii, Guam, Japan and Taiwan. In order to maximize revenues and thus purchases from Kona farmers, we need to offer consumers a variety of price ranges so having a 75% Blend or a 100% Kona Coffee will result in a serious reduction in total sales, thus hurting farmers. A blend with a lower component is necessary. If the 75% requirement were to be implemented many roasters would just drop the Kona Coffee component from the blend entirely in order have a more affordable coffee, thus hurting total farm purchases of Kona Coffee.

In 2012 Honolulu Coffee purchased over 75,000 lbs of unroasted Kona Coffee. If we only were allowed to sell a blend that contained 75% Kona Coffee, our purchases of Kona Coffee would likely have been 50% lower (less than 40,000 lbs).

I do believe it is reasonable to increase the Kona Coffee component to at least 25% to be called Kona Blend. We operate 3 stores in Japan and are required in Japan to have a minimum of 30% Kona Coffee to use the origin word in the name. In Japan no matter what the agricultural product at least 30% of the ingredients must come from the geographic region in order to use that origin in the label. For instance for New Zealand Honey at least 30% needs to be certified Manuka Honey from New Zealand. Implementing a similar standard in Hawaii would be a good compromise for farmers, roasters and retails and may benefit other Hawaiian Ag industries like Macadamia Nuts, Chocolate, etc.

Aloha,

Ed Schultz
President
Honolulu Coffee Co.
(808) 533-1500

Talking Points In Opposition to SB 558

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.
2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:
 - Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
 - The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
 - Only one identity statement is allowed on the front of the package.
 - One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
 - The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.
3. Regarding listing of the ingredients (other than of Hawaiian origin) in descending order, this is not practical because the blending ingredients change routinely based on price and availability. Industry would have to change packaging each and every time a blending ingredient changed.
4. There are two distinct small coffee farmer groups in Hawaii:
 - Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.
 - Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.
5. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.
6. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.
7. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting companies from

producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.

8. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.
9. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.
10. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.
11. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.
12. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.
13. The irony about HB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.
14. SB 558 attempts to legislate what the consumer can buy. The public should be outraged for taking this prerogative away from them. The correct approach is to inform the consumer as to what they are buying via labeling requirements.
15. The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: grp.gostling@gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 9:32:31 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Guy Gostling	Kona Coffee Farmers Association	Support	No

Comments: Dear honorable members, I am the owner of a 9 acre coffee farm in South Kona district. I sell 100% Kona Estate grown coffee I recently lived and worked in China, Japan, Korea for 18 years. I wish to use my contacts to export coffee to those markets. I find there is confusion in the marketplace in those markets. People are aware of, and want to buy Kona coffee. But they see blended Kona coffee and believe they are getting the same thing. It makes it very hard to sell 100% at the price required. This hurts local farmers like me export out product. If we had sensible labeling that allowed consumers in international markets to understand what they were buying, it would open up a tremendous opportunity for small and mid-size farmers to export coffee product.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: jkimof@msn.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 5:04:07 PM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
James Kimo Falconer	Hawaii Coffee Growers Assn	Oppose	No

Comments: The members of the Hawaii Coffee Growers Association (HCGA) strongly oppose this measure to increase the minimum requirement of Hawaiian origin coffee to 75%. Should this pass it would be very detrimental to the industry. The HCGA membership accounts for more than 70% of the coffee acreage in the State, and we would appreciate your vote to kill this bill. Mahalo James Kimo Falconer, President, HCGA

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From: [Joan Prater](#)
To: [AGI Testimony](#)
Subject: Support of SB 558
Date: Monday, February 04, 2013 11:18:24 AM

Aloha,

I own Pua Kea Coffee Farm in Captain Cook, Hawaii Island. I strongly support the truth-in-labeling measure of SB 558.

This bill will support Hawaii-grown agricultural products as well as benefitting consumers by accurate and fair marketing information of Hawaii-grown agricultural products.

I thank the Hawaii State Association of Counties for introducing this important bill.

Joan E. Prater, Owner, Pua Kea Coffee

82-986 Paikapahu Street

Captain Cook, HI 96704

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: puaonaona@hotmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 1:33:06 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kirstee Biven	Royal Kona Visitors Center	Oppose	No

Comments: I strongly oppose to SB 558. It is impractical for the consumer and producer in the industry for coffee.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: hor2kv@yahoo.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 12:06:09 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Mila Horak	onila farm		No

Comments: Hi, my name is Mila. My husband and I are Kona coffee farmers in Honaunau, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. We thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package, because SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. It will also bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. We believe in the product we produce, it is not produced anywhere else in the world. Coffee beans from other regions of the world are not Kona. They just aren't. We would like to let the consumers choose what they would like to buy and drink, with the choices clearly labeled. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. This is shameful and greedy exploitation in my opinion. By enactment of SB558, Hawaii will move truthfully toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should take pride in the quality of these local products, and follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products". This emphasis on unique, local products would not only help the people that grow and produce them, but have a direct positive impact on the tourism industry. The people that travel here to experience Hawaii, are not traveling here to experience Africa or South America. My husband and I chose to buy products that are genuine and traceable to their source, so we can support other farmers in other regions like ourselves. We also like to know what we are consuming, eating, and putting in our bodies. This starts with reading the label. Thank you

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From: [Paul Brinson](#)
To: [AGL Testimony](#)
Cc: jlenhart@hicoffeeco.com
Subject: SB558 OPPOSED
Date: Wednesday, February 06, 2013 9:11:51 AM

I strongly oppose the SB558 bill now before the legislature. This is outrageous.

I will not attend the hearing.

Thanks,
Paul

Diplomat Coffee

Paul F. Brinson
Executive Vice President
Cell: 704.699.4876
Fax: 704749.2647
southpaul@carolina.rr.com

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: rubysaka@gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 1:41:45 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Ruriko Sakamoto	Royal Kona Visitors Center	Oppose	No

Comments: I strongly oppose to SB 558. It is impractical for the consumer and producer in the industry for coffee.

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Simon Russell
Hui 'O Mālama 'Āina
910-A E. Kuiaha Rd
Haiku, HI 96078

Aloha Honorable Senators,

I am writing to support SB. 558. the truth in labeling will give local growers the competitive edge that they need over outside producers claiming to be selling “Hawaiian” products.

Respectfully Submitted,
Simon Russell
Owner and Farmer
Hui 'O Mālama 'Āina

From: Marlin658@aol.com
To: [AGL Testimony](#)
Subject: SB 558
Date: Tuesday, February 05, 2013 5:27:43 PM

I am strongly opposed to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian products so that a consumer can make an informed decision on what they are purchasing. Increasing the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. As a coffee farmer, who sells their coffee cherry to a processor, I am concerned that an increase in the blend requirement to 75% will cause the consumer to switch to other coffees, not of Hawaiian origin. Why change what is working for the entire coffee industry. As a farmer, we are facing our largest challenge with the current coffee cherry bore infestation in Kona coffee. If the demand for our product is reduced due to an increase in the price of a lb of Kona Blend at this time, we will lose even more income from our farms. Kona coffee is one of the most unique coffees in the world and it is always sold out every year due to the excellent marketing of this product in retail stores, hotels, airports in Hawaii.

The demand for this unique Kona coffee has increased these past 2 coffee seasons and that increase is the only reason Kona farmers are still in business. Changing the Kona blend from 10% to 75% will drastically reduce income for the Kona farmer now and in the future.

Respectfully submitted.

Captain Cook Coffee Company

Steven M. McLaughlin, Chief Executive Officer

From: Terry Ikehara
To: AGL Testimony
Subject: SB558 OPPOSED
Date: Wednesday, February 06, 2013 8:51:39 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

Passing this will dramatically increase the cost for coffee to everyone. This will technically make the cheaper, non Hawaiian coffees more appealing to people and it will dramatically degrade the name and recognition of the Hawaiian coffees. We take pride in producing quality blends of Hawaiian coffees that are affordable and enjoyed by everyone. 7-Eleven and McDonald's are a major consumer of blended Hawaiian coffees that are affordable. The 10 percent ruling is a great thing and it still keeps the cost affordable for everyone.

We should be proud that a Hawaiian blend is served in 7-Eleven and McDonalds. The tourists and locals get a great coffee at a reasonable price. The passing of this will be detrimental to our economy. The Hawaiian coffee will be pricing itself out of the market and consumers will be buying cheaper alternatives. Farmers will have a harder time selling their crops. We have a premium quality product that we are very proud of. Keeping it affordable with the 10% blend and still offering it at 100% gives all consumers the choice to choose what they want.

Thank you.

Terry T. Ikehara
Service Manager
Hawaii Coffee Company
1555 Kalani Street
Honolulu, Hawaii 96817
Phone 808 843-4241
Fax 808 847-7900

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: tifanysugi@yahoo.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 1:40:27 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
tifany sugi	Royal Kona Visitors Center	Oppose	No

Comments: I strongly oppose to SB 558. It is impractical for the consumer and producer in the industry for coffee.

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From: [Timothy Castle](#)
To: [AGL Testimony](#)
Subject: Testimony Opposed SB to 558
Date: Tuesday, February 05, 2013 4:12:52 PM
Attachments: [4F67693D-3375-4091-82A7-20C3E91D16E6\[50\].png](#)

To those concerned:

I, Timothy J. Castle, President of Castle & Company, am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Respectfully submitted,

Timothy J. Castle*
Castle & Company

**Castle Communications
2118 Wilshire Blvd. #634
Santa Monica, CA 90403**

Cell: +1-310-748-3299

*Biography for
TIMOTHY J. CASTLE

For 35+ years Timothy J. Castle has sold green coffee and been writing about coffee in general. Castle co-authored *The Great Coffee Book* (Ten Speed Press, 1999). He also wrote *The Perfect Cup*, (Perseus Books, 1991). In 2003 Castle received the SCAA's *Distinguished Author Award 2003* and was its President in 1991.

CASTLE 
& COMPANY



1101 Fort Street Mall
Honolulu, HI 96813
(808) 532-1596 Fax (808) 532-1597

To: Senator Clarence K Nishihara, Chair
Senator Ronald D Kouchi, Vice Chair
Senate Committee on Agriculture

From: Victor Lim

Date: February 6, 2013

Subject: Opposition to SB 558 Agriculture Product Labeling

I am a franchisee of McDonald's here in Hawaii and am writing in Opposition to SB 558 that will change the standard for labeling for agriculture products from Hawaii.

We at McDonald's have used the Hawaii Coffee Company's Kona Blend which contains a 10 per cent Kona beans for about 40 years with great success in all of our restaurants here in Hawaii.

This bill will make it impossible to continue to sell this great product to our customers because requiring at least 75% Kona beans will not only change the coffee we sell but will also make it cost prohibitive.

Thank you for giving me this opportunity to share my views.

*Wray H. Kondo
First Hawaiian Center
999 Bishop Street, 23rd Floor
Honolulu, Hawaii 96813
Tel: (808) 544-8376
Fax: (808) 544-8399
E-mail: wkondo@wik.com
464605*

To: The Honorable Clarence K. Nishihara, Chair
Committee on Agriculture

From: Wray H. Kondo, Partner
Watanabe Ing LLP

Re: **SB 558 – Relating to Agricultural Product Labeling**
Position: Oppose

Date: Thursday, February 7, 2013
3:05 PM, Conference Room 229

Aloha Chair Nishihara and Members of the Committees:

I am an attorney and represent Paradise Beverages and Hawaii Coffee company. More importantly, I grew up in Kona and have family and friends who own coffee farms and work in the coffee industry in Kona.

I am strongly OPPOSED to SB 558 which seeks to require that ALL agricultural products in the State of Hawaii must contain at least 75% content to use any geographic reference to Hawaii on the package.

The mandatory requirement will result in significant economic harm to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above.

The following coffee industry groups oppose SB 558:

Hawaii Coffee Association

Kona Coffee Council

Maui Coffee Association

and the Hawaii Coffee Growers Association.

The members of these coffee industry groups farm more than ninety percent (90%) of the acreage planted in coffee in Hawaii.

It is unfortunate that coffee is being unfairly lumped together with all the other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the coffee industry to fairly inform consumers as to what they are purchasing.

If agricultural products other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Increasing the blend requirement to seventy-five percent (75%) will cause a significant price increase for roasted Hawaiian blended coffee products and price Hawaiian blended coffee out of the market. To explain, currently a bag of the ten percent (10%) Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee, consumers will be faced

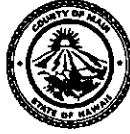
with the doubling of the price of their favorite coffee products. The higher price will likely cause consumers to buy less Kona coffee and the sales reduction will be to the detriment of the farmer.

Accordingly, I respectfully request your consideration of this opposition and your 'NAY' vote on SB 558

Council Chair
Gladys C. Baisa

Vice-Chair
Robert Carroll

Council Members
Elle Cochran
Donald G. Couch, Jr.
Stacy Crivello
Don S. Guzman
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov/council

February 6, 2013

TO: Honorable Clarence K. Nishihara, Chair
Senate Committee on Agriculture

FROM: Robert Carroll
Council Member, East Maui

A handwritten signature in cursive script that reads "Robert Carroll".

DATE: Hearing date February 7, 2013

SUBJECT: **SUPPORT OF SB 558, RELATING TO AGRICULTURAL PRODUCT LABELING**

I support SB 558 for the reasons cited in testimony submitted by the Hawaii State Association of Counties President, and urge you to support this measure.

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: Don.Couch@maulcounty.us
Subject: *Submitted testimony for SB558 on Feb 7, 2013 15:05PM*
Date: Wednesday, February 06, 2013 2:16:27 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Don Couch	Individual	Support	No

Comments:

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From: WILLIAM BERRY
To: AGL Testimony
Date: Wednesday, February 06, 2013 9:03:46 AM

Please reconsider SB558 as this will have a very negative effect on our local coffee farmers as well as the local coffee roasters and retailers.
Thank you for your consideration
William Berry.

From: Ward Almeida
To: AGL Testimony
Subject: SB 558
Date: Wednesday, February 06, 2013 9:00:38 AM

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.
2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:
 - Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
 - The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
 - Only one identity statement is allowed on the front of the package.
 - One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
 - The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.
3. Regarding listing of the ingredients (other than of Hawaiian origin) in descending order, this is not practical because the blending ingredients change routinely based on price and availability. Industry would have to change packaging each and every time a blending ingredient changed.
4. There are two distinct small coffee farmer groups in Hawaii:
 - Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.
 - Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.
5. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.
6. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.
7. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting companies from producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.
8. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii

- is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.
9. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.
 10. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.
 11. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.
 12. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.
 13. The irony about HB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.
 14. SB 558 attempts to legislate what the consumer can buy. The public should be outraged for taking this prerogative away from them. The correct approach is to inform the consumer as to what they are buying via labeling requirements.
 15. The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Mahalo.

Ward Almeida

From: [Victor Butay](#)
To: [AGL Testimony](#)
Subject: SB 558
Date: Wednesday, February 06, 2013 12:22:21 PM

To Whom it may Concern:

I strongly oppose SB 558.

As sales will undoubtedly be reduced to the detriment of our café.

From: [Terri Funakoshi](mailto:Terri.Funakoshi)
To: AGLtestimony@capitol.hawaii.gov
Subject: Testimony Opposed to SB 558
Date: Wednesday, February 06, 2013 11:32:51 AM
Attachments: [image003.png](#)

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

We at Hilo Hattie oppose the proposed changes and continue to support the truth-in-labeling approach.

Terri Funakoshi
EVP | Merchandising | Wholesale/Uniform
tfunakoshi@hilohattie.com



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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: fasterponv@aol.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 8:35:50 AM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Jevens	Individual	Support	No

Comments: I am a Kona coffee farmer in Honaunau, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. **SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products

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: [Havens, Susan](#)
To: [AGL Testimony](#)
Subject: SB558
Date: Wednesday, February 06, 2013 8:38:16 AM

Opposed.

I will not be present at the hearing.

Susan Havens

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From: [Shawn Mawae](#)
To: [AGI Testimony](#)
Subject: I am Strongly OPPOSED to SB 558
Date: Wednesday, February 06, 2013 10:34:08 AM

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
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- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Mahalo,
Shawn Mawae

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: sandra@sandrascarr.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 9:05:20 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Scarr	Individual	Support	No

Comments: To the Committee: I am a Kona coffee farmer in Holualoa, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. **Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. **SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. ** SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. ** Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. ** These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. ** The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. ** By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. **Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products-- now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" agricultural products"

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: scrawford2@aol.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 10:09:21 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Crawford	Individual	Support	No

Comments: I am a farmer of Kona coffee in Holualoa, in Hawaii County, and I ask that you support the truth-in-labeling measures of SB558. SB558 will bring disclosure principles to the labeling of Hawaii-grown agricultural products, as well as economic protection to Hawaii farmers. Farmers (and their industry) sustain damage when labels with Hawaii place names are deceptively used on labels and when Hawaii-grown agricultural products are counterfeited. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. People don't know what they are buying when they purchase something they think is special, "Kona blend coffee," which contains cheap coffee for the most part and just a little Kona. They are being ripped off, and they think, after having "Kona blend," that Kona coffee is not all that special. I was recently in California at a yogurt shop. They had "Kona blend" coffee flavor, with no attribution as to what that meant. Hawaii is the **ONLY REGION ANYWHERE IN THE WORLD** that allows the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. You will not find Napa or Sonoma wines, Champagne, Wisconsin cheese, or Idaho potatoes permitting their names to be cheapened by the use of inferior products in a "blend." Why would Hawaii allow, even encourage this? Thank you for your consideration.

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: [Scott Harvey " Harvey's Marketing & Sales "](#)
To: [AGL Testimony](#)
Subject: SB 558
Date: Wednesday, February 06, 2013 8:43:24 AM

I strongly oppose to Bill # SB 588.
Scott Harvey

From: Shaun Roberts
To: AGL Testimony
Subject: Opposed to SB 558
Date: Tuesday, February 05, 2013 3:17:33 PM

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
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i.e. **10% Kona Coffee Blend**
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- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Sincerely,

Shaun Roberts

--

Visit Us at Natural Products Expo - Booth #5523!

Shaun Roberts
Founder and CEO
KonaRed™ Coffee Fruit
808-212-1553 (Office)
808-634-6072 (Direct)
808-442-9922 (Fax)
shaun@konared.com
www.konared.com
Anti-Oxidant Superfruit
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From: [Stacy Carnes](#)
To: [AGL Testimony](#)
Subject: SB558
Date: Wednesday, February 06, 2013 9:45:37 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

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i.e. 10% Kona Coffee Blend
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Sincerely,

Stacy Carnes

President

Coffee Systems Hawaii

Move more...eat less!

From: Susan de Boer
To: AGL Testimony
Subject: Opposed SB 558
Date: Wednesday, February 06, 2013 9:47:00 AM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

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Best Regards,
Susan de Boer
Honolulu, Hawaii 96819
(808)282-8098 Cellular
(

From: [Sheila Lou Rosete](#)
To: [AGL Testimony](#)
Subject: SB558--OPPOSED | Sheila Rosete | not available at hearing
Date: Wednesday, February 06, 2013 2:30:35 PM

Sheila Lou Vintayen Rosete
Address: 45 Kihapai Street, Kailua, HI 96734 . Email: sheilalourosete@gmail.com .
Website: ChadLous.com . Phone: 808-263-7930

From: [SET RichCorp](#)
To: [AGL Testimony](#)
Subject: SB558: OPPOSED
Date: Wednesday, February 06, 2013 2:47:53 PM

Sheila E. Turner of Rich's Daily Grinds & Bagel Co. will attend the hearing tomorrow.

From: [Roy Wong](#)
To: [AGL Testimony](#)
Date: Wednesday, February 06, 2013 2:11:22 PM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

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THE SENATE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

COMMITTEE ON AGRICULTURE
Senator Clarence K. Nishihara, Chair
Senator Ronald D. Kouchi, Vice Chair

NOTICE OF HEARING

DATE: Thursday, February 07, 2013
TIME: 3:05 p.m.
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

RE: SB558 RELATING TO AGRICULTURAL PRODUCT LABELING.

Honorable Chair Nishihara, Vice Chair Kouchi and Members of the Committee on Agriculture:

I write in SUPPORT WITH RESEVATIONS of this bill. I ask that this committee consider including Hawaii caught fish products to the list as the import of many fish species are increasing and being mislabeled with Hawaii caught species names such as opakapaka, onaga, mahimahi and ahi. These names are of Hawaii origin and to mislabel products from abroad with Hawaii associated names could lead to problems should these products from abroad fail to meet U.S. food safety standards, giving our Hawaii caught fish a bad name. Thank you for your consideration.

Respectfully Yours,

Roy N.Morioka
Honolulu, HI 96821

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: roseannburitz@yahoo.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 9:44:52 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Roseann Buritz	Individual	Support	No

Comments: Please enact bill SB558 to protect our unique Hawaiian agriculture.

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: rmckenzie@tropicaltaste.net
To: [AGL Testimony](#)
Subject: Testimony Opposed SB to 558
Date: Tuesday, February 05, 2013 3:42:08 PM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

Rod McKenzie

Thank you,
Rod McKenzie
Tropical Taste
Mainland Distributor:
Hawaii's Lion & Royal Kona Coffee
rmckenzie@tropicaltaste.net
760-212-8290

From: [Randy Chung](#)
To: [AGL Testimony](#)
Subject: Testimony Opposed SB to 558
Date: Tuesday, February 05, 2013 3:11:46 PM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Randy Chung
Committee
907-541-4000
808-947-8517 (Fax)
<mailto:RChung@HJCoffeeCo.com>

**Lion
Coffee**



Best Selection
Hawaii's
Best
2011

From: Petrus Dufaur
To: AGL Testimony
Subject: Testimony Opposed SB to 558
Date: Wednesday, February 06, 2013 1:17:21 PM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

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i.e. **10% Kona Coffee Blend**
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Sincerely,

Petrus Dufaur
Cerro Grande Corp
310 540 4143

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: pennysfh@hawaii.rr.com
Subject: *Submitted testimony for SB558 on Feb 7, 2013 15:05PM*
Date: Tuesday, February 05, 2013 5:02:48 PM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Penny Levin	Individual	Support	No

Comments:

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
To: [AGL Testimony](#)
Cc: Kallygos@mac.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 7:15:15 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kally Goschke	Individual	Support	No

Comments: Thank you for introducing SB558 Please help us coffee farmers and Hawaii by voting for this bill. It is high time this product get protection from impostors that degrade the name and divert commerce reducing our ability to make a living.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: kalspices@lava.net
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 10:41:31 PM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
kai cowell	Individual	Oppose	No

Comments: before lawmakers start making up bills they should always talk to the source, the farmers, processors, consumers etc.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: mflatner@gmail.com
Subject: *Submitted testimony for SB558 on Feb 7, 2013 15:05PM*
Date: Tuesday, February 05, 2013 12:13:26 PM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Matt Slatner	Individual	Support	No

Comments:

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From: [Michael Abrams](#)
To: [AGI Testimony](#)
Subject: SB558
Date: Tuesday, February 05, 2013 6:01:35 PM

I am strongly opposed to SB 558 which will make it way too hard on producers and consumers doing harmful ever-lasting damage to our Hawaii consumer base and also hurt our farming community. Please do not pass this proposed law. It is not in the best economic interest for farmers and consumers and jobs in our state. Mahalo for listening.

Mike

--

Sincerely,
Michael S. Abrams
@ Flavor Waves Inc.
(888) 968 - 2783 toll free
(888) 819 - 1922 toll free fax
info@flavorwaves.com

Making The World a Tastier Place *tm*

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: bjodiesel411@gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 11:17:47 AM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Long	Individual	Support	No

Comments: The bill is very important to Hawaiian agriculture and tourism

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: Munchiehkitty@yahoo.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 4:56:17 AM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Price	Individual	Support	No

Comments: I strongly support the truth-in-labeling measures of SB558. SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products"

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From: [Patrick Lau](#)
To: [AGL Testimony](#)
Subject: Opposition to SB 558
Date: Wednesday, February 06, 2013 9:14:30 AM

To Whom It May Concern:

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

The coffee industry has done a good job policing itself with regard to customer education and labeling. The coffee industry should not be lumped with other products of Hawaii.

Thanks,

Patrick Lau

From: [turquoise](#)
To: [AGL Testimony](#)
Subject: Subject: FW: Testimony SB 558 Strongly Opposed
Date: Wednesday, February 06, 2013 7:15:38 AM

I, AGREE!

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

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Maria Sakado!

From: [Mark Storfer](#)
To: [AGI Testimony](#)
Subject: Testimony Opposed to SB 558
Date: Wednesday, February 06, 2013 10:02:32 AM
Attachments: [image002.png](#)

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

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We at Hilo Hattie oppose the proposed changes and continue to support the truth-in-labeling approach.

Mark Storfer
Executive Vice President | Chief Operating Officer
MStorfer@HiloHattie.com



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Voted "Best Aloha Apparel Store" by kama'aina for the last 11 years.

From: Merle Wood
To: AGL Testimony
Subject: SB558
Date: Wednesday, February 06, 2013 11:57:33 AM

I am a tea grower in Captain Cook, in Hawaii County. I strongly support SB558 and urge its approval by the Committee on Agriculture.

The best teas throughout the world are designated by where they are grown. When a purchaser buys a Djarleeing tea there is assurance that the tea was grown in the Himalaya mountains of North India. In Chins "tribute teas" those designated to be delivered to the Emperor (as tax of tribute) were harvested from small geographical locations only and exclusively.

The tea industry in Hawaii is in its infancy But even now there are teas being sold as "Hawaiian" because non Hawaii grown teas are imported here and blended here.

It is precisely this sort of behavior defrauds consumers. It denigrates the efforts of Hawaiian tea growers. In Hawaii to establish the "terroir" of Hawaiian grown tea.

If that "terroir" can be established which will add great value to the tea grown here and enhance the development of this industry, all to the benefit of the Hawaii Nei.

Please give these nascent industries a chance by providing a level playing field, Vote approval of SB558.

Merle Wood
Kona Tea Garden

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: loesthinktank@yahoo.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 11:56:15 PM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
joseph lee	Individual	Support	No

Comments: Hi. I consider myself to be a coffee enthusiast. For an average citizen, I know alot about beans, and I roast my own at home for recreation. I also consider myself a patriot, signigicantly concerned about the viability of american ventures in international markets. I thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. SB558 will benefit consumers like myself by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products."

Please note that testimony submitted less than 24 hours prior to the hearing,

From: Leigh-Ann Wong (Iki)
To: AGL Testimony
Subject: SB558 OPPOSED, Leigh Wong - will not be attending the hearing (scheduled for 3:05 pm Thursday 2/7).
Date: Wednesday, February 06, 2013 11:22:34 AM

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

I support the Truth in Labeling described below.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

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for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

--

Leigh

From: [Patty Wayman](#)
To: [AGL Testimony](#)
Subject: Testimony Opposed to SB558
Date: Tuesday, February 05, 2013 3:17:28 PM

Talking Points In Opposition to SB 558

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.
2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:
 - Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
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 - The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.
3. Regarding listing of the ingredients (other than of Hawaiian origin) in descending order, this is not practical because the blending ingredients change routinely based on price and availability. Industry would have to change packaging each and every time a blending ingredient changed.
4. There are two distinct small coffee farmer groups in Hawaii:
 - Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.
 - Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.
5. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.
6. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.
7. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting

- companies from producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.
8. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.
 9. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.
 10. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.
 11. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.
 12. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.
 13. The irony about HB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.
 14. SB 558 attempts to legislate what the consumer can buy. The public should be outraged for taking this prerogative away from them. The correct approach is to inform the consumer as to what they are buying via labeling requirements.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Signed;

Patricia Wayman a very interested consumer in coffee and the implications this bill has if it passes.

patwayman@aol.com

From: StewKona@aol.com
To: [AGL Testimony](#)
Subject: Testimony SB 558 Strongly Opposed
Date: Wednesday, February 06, 2013 5:17:01 AM

Testimony Opposed SB to 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name

i.e. 10% Kona Coffee Blend
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

-Patrick Stewart

(310) 880-9319

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: nredfeather@kohalacenter.org
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Sunday, February 03, 2013 3:05:20 PM

SB558

Submitted on: 2/3/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy Redfeather	Individual	Support	No

Comments: My family farms coffee and mixed vegetables in Kona. We support a p truth-in-labeling requirement on the marketing of Hawaii agricultural products—with specific mention of Hawaii-grown “honey, macadamia nut, coffee, tea, vanilla.” We are in favor of establishing a 75% minimum for “Kona Coffee Blends” (and blends of other agricultural products) and requiring specific disclosure of the country or region of origin of the 25% non-Kona in the blend. This is NOT unusual. Usually geographical areas that have specific known and branded agricultural products seek to protect that name and brand. We are asking for the same thing that countries all over the world already have. We are a very unique growing area, and have unique products that cannot be duplicated in quality and taste in other areas. Our family farms are struggling with the CBB, and loss of income. Please support our uniqueness and protect our hard earned products. Mahalo!

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I am a Kona Coffee Farmer living in Captain Cook, South Kona in the county of Hawaii. I also run and manage online stores selling Kona Coffee and local Hawaiian agricultural products.

I fully support SB558.

I fully support truth in labeling on Hawaiian products and am upset that we do not have stricter laws and regulations protecting citizens.

In Kona someone showed me a box of chocolate covered macadamia nuts they purchased. The side of the box said "A product of Mexico"!

Last night I saw a bag of coffee in the Kailua-Kona KTA that was labeled "Kona Blend". There was no percentage listed at all.

Recently, and the subject of mainland lawsuit, Safeway had coffee bags marked "Kona Coffee Blend" with no percentage. When told that the label must indicate the percentage of Kona on the bag and that it must be at least 10% to be sold in Hawaii, their representative stated that they could probably raise the percentage to 10%. That tells me that they knew the blender in Hawaii that sold it to them told them the percentage was less than 10%.

The only reason that these companies use the regional names such as "Kona" on their label is to increase sales and profits. The public thinks they are getting a better product than they are. The companies also say it is a "trade secret" where the other coffee comes from in a 10% blend. It is not a secret that they would prefer not to tell which low-grade coffee from which company they are using.

The public has a right to know the country of origin of the majority of a product, especially when certain countries have been very lax at policing their foodstuffs.

According to CoffeeHabitat.Com "Whereas China only produced about 3600 tons of coffee in 1997, in 2009 this figure breached 28,000 tons on 2000 ha. In China's usual grand form, the plan is to increase the coffee production area to 16,000 ha in the next 15 years."

It is only fair for us to protect our farmers by allowing the buying public to know where these "Hawaii" products really come from. It would put local farmers on an even playing field.

When these companies deceive the public as to the origin of their products, you are to blame for not putting a stop to it. By not enacting bills such as this, you allow them to continue to hoodwink the public. Many of these companies are not even Hawaiian-owned but part of a mainland conglomerate. They might even tout that their product is "Made In Hawaii" which only means that more than 50% value was added here (like roasting and packaging) and the product itself might have been grown and processed overseas.

Many other regional products around the world are protected WITH PRIDE by their country, or region. It seems that the Hawaii Legislature seems to not care about their own specialty products and will let large non-local company (they call themselves the Coffee Industry) run roughshod over the local farmers, with your approval?

When I lived in Georgia I saw that the state protected carefully Vidalia Onions. Vermont protects their maple Syrup, the Napa Region and their wines and the list goes on.

Why can't Hawaii's legislature protect our few locally produced products? Is it that hard to do? Do we need to elect others who are willing to set standards, to take a stand and do the right thing?

Hawaii's farmers are watching.

Sincerely,

Mark Shultise

LavaRock Farm
ItsKona.Com
PlanetAloha.Com
Planet-Aloha.Info

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: Leah@leahdamon.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 11:28:48 AM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Leah Damon	Individual	Support	No

Comments: I strongly hope that this bill passes, I support it whole heartedly.

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From: larrywilkens@roadrunner.com
To: [AGL Testimony](#)
Subject: OPPOSED to SB 558
Date: Wednesday, February 06, 2013 7:17:36 AM
Importance: High

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee Truth in Labeling rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require Truth in Labeling of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.

- The word Blend must follow the percentage used and the origin name
i.e. 10% Kona Coffee Blend

- Only one identity statement is allowed on the front of the package.

- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.

- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Larry Wilkens
Mainland Ventures, Inc.
760-803-4266

From: [Kevin Chang](#)
To: [AGL Testimony](#)
Subject: Testimony Opposed to SB 558
Date: Wednesday, February 06, 2013 9:23:43 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Respectfully submitted,

Kevin Chang

From: Ken Kanter
To: AGL Testimony
Subject: Testimony Opposed to SB 558 from Kenneth A. Kanter who will not be at the hearing at 3:05 pm 2/7/13
Date: Wednesday, February 06, 2013 1:54:10 PM

Aloha,

I am opposed to Senate Bill 558.

As the Exposition Director for the Hawaii Lodging, Hospitality & Foodservice Expo for the past 19 years, I have worked with hundreds of local companies who market items containing agricultural products from Hawaii including fruit, coffee, vegetables, wood, flowers and water.

In the case of coffee in particular, and this can apply to any commodity based product, it is dangerous to impose arbitrary content laws on products without a comprehensive understanding of the marketing problems relevant to the size of the annual crop yield, processing methods, market distribution, sales competition, price ranges and, most importantly, customer preference and taste.

As a simple example I prefer coffee with 10% Kona Coffee in it. It is readily available in Hawaii nearly everywhere. I can afford it, and I buy it often. I would not be willing to pay the higher price for a blend of coffee with 75% Kona Coffee nor would I buy it even if it was not expensive because a 75% blend would not appeal to my personal taste.

With regard to this, there is only so much Kona coffee grown in Hawaii each year. If you require 75% to be in every blend that wants to be recognized as having Kona coffee in it you may not be using the total available annual Hawaii yield of Kona coffee in the most economically effective way. 10% blends are very popular. They are appreciated by a very large segment of the market and bring the Kona coffee product to many, many more people than if you required 75% Kona coffee in blends to be packaged to fewer people who could probably would not or could not buy it.

I urge you NOT to pass SB 558. It needs substantially more study before it should even be considered. Kona coffee is part of Hawaii's identity that I think we all want to see shared with as many people locally and internationally as possible. SB 558 does the exact opposite and the end result will be to the detriment of the growers and all the people engaged in the coffee industry in Hawaii. As for other locally grown agricultural commodities I would caution against instituting similar mandates without further study.

Thank you for the opportunity to submit this testimony.

Ken Kanter
Exposition Director
Douglas Trade Shows
1103 Lunaai St., Kailua, HI 96734
Tel: 808-261-3400 (Oahu)
Fax: 261-6100
kanter@lava.net

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: jlenhart@hicoffee.co.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 7:47:07 AM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Lenhart	Individual	Oppose	Yes

Comments: Strongly oppose as a 75% Kona content would force restaurants, hotels and resorts to use a coffee with no Hawaiian content, or, source coffee from manufacturers on the mainland.

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Talking Points In Opposition to SB 558

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.
2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:
 - Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
 - The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
 - Only one identity statement is allowed on the front of the package.
 - One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
 - The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.
3. Regarding listing of the ingredients (other than of Hawaiian origin) in descending order, this is not practical because the blending ingredients change routinely based on price and availability. Industry would have to change packaging each and every time a blending ingredient changed.
4. There are two distinct small coffee farmer groups in Hawaii:
 - Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.
 - Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.
5. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.
6. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.
7. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting companies from

producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.

8. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.
9. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.
10. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.
11. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.
12. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.
13. The irony about HB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.
14. SB 558 attempts to legislate what the consumer can buy. The public should be outraged for taking this prerogative away from them. The correct approach is to inform the consumer as to what they are buying via labeling requirements.
15. The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: jwseel@cs.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 8:00:25 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffery Seel	Individual	Support	No

Comments: I am a coffee farmer in Hawaii county and support truth in labeling of Hawaii grown products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions.
Thankyou

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: janetj11@gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 10:55:53 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Jones	Individual	Support	No

Comments: I am a Kona coffee farmer. We have waited for this bill for a long time. It is crucial in this time of quirky weather, and poor economy.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: jason@konarosecoffee.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 3:10:52 PM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: Please support bill SB558. It is high time for the state of Hawaii to support its farmers. We are done a great disservice by our state government for allowing the misuse of the Kona name. By supporting truth in labelling, not only will you, as our representatives, support THE TRUTH, but also all of the farmers who are struggling to make it in Hawaii. You will also be supporting all of the tourists who come here and spend their hard-earned money on what Hawaii has to offer. Why rip them off? Sell them the genuine article and support Hawaii's farmers as well. Mahalo

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From: [Jamie Barut](#)
To: [AGL Testimony](#)
Subject: SB558 Opposed
Date: Wednesday, February 06, 2013 10:05:46 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name

i.e. 10% Kona Coffee Blend
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee

consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Aloha,

Jamie Barut | Director of Charter Operations
Polynesian Adventure Tours, Inc. | Gray Line Hawaii |
2880 Kilihau Street
Honolulu, Hawaii 96819
Main 808.836.2288 | Fax 808.833-9200 | Direct 808.457.4312 | Mobile
808.479.4276 |
Email: jamie@polyad.com | Website: www.polyad.com

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: mustangresource@hotmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 4:54:55 AM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: I am a Kona coffee farmer in Captain Cook, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products"

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February 6, 2013

Aloha Senate Agricultural Committee Chair and Members,

This letter is in opposition to SB 558

My name is H.C. "Skip" Bittenbender, I am writing to you in opposition of SB 558 as a private citizen with knowledge of Hawaii's coffee industry gained by my job as coffee specialist at UH/CTAHR.

Again it seems that the 'only 100% Kona' concept is attempting to stop the sale of blends made with Hawaii coffees has now spread to other products. The current 'truth in labeling law' passed in 2003 was an example of Hawaii's coffee industry working together.

The current truth in labeling law provides adequate information about the percent Kona or Hawaii -grown in a product to prevent deception.

Legislating an increase in the % Kona in coffee blends or % Hawaii-grown will increase the cost of Kona or other Hawaii blends and may decrease demand for Kona blend coffee and other Hawaii-grown products. A drop in the price for Kona coffee will negatively impact farmers particularly the majority of Kona growers who sell their coffee as cherry to processors.

The price for Kona and Hawaii-grown coffee in general has been increasing for the pass 20 years so it is difficult to make the case that the current blend labeling law hurts the Kona or the state-wide coffee industry.

Please do not legislate recipes to our food manufacturers by required 75% Hawaii-grown minimal content. SB 558 could hurt Kona and other coffee growers, that's why I oppose it.

Respectfully,

HC Bittenbender

2377 St. Louis Drive

Honolulu, HI 96816

Hcbitt@hawaii.rr.com

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: harold@hoogasian.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 8:18:53 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Harold M. Hoogasian	Individual	Support	No

Comments: I am a Kona coffee farmer in Holualoa, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package.

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From: [Greg Stille](#)
To: [AGL Testimony](#)
Subject: Testimony SB 558 Opposed
Date: Wednesday, February 06, 2013 9:30:33 AM

Aloha Members of the Senate,

I'm Greg J Stille a Maui Coffee Farmer and President of the Maui Coffee Association and President of the Hawaii Coffee Association. The members of the Hawaii Coffee Association represent over 9,000 acres of planted coffee or 90% of Hawaii's Coffee Growers.

I am strongly Opposed to SB 558 which seeks impractical and over-broad powers which will prove harmful to the agricultural industry and consumers.

Our coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Our industry has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

1. Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
2. The word Blend must follow the percentage used and the origin name
 - a. i.e. 10% Kona Coffee Blend
3. Only one identity statement is allowed on the front of the package.
4. One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
5. The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Aloha for your service and mahalo for you time,
Greg J Stille
Piliiani Kope Farm
15 Wailau Place Lahaina, HI. 96761

1. 280-5603

From: [Gloria Biven](#)
To: [AGL Testimony](#)
Subject: SB558
Date: Wednesday, February 06, 2013 11:14:13 AM

To the AG Committee for the hearing of SB558

I Gloria Biven, Manager of Royal Kona Coffee Visitor Center Mill & Museum in Honaunau, Big Island, strongly oppose to SB558. I find this repetitive tactics of what the coffee industry has already satisfied many years ago with the 'Truth in Labeling' rules. This is 10% Blend , Hawaiian Blend & 100%. This will cause a grave impact on cost and pricing for the farmer, i.e lower sales/distribution, and to the consumer, i.e un-affordable product, as well as restaurants & hotels who are anxious to present to their guest a world famous product from Hawaii but this will make it un-affordable as they usually give this to the guest as a free perk. This will make it so they will go to other countries and support these other countries industries and leave our Hawaii at a loss for income.

I will be present to testify

Aloha,
Gloria Biven
Royal Kona Coffee Visitor Center Mill & Museum

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: goldsun@hawaii.rr.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 8:57:25 AM
Attachments: [SB558.pages](#)

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Christine Carrico	Individual	Support	No

Comments:

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From: [Chris Pang](#)
To: [AGL Testimony](#)
Subject: SB558- opposed
Date: Wednesday, February 06, 2013 11:57:53 AM

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers. I will be attending the hearing.

**Mahalo,
Christopher Pang**

My husband and I are Kona Coffee Farmers in Honaunau mauka and we strongly support SB558 and its Truth-in-Labeling measures. We are grateful to the Hawaii Association of Counties for introducing this bill. We need to protect real Hawaiian things and we all agree.

If you are lucky enough to go to France, one would see "marks" on much of the food in a grocery store identifying it proudly as a <Product of France/Produit de France>. France labels their pride and truth and we would love it if Hawaii could do the same. Imua.

Please pass SB558.

With aloha,
Cecelia and Robert Smith

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: mjellings@hawaii.rr.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Sunday, February 03, 2013 11:58:03 AM

SB558

Submitted on: 2/3/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Carl P Jellings Sr	Individual	Support	No

Comments: Honorable Senate Million's of meals are served daily here in Hawaii, Most often Not even the server can answer where the food item came from especially fish, for example The name Mahi mahi for most exemplifies fresh island Hawaii caught fish. Many more species are flown in today from as far away as Asia, But the menu reads mahimahi, as a local fisher You can taste right off this fish was not caught here in Our Hawaiian waters nor is it fresh. I write this because many people who spend the extra dollars to eat healthy are unaware and are guessing what quality food they are consuming. I humbly request this Legislative Body to amend SB558 and to include Fish within SB558. For fairness in pricing, quality, and shelf life. Carl P Jellings Sr Waianae, Hi.

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From: [Candy E Yamauchi](#)
To: [AGL Testimony](#)
Subject: Testimony SB 558 Strongly Opposed
Date: Wednesday, February 06, 2013 8:16:17 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Candy Yamauchi
xpedx Hawaii
Ph: 808-842-6958
Fx: 808-842-6950

From: [SET RichCorp](#)
To: [AGL Testimony](#)
Subject: SB558: OPPOSED
Date: Wednesday, February 06, 2013 2:48:47 PM

Burt L Souza of Rich's Island Coffee Hawaii will not be able to attend,
but will have Sheila E. Turner-Souza attend instead.

From: [Bruce Corker](#)
To: [AGL Testimony](#)
Subject: SB558--Hearing on 2/7/13 at 3:05 pm in Conf. Room 229
Date: Sunday, February 03, 2013 6:53:39 PM

2/3/13

To: The Senate Agriculture Committee

From: Bruce Corker, Kona Coffee Farmers Association

Re: Strong Support for SB 558

Dear Chair Nishihara and Members of the Senate Agriculture Committee:

The Kona Coffee Farmers Association (KCFA) strongly supports SB558.

The KCFA applauds the Hawaii State Association of Counties (HSAC) for including SB558 in HSAC's 2013 Legislative Package.

HSAC recognizes that SB558 will bring truth-in-labeling to consumers in the marketing of Hawaii-grown agricultural products.

HSAC has also recognized that SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products.

Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents.

These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations.

The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is **THE ONLY REGION ANYWHERE IN THE WORLD** to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content.

In February 2010, San Francisco-based resource economist Marvin Feldman released a study entitled "Economic Effects of Blending Kona Coffee—A Preliminary Analysis." The study finds that the blenders gain "extra profit" of \$14.4 million per year from the use of the "Kona" name on 10% blends—and that the negative economic effect on farmers might well exceed \$14.4 million per year. There are approximately 700 Kona coffee farms. Dividing \$14.4 million by 700 results in a figure of more than \$20,000/year for the average Kona coffee farmer.

The same sort of economic damage from deceptive labeling is resulting to Hawaii farmers who produce honey, macadamia nuts, tropical fruits, tea, eggs, vanilla and other products.

By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of

Vidalia onions.

The State of Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB558 presents precisely that opportunity for all uniquely "Hawaiian" products".

Kona's coffee growers urge enactment of SB558.

Sincerely yours,

Bruce Corker, Legislative Committee Chair
Kona Coffee Farmers Association

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: moonstruckfarm@hawaiiantel.net
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 9:51:19 AM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: I am a Kona Coffee Farmer and can assure you decision makers that the public is genuinely confused by the meaning of "10% blend" labeling. It is so unfair to farmers to allow this deceptive practice to continue. We have a quality product whose identity is allowed to be used by those blenders who only have 10% of our product in their bags. They claim our "quality" without meriting it and make it look like we are price gouging (when, in fact, they are). I am personally convinced (without any evidence) that it was foreign coffee (that somehow escaped fumigation) which brought us the truly devastating coffee berry borer problem. Last year I lost about 80% of my crop (and didn't have any insurance). Dealing with the problem now will take a large amount of work and money. Please pass this bill and put us on the road to a fairer chance to market our 100% Kona coffee product. Thank you for reading my remarks.

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Talking Points In Opposition to SB 558

1. Coffee is unfairly lumped along with all other agricultural products (animal and plant) produced in the State of Hawaii which are included in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.
2. Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:
 - Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
 - The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
 - Only one identity statement is allowed on the front of the package.
 - One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
 - The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.
3. Regarding listing of the ingredients (other than of Hawaiian origin) in descending order, this is not practical because the blending ingredients change routinely based on price and availability. Industry would have to change packaging each and every time a blending ingredient changed.
4. There are two distinct small coffee farmer groups in Hawaii:
 - Vertically integrated farmers, who grow, roast and package, generally selling Hawaiian coffee products on the internet.
 - Cherry farmers who grow coffee as an agricultural commodity selling it to coffee processors who process the coffee into green coffee and sell it to the roasting industry.
5. Some of the vertically integrated farmers are the supporters of SB 558 but the majority of vertically integrated farmers do not support measures such as this. Most if not all cherry farmers oppose SB 558.
6. The cherry farmers depend on the processors to purchase their agricultural product, process it into green coffee and then provide it to the roasting industry.
7. The vast majority of the coffee grown in Hawaii ends up in the hands of roasting companies who produce coffee blends. Limiting Hawaii roasting companies from

producing popular blended coffee products will hurt or even put out of business farmers who sell their products to processors and roasters.

8. Hawaiian consumers are another group that loses if SB 558 is passed for coffee: Nielsen Data shows that 52% of all coffee sold in retail stores in Hawaii is sold in the Hawaiian Coffee Section of the stores. Of that 52% sold, 85% is sold as blended items covered by SB 558. So 44% of all of the coffee sold in retail stores are Hawaiian blended coffee. Further, most of the major hotels and restaurants in Hawaii serve a 10% Blend product.
9. Upping the blend requirement will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a supermarket or Long's Drug Store. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products.
10. Most local consumers cannot afford to pay over \$20.00 per pound for roasted coffee. It is also a given that most restaurants faced with the doubling of their price will switch to coffee products which contain no Hawaiian coffee. Again, the small cherry farmers and consumers lose.
11. The vertically integrated farmers who sell on the internet can find a worldwide market for their \$20.00 per pound 100% Kona coffee. No such local market exists to the magnitude required to keep the current supply and demand cycle stable.
12. The resultant of this bill could very well be that without roasters who blend to support the supply and demand equilibrium that exists in today's Hawaiian coffee market, the market will crash causing all coffee farmers to get paid less for their coffee.
13. The irony about HB 558 is that it unfairly punishes farmers, processors and roasters in Hawaii while doing nothing about the practice of blending and labeling Hawaiian Coffees on the Mainland a practice that is already out of control and will be exacerbated by this bill.
14. SB 558 attempts to legislate what the consumer can buy. The public should be outraged for taking this prerogative away from them. The correct approach is to inform the consumer as to what they are buying via labeling requirements.
15. The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

From: [Annie Abbott Foerster](#)
To: [AGL Testimony](#)
Subject: SB 558
Date: Wednesday, February 06, 2013 12:18:13 PM

Aloha,

I am writing to protest SB 558. I think it is ridiculous make it mandatory that ALL agricultural products in the State of Hawaii must contain at least 75% Hawaiian content to use any geographic reference to Hawaii on the package.

I support the coffee roasters' position on this bill and urge that you not pass such a thing. I am in no way associated with the coffee industry in Hawaii, just a consumer. But I have to raise my voice when it comes to laws that are just plain silly at best, and at worst could be very damaging to one of the more significant industries in our state.

Thank you for allowing me to testify.

Ann Abbott Foerster
4959 Wa'a St.
Honolulu, Hawaii 96821

From: [Arthur Furuta](#)
To: [AGL Testimony](#)
Subject: SB 558
Date: Wednesday, February 06, 2013 8:37:48 AM

Opposed

Sent from my Verizon Wireless 4G LTE Smartphone

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: Anitakelleher@bellsouth.net
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 1:08:11 PM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: I am a Kona coffee farmer in Kailua-Kona, Hawaii County and I strongly SUPPORT the Truth -in-Labeling measures of SB558. These deceptive labeling practices reduce demand for genuine Hawaii grown products and reduce the income of Hawaii growers. The use of inexpensive non Hawaii grown contents in packages results in excess profits flowing not to Hawaii Farmers but to commercial marketers, many whom are mainland or foreign corporations!

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From: [Andres Macatiag Jr](#)
To: [AGL Testimony](#)
Cc: [Andres Macatiag Jr](#)
Subject: I OPPOSE SB 558
Date: Tuesday, February 05, 2013 4:43:30 PM

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
 - i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

Mahalo for this opportunity to present my testimony via email.

ANDRES MACATIAG, JR.
Kona Coffee Farmer
81-1075 Keopuka Heights Rd
Kealakekua, HI 96750-8125
Email: macatiaga001@hawaii.rr.com
Cell: 808-206-1125

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: sales@alskonacoffee.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 3:31:04 PM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: I support the truth in labeling act which will finally (and be the first step) towards protecting Hawaiian grown products from the local and mainland predators who like to use the Hawaiian name to push inferior products on an unsuspecting public. If it says Kona, or Hawaii, Hawaiian, or made in Hawaii, then it should be Hawaiian!

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: DEEDEE.TAKAMOTO@ENERGY-INDUSTRIES.COM
Subject: *Submitted testimony for SB558 on Feb 7, 2013 15:05PM*
Date: Monday, February 04, 2013 10:03:47 PM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
DEEDEE ANN	Individual	Oppose	No

Comments:

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From: [Rojas, Debbie](#)
To: [AGL Testimony](#)
Subject: SB558
Date: Wednesday, February 06, 2013 8:22:52 AM

"OPPOSED"!

*Thank you,
Debbie Rojas*

Category Manager
Seven-Eleven Hawaii, Inc.
1602 Nuuanu Ave. 2nd Floor
Honolulu, Hawaii 96817
Ph# 808 447-7152

From: [David Sayad](#)
To: [AGL Testimony](#)
Subject: Testimony Opposed SB TO 558
Date: Wednesday, February 06, 2013 8:06:57 AM

I strongly opposed to SB 558 which seeks impractical and overboard powers which will prove harmful to the agricultural industry and consumers. David Sayad Socopac

Dave Sayad
Socopac Co
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From: [Darryl Hara](#)
To: [AGL Testimony](#)
Subject: SB558
Date: Wednesday, February 06, 2013 8:07:45 AM

Testimony Opposed to SB 558

I am strongly OPPOSED to SB 558 which seeks impractical and overbroad powers which will prove harmful to the agricultural industry and consumers.

The coffee industry is unilaterally opposed to SB 558 for the reasons stated above. In opposition are the Hawaii Coffee Association, The Kona Coffee Council, The Maui Coffee Association and the Hawaii Coffee Growers Association. The members of these groups farm more than 90% of the acreage planted in coffee in Hawaii.

Coffee is unfairly lumped along with all other agricultural products produced in the State of Hawaii in SB 558. Coffee has policed itself with numerous bills introduced by the industry to fairly inform consumers as to what they are purchasing.

If commodities other than coffee have labeling issues then a better solution would be to have those commodities adopt existing coffee "Truth in Labeling" rules similar to those that have protected Hawaii's coffee farmers and consumers for many years.

Regarding Coffee, the industry determined many years ago that the correct way to handle the blending issue was to require "Truth in Labeling" of Hawaiian coffee products so that a consumer can make an informed decision on what they are purchasing. Our current labeling rules require:

- Anytime any of the Hawaiian origin coffee names (Kauai, Hawaiian, Kona, Molokai, Maui, and Oahu) are used on the front panel of a package the percentage of Hawaiian coffee used must appear immediately to the left of the origin name, must be the largest type in the identity statement and must be at least 3/16 of an inch tall.
- The word Blend must follow the percentage used and the origin name
i.e. **10% Kona Coffee Blend**
- Only one identity statement is allowed on the front of the package.
- One company trademark may be used on the front panel of the package that includes use of a Hawaii origin name but the origin name used must be followed by a descriptor word such as Company so as not to confuse the consumer. Industry refers to that as elimination of a double identity statement.
- The coffee industry of Hawaii feels it has done a responsible job of policing itself regarding labeling and should not be included in SB 558.

Upping the blend requirement to 75% will cause a major price increase for roasted Hawaiian blended coffee products. By example, currently a bag of 10% Kona Blend Coffee sells for approximately \$5.00 for a 7 to 10 ounce bag in a retail outlet. Increasing the content requirement to 75% will increase the price to over \$10.00 per bag. That compared to a bag of 100% Kona Coffee which sells for approximately \$12.00. With so little price spread between 75% Blends and 100% Kona coffee consumers will be faced with the doubling of the price of their favorite coffee products. Sales will undoubtedly be reduced to the detriment of the farmer.

**Lion
Coffee**



Darryl Hara
Key Account Sales Manager - On Premise
HAWAII COFFEE COMPANY
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Honolulu, Hawaii 96817
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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: cmstaats@comcast.net
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Monday, February 04, 2013 2:55:22 PM

SB558

Submitted on: 2/4/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia and Dennis Staats	Individual	Support	No

Comments: As Kona coffee farmers we are in support of any legislation which corrects the present situation to read 75% of the Hawaiian product. As is the case in many other parts of the country which zealously protect their products (Maine lobsters, Idaho potatoes, wine grown in California, Vermont maple syrup it is vitally important that Hawaii closely guard our treasured products.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: Renntag@Gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 8:16:16 AM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Colin Jevens	Individual	Support	No

Comments: Aloha. I am a Kona coffee farmer in Honaunau, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558. I want to say that Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. SB558 will benefit consumers by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of names (Like Kona) in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. This is fraud and devalues the special products of Hawaii. These deceptive labeling practices reduce demand for genuine Hawaii-grown products and reduce the income of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring the Kona name on labels results in excess profits flowing--not to Hawaii farmers--but to commercial marketers, many of which are mainland and foreign corporations. This is not in the spirit of the heritage of Hawaii. This does not take care of the people and they land they care for. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. By enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. **Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products--now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products" Please see to it that this bill succeeds. Mahalo. ~Colin Jevens.

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From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: colemel@kanalanifarm.org
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 10:55:23 AM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Colehour Bondera	Individual	Support	No

Comments: Aloha Chair Nishihara, Vice Chair Kouchi & Senate Agriculture Committee Members - Thank you for hearing this piece of legislation. Farmers need support and protection from the state government! As a Kona coffee farmer in Honaunau, Hawaii, I strongly support the truth-in-labeling measures of SB558. Further, Kona coffee farmers thank the Hawaii State Association of Counties for introducing this important bill as part of its Legislative Package. Really, SB558 will also benefit consumers (which we all are!) by bringing fair marketing and disclosure principles to the labeling of Hawaii-grown agricultural products. SB558 will bring a measure of economic protection to Hawaii farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products. Each year consumers spend millions of dollars on agricultural products which are deceptively labeled with the intent to lead consumers into believing they are buying Hawaii-grown products—when these products in fact contain little, if any, Hawaii-grown contents. Deceptive labeling practices reduce demand for genuine Hawaii-grown products and more importantly reduce the incomes of Hawaii farmers. The use of inexpensive non-Hawaii-grown contents in packages prominently featuring Hawaii place names on labels results in excess profits flowing -- not to Hawaii farmers -- but to commercial marketers, many of which are mainland and foreign corporations. The "10% Kona Coffee Blend" is a clear example of what SB558 is intended to address. Hawaii is THE ONLY REGION ANYWHERE IN THE WORLD to allow the use of the name of one of its heritage/specialty crops on packages with only 10% genuine content. With enactment of SB558, Hawaii will move toward the examples set by other states in protecting the name and reputation of their specialty agricultural products. The State of Hawaii should follow the example of California in protecting the name of Napa wine; the example of Idaho in protecting the name of Idaho potatoes; the example of Vermont in protecting the name of Vermont maple syrup; and the example of Georgia in protecting the name of Vidalia onions. (Hawaii should also follow the example of France, the country that has led the world in the protection of its "origin" products -- now including not only wine but meat, cheese and a variety of others. SB 558 presents precisely that same opportunity for all uniquely "Hawaiian" products.) Sincerely, Colehour Bondera KANALANI OHANA FARM PO Box 861 Honaunau, HI

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From: [Gary Yamagata](#)
To: [AGL Testimony](#)
Subject: RE: Testimony SB 558 Strongly Opposed
Date: Wednesday, February 06, 2013 10:05:42 AM

Testimony Opposed to SB 558

MY name is Gary Yamagata I farm coffee in Kona and I am strongly OPPOSED to SB 558 . All of my coffee is sold to a processor who in turn uses the coffee in Blends sold throughout Hawaii. I have worked with the industry over the years to develop "Truth in Coffee Labeling Laws" that I feel are sufficient to protect the consumer and the good name of Kona Coffee. Informed consumers are able to make informed buying decisions.

I am afraid that by doubling the price of a bag of Kona coffee blend it will slow down sales and then who will I sell my coffee to. I am not interested in roasting and selling my coffee on the internet. I just want to be a farmer and leave all of that to others.

Thank you for your consideration.

Gary Yamagata

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: teahawaii@gmail.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Wednesday, February 06, 2013 2:07:28 PM

SB558

Submitted on: 2/6/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Eva Lee		Support	No

Comments: Aloha Chairman Nishihara and members of the Committee, On behalf of Tea Hawaii & Company collective of Hawaii tea growers that represent half of the specialty crop Camellia sinensis tea that is in commercial production, I support the SB558. I am one of those tea growers and am a founding member of the Hawaii Tea Society and am presently directing a collective of Hawaii tea growers in production, processing and marketing 100% Hawaii Grown Tea. We have been at the forefront of developing a tea industry in Hawaii for the past 12 plus years and have become a significant player in the specialty rare teas global market. The specifics out lined in SB558 would help us greatly in providing true product that will assure future consumers and existing clients that support the Hawaii tea industry without hesitation furthering Hawaii agriculture and business contributing to the economic growth needed to sustain Hawaii's tea industry for generations to come. Please call upon me if I may of any service. Thank you for your consideration. Aloha, Eva Lee Tea Hawaii & Company Founder Executive Director/Tea Grower Tel. 808-967-7637 email: teahawaii@gmail.com www.teahawaii.com twitter.com/teahawaii facebook.com/teahawaii

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From: [Esta Feedora](#)
To: [AGL Testimony](#)
Subject: testimony in support of SB 558
Date: Sunday, February 03, 2013 8:20:48 PM

To members of the Hawaii Senate Committee on Agriculture

Aloha all!

I am a Kona coffee farmer in Honaunau, in Hawaii County. I strongly support the truth-in-labeling measures of SB558.

Bill SB 558 can help protect local farmers from damage caused by deceptive use of Hawaii place names in labeling and from the counterfeiting of Hawaii-grown agricultural products.

I feel that deceptive labeling affects consumers in a bad way - they reduce demand for genuine Hawaii-grown products. They reduce the income of Hawaii farmers and instead channel profits to commercial marketers, often companies not from Hawaii.

It is unfair to local coffee farmers that the label "10% Kona Coffee Blend" is allowed since Kona Coffee is a world renowned Hawaii state specialty crop. We should protect the name and reputation of our specialty agricultural products, as do other states: California (Napa Valley wine); Idaho (Idaho potatoes); Vermont (Vermont maple syrup) and Georgia (Vidalia onions).

Thank you for considering my testimony.
Sincerely yours and with aloha,

Esta Marshall
P.O.B. 916
Honaunau, HI 96726

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: nosybehawaii@hawaii.rr.com
Subject: Submitted testimony for SB558 on Feb 7, 2013 15:05PM
Date: Tuesday, February 05, 2013 6:19:50 AM

SB558

Submitted on: 2/5/2013

Testimony for AGL on Feb 7, 2013 15:05PM in Conference Room 229

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

Comments: I am a Kona coffee farmer in Holualoa, in Hawaii County, and I strongly support the truth-in-labeling measures of SB558.

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