

Honolulu, Hawaii
April 4, 2014

RE: S.B. No. 2913
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 2913, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

beg leave to report as follows:

The purpose of this measure is to protect Hawaii's coffee industry, producer of one of the top commodities in the State, from counterfeiting by expanding the scope of the offense of False Labeling of Hawaii-Grown Coffee to include:

- (1) The false labeling of natural coffee, roasted coffee, and instant coffee, in addition to green coffee, cherry coffee, or parchment coffee with regard to geographic origin; and
- (2) The false labeling of those coffees specified above with regard to grade standard classification, or the use of geographic origin in the labeling of roasted or instant coffee if the green coffee beans used in the roasted or instant coffee do not meet grade standard classifications for Hawaii-grown coffee.

Greenwell Farms; Hawaii Coffee Association; Dole Wailua Estate; Intelligent Blends; Royal Kona Coffee Visitor Center Mill & Museum; Harold L. King & Co., Inc.; Hawaii Farm Bureau; Captain Cook Coffee Co.; Hawaii Coffee Growers Association; and numerous



individuals testified in support of this measure. The Department of Agriculture and Kona Rising Coffee Company testified in support of the intent of this measure. Kona Coffee Farmers Association; Lions Gate Farms; Makua Coffee; Hawaii Farmers Union United; and numerous individuals testified in opposition to this measure. The Annex; ATHENA of HAWAII, LLC; and an individual provided comments on this measure.

Your Committees have amended this measure by:

- (1) Deleting the language relating to the false labeling of:
 - (A) Natural coffee with regard to geographic origin; and
 - (B) Grade standard classifications;
- (2) Amending Chapter 486, Hawaii Revised Statutes, relating to Measurement Standards instead of the Hawaii Penal Code to include:
 - (A) Certain civil fines for violations of the labeling requirements for less than one hundred pounds of Hawaii-grown roasted or instant coffee; and
 - (B) The false labeling of one hundred pounds or more of Hawaii-grown roasted or instant coffee as a class C felony;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2913, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2913, S.D. 1, H.D. 1.



Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,

Karl Rhoads

KARL RHOADS, Chair

Angus L.K. McKelvey

ANGUS L.K. MCKELVEY, Chair



