

SB2913



State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON JUDICIARY AND LABOR

THURSDAY, FEBRUARY 20, 2014
10:30 A.M.
Conference Room 16

SENATE BILL NO. 2913
RELATING TO AGRICULTURE

Chairperson Hee and Members of the Committee:

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

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

The HDOA supports the intent of this bill, and offers the following technical amendments:

"[§]708-71.5[§] False labeling of Hawaii-grown coffee.

(1) A person commits the offense of false labeling of Hawaii-grown coffee if the person knowingly transports,



distributes, advertises, sells, or possesses with the intent to sell Hawaii-grown green coffee, cherry coffee, natural, or parchment coffee that is falsely labeled with regard to the ~~[geographic origin of the Hawaii grown coffee.]~~:

(A) Geographic origin of green, cherry, parchment, natural, roasted, or instant Hawaii-grown coffee; or

(B) Grade standard classification for Hawaii-grown coffee set forth in rules adopted under chapter 147, or

(C) The use of a geographic origin in the labeling of roasted or instant coffee, if the green coffee beans used in the roasted or instant coffee do not meet the grade standard requirements of rules adopted under chapter 147;

(2) For the purposes of this section:

"Cherry coffee" means the unprocessed fruit of the coffee plant.

"Geographic origin" means the unprocessed fruit of the coffee plant.

(a) Hamakua is the Hamakua district on the island of Hawaii, as designated as designated by the State of Hawaii tax map;

(b) Hawaii is the State of Hawaii;

(c) Kau is the Kau district on the island of Hawaii, as designated by the State of Hawaii tax map;

(d) Kauai is the island of Kauai;

(e) Kona is the north Kona and south Kona districts on the island of Hawaii, as designated by the State of Hawaii tax map;

(f) Maui is the island of Maui;

(g) Molokai is the island of Molokai; and

(h) Oahu is the island of Oahu.

"Green coffee" means the agricultural commodity comprised of green coffee beans.

"Natural coffee" means coffee which has been processed from cherry coffee that has been dried with the husk on, or coffee which has been processed from parchment coffee with adhering mucilage.

"Parchment coffee" means the dried product that remains when coffee cherries are processed by removing the coffee seeds from the pulp.

(3) False labeling of Hawaii-grown coffee is a class C felony."

Thank you for the opportunity to testify on this measure.



P.O. Box 253, Kunia, Hawai'i 96759
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February 20, 2014

HEARING BEFORE THE
SENATE COMMITTEE ON JUDICIARY AND LABOR

TESTIMONY ON SB 2913
RELATING TO AGRICULTURE

Room 016
10:30 AM

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee:

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

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

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

Please pass SB 2913.

Thank you.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: jwayman@hicoffeeeco.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Tuesday, February 18, 2014 9:00:52 AM

SB2913

Submitted on: 2/18/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

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

Comments: SB2913 - Strong Support Bill scheduled to be heard by AGR on Thursday 2.20.2014 at 10:30 am in room 016. Please accept this testimony in STRONG SUPPORT of SB2913. The purpose of this act is to establish further restrictions and criminal penalties on labeling Hawaii grown coffee in order to prevent counterfeiting and roasted coffee that does not meet established grade quality standards. This helps protect Hawaii's brands, coffee origins and Hawaii's reputation for high quality coffee. HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class c felony. Thank you, Jim Wayman

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: jkimof@msn.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Tuesday, February 18, 2014 1:23:49 PM

SB2913

Submitted on: 2/18/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

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

Comments: Members please support passage of this bill as a vote to support the fight against counterfeit labeling in coffee. The Hawaii Coffee Growers Assn represents better than 70% of the coffee growing acreage in the State, and we as an organization ask for your support in passing SB2913. Mahalo Kimo Falconer, President, Hawaii Coffee Growers Assn.

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**Testimony to the Senate Committee on Judiciary and Labor.
Thursday, February 20, 2014**

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

Chair Hee, Vice Chair Shimabukuro, and Committee Members:

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

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

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

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

Thank you for your attention to this matter.

Thomas F. Greenwell, President

Steve Hicks, CFO

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: derek.lanter@dole.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Tuesday, February 18, 2014 7:02:03 PM

SB2913

Submitted on: 2/18/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Derek Lanter | Dole Waialua Coffee | Support | No |

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

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Testimony to the Senate Committee on Judiciary and Labor. Thursday, February 20, 2014

Support For SB 2913 – Hawaii-Grown Coffee: Labeling Restrictions.
Chair Hee, Vice Chair Shimabukuro, and Committee Members:

Kona Mountain Coffee LLC. is a coffee farming, processing, roaster, marketing and a retailer company in Kona, Hawaii. For years, we have persevered in educating the difference between our farm direct 100% Kona Coffee district and those labels that state Hawaiian Grown Kona Coffee to our customers. Over the years it continues to be a challenging task for both parties.

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

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

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

Thank you, we appreciate your attention to this matter.

William Dwyer,
President Kona Mountain Coffee LLC.

From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2913 on Feb 20, 2014 10:30AM*
Date: Friday, February 14, 2014 4:20:17 PM

SB2913

Submitted on: 2/14/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|---------------------|---------------------------|---------------------------|
| Javier Mendez-Alvarez | Individual | Support | No |

Comments:

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To: [JDLTestimony](#)
Cc: info@konaearth.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Tuesday, February 18, 2014 10:15:59 AM

SB2913

Submitted on: 2/18/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

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

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

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: gjstille@gmail.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Wednesday, February 19, 2014 6:54:48 AM

SB2913

Submitted on: 2/19/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Greg Stille | Individual | Support | No |

Comments: HB 280 was passed in 2012 and changed the act of mislabeling or counterfeiting Hawaii grown coffee from a misdemeanor to a class c felony. Although a step in the right direction HB280 did not include the mislabeling of roasted coffee in the commodity classifications considered as a class C felony. HB280 also did not clearly include the violation of grading standards for Hawaii grown coffee covered by HDOA rules in chapter 147 as acts punishable under a class C felony. The shortage of coffee produced in Kona caused by the advent of the coffee berry borer beetle has increased the temptation to engage in coffee counterfeiting. The coffee industry seeks your help in tightening loopholes in current law and clarifying acts covered by punishment under a class C felony. Thank you, Greg Stille

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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: wildnwoolley@gmail.com
Subject: Submitted testimony for SB2913 on Feb 20, 2014 10:30AM
Date: Wednesday, February 19, 2014 7:49:38 AM

SB2913

Submitted on: 2/19/2014

Testimony for JDL on Feb 20, 2014 10:30AM in Conference Room 016

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

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

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