SB594

RELATING TO COFFEE.

Requires a specific listing of the geographic origins of various Hawaii-grown coffees and the geographic or regional origins of the various coffees not grown in Hawaii that are included in a coffee blend to be listed on the front panel of a label. Increases the minimum percentage requirement for coffee blends to use geographic origin in labeling or advertising to 80 per cent coffee by weight from that geographic origin. Effective January 1, 2016.

DAVID Y. IGE Governor

SHAN S. TSUTSUI Lt. Governor



SCOTT E. ENRIGHT Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii **DEPARTMENT OF AGRICULTURE**

1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SCOTT E. ENRIGHT CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE

February 17, 2015 3:35 P.M.

SENATE BILL NO. 594 RELATING TO COFFEE

Chairperson Ruderman, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 594, relating to coffee. This bill proposes to amend Section 486-120.6 Hawaii Revised Statutes by requiring the geographic origins of various Hawaii-grown coffee and coffees not grown in Hawaii to be listed on the front panel of the coffee blend label and increasing the minimum percentage requirement from 10 percent to 80 percent by weight of a Hawaii-grown coffee in a coffee blend.

The original roasted coffee labeling law was enacted by Act 289, SLH 1991, which established a 10% minimum Kona coffee by weight. The minimum percentage was determined as a result of the coffee industry discussions and mutual agreement on the 10% minimum Kona coffee allowance for a Kona coffee blend product. Act 258, SLH 2002, the roasted coffee labeling law was amended to require the same minimum 10% coffee blend percentage for coffees grown in other recognized the coffee production regions within the State. It was decided by industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package.



Listing of the individual non-Hawaii-grown coffee origins on a coffee blend label would place an extreme hardship on the blending industry. The individual blend components may not be available at all times due to logistics, crop size and pricing. If any one of the blend components were not available, it would make the packaging materials obsolete which would be very costly to business. We respectfully request that the proposed word "shall" on page 1, line 6 and page 1, line 11 be removed and in lieu of requiring a listing of the individual non-Hawaii coffee regions on the label, we offer the following suggested language to be added/amended on page 1, line 14.

"If a listing of the regional origins of the coffees not grown in Hawaii is not shown on the label, a statement consisting of the total per cent coffee by weight of all coffees not grown in Hawaii followed by the words "non-Hawaii grown coffee" shall be shown on the label. The type size used for this list or statement shall not exceed half that of the identity statement. This list or statement shall appear below the identity statement[, if included] on the front panel of the label."

In 2006, the department conducted a study, "Hawaii's Coffee Industry Structural change and Its Effects on Farm Operations". The study revealed that blending pure Kona coffee with less expensive import varieties helps expand the market base for Kona coffee by overcoming the budget constraints of some consumers. The study also revealed that the quantity supplied of pure Kona coffee is reduced by the amount used for blending which, in effect, creates a positive pressure on the price of pure Kona coffee.

The department supports the Hawaii coffee industry and feels that the industry members should come together to resolve the blend percentage issue first before initiating any legislation.

Thank you for the opportunity to testify on this measure

Karen Eoff Council Member District 8, N. Kona Chair, Finance Committee



Phone: (808) 323-4280 Fax: (808) 329-4786 Email: keoff@hawaiicounty.gov

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 13, 2015

Committee on Agriculture Chair Senator Russell E. Ruderman Vice Chair Gil Riviere AGLtestimony@capitol.hawaii.gov senruderman@capitol.hawaii.gov senriviere@capitol.hawaii.gov

Re: Testimony In Support of SB594, Relating to Coffee

Hearing: February 17, 2015 at 3:35 p.m. – AGL Committee

Dear Senators:

On behalf of myself and the constituents of Council District 8, North Kona, I would like to support the above referenced bill, and I hereby submit a brief testimony as follows:

The Hawai'i County Council has consistently supported the need for truth in labeling for Hawai'i grown coffee. In October of 2014, the Hawai'i County Council unanimously adopted Resolution 501-14, the impetus for SB594. It is essential that the Hawai'i State Legislature act immediately to protect the reputation of Hawai'i's premier specialty coffee.

I strongly urge the enactment of SB594.

Thank you for your time and consideration.

Sincerely,

KAREN EOFF, Council Member

District 8, North Kona

Maile Medeiros David

Council District 6 Portion N. S. Kona/Kaʻū/Volcano



Phone: (808) 323-4277 Fax: (808) 329-4786 Email: maile.david@hawaiicounty.gov

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 16, 2015

Committee on Agriculture Senator Russell E. Ruderman, Chairman Senator Gil Riviere, Vice Chair AGLtestimony@capitol.hawaii.gov senruderman@capitol.hawaii.gov senriviere@capitol.hawaii.gov

Re: Testimony In Support of SB594, Relating to Coffee

Hearing: February 17, 2015 at 3:35 p.m. – AGL Committee

Honorable Senators:

I would like to express my strong support of SB 594 Relating to Coffee. In October 2014 Resolution No. 501-14 was unanimously adopted by the Hawai'i County Council which demonstrated an overwhelming desire expressed by the coffee farming community that the reputation of Hawai'i's premier specialty coffee must be protected.

Therefore, I strongly urge the Hawai'i State Legislature to enact SB 594. Mahalo a nui loa in advance for your favorable consideration.

Very truly yours,

Maile David

Maile David, Councilmember Council District 6

md/



Executive Officers:

John Schilf, RSM Hawaii - Chairperson Derek Kurisu, KTA Superstores - Vice Chair Lisa DeCoito, Aloha Petroleum - Treasurer John Erickson, Frito-Lay - Secretary Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235 Honolulu, HI 96813 Fax: 808-791-0702 Telephone: 808-533-1292

TO:

COMMITTEE ON AGRICULTURE Senator Russell E. Ruderman, Chair Senator Gil Riviere, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 17, 2015

TIME: 3:35pm

PLACE: Conference Room 414

RE: SB594

Position: Oppose

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.

Coffee is one of our state's most valuable and iconic industries. Current labels already state clearly the percentage of local coffee in a package. Additional regulation of this nature is unnecessary and can become a deterrent to marketers and vendors who want to sell and promote our local product here in the islands and on the mainland.

This type of burdensome overregulation does not add value to the made in Hawaii ideal, and unfairly targets those who offer blended coffee. This also sets a dangerous precedent of the state becoming overly involved in aspects of label design and product marketing which are not, and should not, be under the purview of government.

We ask that you vote no on this measure and allow the manufacturers, distributors, marketers, and vendors of Hawaiian coffee to continue to grow their brands and promote a local product without being weighed down by this type of unnecessary overregulation.

Thank you for the opportunity to testify.

To: AGL Testimony
Cc: atsumi@atsumihara.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 10:38:29 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|------------------|-----------------------|-----------------------|
| Atsumi Hara | Kona View Coffee | Support | No |

Comments: I am a small Kona coffee farmer. The current 10% Kona labeling laws are confusing and misleading. Most product labels list ingredients in order of greatest percentage and not only the single ingredient that has the smallest percentage. The unlisted 90% is made up of cheap commodity coffees. This deceptive practice has lead to the degradation of the Kona coffee name. The current labeling laws have enabled blenders owned by large mainland companies to ship the enormous profits off island with little money going directly to the farmers. Please remedy the mistake made 24 years ago that has cost Kona coffee farmers millions of dollars. I am in support of SB594 and humbly urge you to pass it. Mahalo, Atsumi Hara

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.



February 16, 2015

To: The Senate Committee on Agriculture

From: Kona Coffee Farmers Association

Re: SB594, Scheduled for Hearing February 17, 2015 at 3:35 PM

The Kona Coffee Farmers Association, on behalf of its more then 300 members, strongly supports SB594.

Kona coffee farmers' reasons for support of this measure include:

- 1—Only in Hawaii: For more than 24 years Hawaii has been the only region anywhere in the world that permits by law the use of its regional names like "Kona", "Maui", "Ka'u" on packages of one of its premier agricultural products (coffee) with only 10% genuine content. This law is, and should be, an embarrassment to the State of Hawaii. It is time for Hawaii to abandon the 19th Century practice of "buyer-beware" and adopt 21st Century principles of consumer protection and fair marketing.
- 2—<u>Legislative Findings:</u> In 2007 this Legislature made factual findings that the 10% coffee blend law (HRS 486-120.6) "causes consumer fraud" and "degrades the 'Kona coffee' name". (SCR No. 102, SD1, HD1) The "consumer fraud" has largely been targeted at mainland and foreign visitors to Hawaii. Tourists like going places where they are treated fairly, not cheated. This deception of tourists runs counter to the millions of dollars Hawaii spends each year to build the goodwill and affection of visitors toward the Islands. The "degradation" of the reputation of Hawaii-grown coffee, as identified by the Legislature, damages the economic interests of hard working family farmers and damages the State's economy. When consumers buy what they have been led to believe is "Kona Coffee" and are disappointed by the taste of what in fact is 90% foreign-grown coffee, the reputation of our crop is tarnished.
- 3— Economic Damage: For years the retail price of Jamaica Blue Mountain has been 30% or more above the retail price of 100% Kona. Last December, for example, Peet's Coffee was selling 100% Kona at \$50/lb and Jamaica Blue Mountain at \$90/lb. Why the difference? It is not that Jamaica Blue Mountain is better tasting coffee—it is not. The difference is that Jamaica prohibits deceptive blends, and takes those who deceptively use the name of their coffee (including counterfeiters in the US) to court. Without having the supply side inflated each year by millions of pounds of deceptively labeled blends, Jamaica Blue Mountain is able to sustain much higher prices—just as French Champagne producers sustain high prices for their genuine product. The Feldman study (an analysis by noted California resource economist

Marvin Feldman, in 2010) estimated that \$14.4 million or more per year goes in "excess profits" to the Mainland corporations that own the Honolulu companies marketing "Kona Blends". With approximately 700 Kona coffee farmers, that represents an annual loss of more than \$20,000 for the average Kona coffee farm—and a loss to the State's economy.

4—<u>Non-Disclosure of the 90%:</u> Nowhere on the label do the Blenders disclose to consumers that 90% of what is in the package is the cheapest commodity coffee available (often from Vietnam and other low end coffee producing regions). When the sophisticated writers at Consumer Reports magazine can't tell the difference between "Kona Coffee" and "10% Kona Blends", it is not surprising that ordinary buyers are also deceived as to what is in a Kona Blend.

5—<u>Farmers' Interests:</u> The Honolulu blenders argue that that there is a significant division among farmers about whether to reform the coffee blend law. That argument should not be believed. The Hawaii County Council soundly rejected this argument in its unanimous vote in favor of Resolution 501-14. In fact, when it comes to economics, the interests of the Blenders/processors are directly adverse to the interests of farmers. Farmers want the highest price possible for their crop; the Blenders/processors want to pay the lowest price possible and maximize their own profits. The Blenders do not "represent" farmers. Any rational farmer would prefer to see 100% Kona coffee selling at Peet's for \$90/lb, rather than \$50/lb.

6—<u>Profits Do Not Excuse Fraud and Deception:</u> Even if the Blenders' argument that reform of the coffee blend law would result in lower prices were correct (which it is not), **is profit an excuse for fraud and deception?**

We encourage your committee to pass this bill.

Respectfully submitted,

Bruce Corker, Chair

Legislative Committee Chair

Kona Coffee Farmers Association







February 14, 2015

WRITTEN TESTIMONY

Senator Russell E. Ruderman, Co-Chair Senator Gil Riviere, Vice Chair Committee Members

RE: **OPPOSITION** to SB594

The Hawaii Food Manufacturers Association (HFMA) strongly opposes SB594 because the measure could have a severe negative impact on the local coffee industry.

The Hawaii Food Manufacturers Association represents 150 companies and associated stakeholders in the manufacturing industry in Hawaii. Several of our members are coffee growers and roasters across the state. This bill does not improve our manufacturing competitiveness versus alternative coffees already in the market.

Local coffee is a mature industry and price-demand equilibrium has been achieved. We strongly oppose SB594 because the <u>measure increases inventory and production costs for local producers</u>. Coffee experiences recurring shortages due to bad weather, disease and infestation. This regulation burdens local producers by having to change packaging more frequently and tie up more capital in packaging inventory in order to be compliant with the intent of this bill.

A change to 80% of local content by weight does not guarantee economic benefit to the state's economy. The Hawaii coffee industry as a whole could be negatively impacted because as prices dramatically increase, which will happen if this bill is passed, demand will decrease. This bill is protectionist because it favors micro growers but adversely impact medium to large producers who help promote and brand Hawaii coffees on a global scale.

It is for these reasons that **HFMA strongly opposes SB594**.

Sincerely,

Byron Goo President Hawaii Food Manufacturers Association

To: AGL Testimony

Cc: <u>darryl.hara@hawaiianisles.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 6:32:29 PM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|-------------------------------|-----------------------|--------------------|
| Darryl Hara | Hawaiian Isles Kona Coffee | Oppose | No |

Comments: Strongly oppose this bill. This bill will do more harm than good to the industry.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

Chair Ruderman, Vice Chair Riviere and Members:

I testify in STRONG OPPOSITION to SB594.

SB594 requires a specific listing of the geographic origins of various Hawaii grown coffees and the geographic and regional origins of the various coffees not grown in Hawaii that are included in a coffee blend to be listed on the front panel of a label. It also increases the minimum percentage requirement for coffee blends to use geographic origin in labeling or advertising to 80% by weight from that geographic origin.

For 23 years consumers have had the right to purchase 10% Hawaiian Blends in a free market setting. As a matter of law, I oppose taking away this free choice option and replacing it with a legislatively mandated more expensive 80% Blend. This is unwarranted invasion of a free market economy with legislation. There is no factual basis or demonstrated need for arbitrarily moving the minimum percent blend up to 80%. The proponents have not proven their case. To the contrary, the consumer has enjoyed the ability to choose a 10% blend and its lower price point or 100% Kona with its higher price point. Consumers are not complaining. Why would we want to interfere legislatively with a coffee market that is stable and working?

The current 10% Blend provides an affordable price point of \$5.00 for a 8 oz. bag in many of the larger chain drug stores and groceries throughout the state. The price point is somewhat higher in some of the smaller chain stores who offer the same blend for \$8.00/80z bag. An 8 oz bag of 80% Blend will now cost \$13.00 and \$18.00 respectively, more than doubling the current pricing. This will cause consumers to move from Hawaiian coffees to purchasing coffees containing no Hawaiian coffee. This will ultimately hurt consumers, farmers, roasters and processors. It is estimated that 10% Blends are the everyday coffee for over 125,000 consumers in Hawaii. they will be hurt. Farmers such as myself will be hurt because there will be a glut of left over Kona coffee in the market, driving our green prices down - simple supply demand economics.

It was decided b industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package. Due to this Hawaii has passed coffee labeling laws which mandate that any coffee package using Hawaiian origin names must adhere to strict labeling standards. Our current labeling standards make what they are purchasing clear to consumers. (Example) 10% Kona Coffee Blend.

The essential question we ask: Why are we even considering raising the blend requirement to 80%? At this time, every pound of Hawaiian coffee is being sold and is being sold at a record price. Green Kona is commonly selling for \$18.00 per pound while roasted Kona coffee is selling at up to \$50.00 per pound. The farm gate value of

Hawaiian coffee has increased over 400% (20% annually) in the last 20 years with 10% Blends. The Hawaiian coffee industry is currently thriving. Changing the formula that at got us here is a risk we do not need to take. Please do not destabilize a very stable Kona coffee industry and its markets with this ill conceived, unnecessary and industry opposed SB 594. There is no upside to this bad bill. It will only produce harm to consumers and our coffee industry.

Again I am STRONGLY OPPOSED to SB594.

Thank you for the opportunity to testify.

Dave Bateman Heavenly Hawaiian Farms Holualoa Hawaii

These comments are in very strong support of Senator Russell Ruderman's Truth-In-Coffee-Labeling bill (SB594).

On Economics:

My family has been making a living, sort-of, with our Certified Organic Kona Coffee Farm for over 10 years. This is proving increasingly harder economically. While our expenditures have consistently gone up, especially for farm inputs like fertilizers, and freight for everything, we are unable to keep our profit margins in step. Cheaper and very much inferior coffee that has KONA on its label is flooding the market -- mostly for tourists. I love our farm and the coffee business, and we are quite successful (we won 5 gold or silver medals from Kona Coffee Council), but our sales have stagnated for years. We feel that cheap "Kona Blends" are to blame, and we ask that the powerful producers of those inferior products that flood the markets are reigned in. Your legislation would be enormously helpful in doing so. We strongly support your bill.

On Commerce:

I have always been distraught about the fact that Hawaii/the US is the only place in the world that permits the importation of foreign green coffee beans into a coffee growing area. Allowing cheap green beans to come into Hawaii, and Kona, has proven not only economic nonsense, but ecologically utterly devastating. Green beans from Latin America brought into Kona started the ruinous invasion of the CBB -- Coffee Berry Borer. Spraying to fight it, once a month, is extremely costly, in time and money.

Ethics and Food Safety Law:

I feel that Hawaii does not protect the Origin of its most recognized trade good is scandalous. We have skirted the Truth in Labeling laws with coffee for ever, simply not kept in step with contemporary food laws. From cereal to dog food, everything other than Kona Coffee lists all ingredients, and does so in the order of magnitude of ingredients. The blender's argument holds no water at all, namely that "coffee is just coffee, and this is 100% coffee". Well, if this were remotely so, why list "Kona" as an ingredient at all? This is a carefully calculated and carefully presented deception.

Honesty, Deception and Profit:

Many buyers simply see the word "Kona" -- which is world famous as one of the best coffees -- and buy. No cupper has ever been able to taste the "Kona" in "Kona Blends". Buyers are then disappointed by "Kona Coffee", and our precious Brand is degraded. What a shame! The Blenders have been, for years, and are now, fighting to protect their ill-gotten profits. Another hollow argument is made by them is when they maintain that "we (the Blenders) are buying all the cheaper or lower grades of coffee that farmers would not know what to do with". Nonsense. This would only apply to sellers of "green" (unroasted) coffee beans. Those of us who are "Estates" -- controlling and selling everything from seed to cup, know that all sizes and grades are sold, to the mainland and world-wide. Sure, "Prime" is cheaper than other, higher grades, but that's WHY there is demand for it. Everything below that MUST not be sold as "Kona" anyway; it would constitute fraud.

In Summary

For all the reasons cited above, we are in strong support of bill SB594 and urge all Senators to vote for it.

Mahalo nui loa!

Dr. Hans F. Eckert, owner/operator 808-325-0909; 808-989-0674

Coffee@LymanKonaCoffee.com
www.LymanKonaCoffee.com
100% Certified Organic Kona Coffee
100% Certified Estate
100% Certified Aah-loha
Kailua-Kona, Hawaii, U.S.A.



Testimony of George Szigeti
President & CEO
HAWAI'I LODGING & TOURISM ASSOCIATION
Senate Committee on Agriculture
Hearing on February 17, 2015, 3:35 p.m.
SB 594 Relating to Coffee

Dear Chair Ruderman, Vice Chair Riviere, and Members of the Committee on Agriculture. My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association.

The Hawai'i Lodging & Tourism Association (HLTA) is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 50,000 rooms, and over 400 other Allied members. The visitor industry was responsible for generating \$14.9 billion in visitor spending in 2014 and supported 170,000 jobs statewide – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer this testimony regarding SB 594 Relating to coffee, which requires a specific listing of the geographic origins of various Hawaii-grown coffees and the geographic or regional origins of the various coffees not grown in Hawaii that are included in a coffee blend to be listed on the front panel of a label. Increases the minimum percentage requirement for coffee blends to use geographic origin in labeling or advertising to 80 per cent coffee by weight from that geographic origin.

The Hawai'i Lodging & Tourism Association <u>opposes</u> Senate Bill 594, which would take away the right to purchase 10% (or anything under 80%) Hawaiian coffee blends from the consumer. By current standards the going rate for a 10% Hawaiian Blend coffee goes for roughly \$5.00 per 8 oz. bag, while a bag containing an 80% blend costs more than double that amount. By restricting "Hawaiian Coffee" to these stringent requirements this measure has the potential to drive consumers away from buying local Hawaiian coffee, which will hurt farmers, retailers, roasters, and processors.

It was decided by industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package. Due to this Hawaii has passed coffee labeling laws which mandate that any coffee package using Hawaiian origin names must adhere to strict labeling standards. Our current labeling standards make what they are purchasing clear to consumers allowing them options in quality and price.

The Hawai'i Lodging & Tourism Association opposes proposed Senate Bill 594 as it could greatly affect the hotel and restaurant industries, as many of these companies serve 10% Kona blend coffees. By eliminating 10% blends these businesses won't be able to support local agriculture as prices will be too high and will have to resort to purchasing coffee elsewhere ultimately taking away from the local and cultural aspect of the visitor experience.

Thank you for this opportunity to testify.

To: AGL Testimony
Cc: jkimof@msn.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 10:07:39 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: Members of the Committee, By requiring roasters to have 80% of a Hawaii origin coffee in the package will not only destroy the pricing structure for local roasters necessitating their need to purchase the highest priced coffee for our blends, it will also increase green coffee exports to areas that do not even mention Hawaii on their labels. They will love you for this. This only suits the small grower who self packages and hurts the bigger industry drivers. How many more years are we going to have this come up, when it has been killed so many times before? James Kimo Falconer President, Hawaii Coffee Growers Association

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: jcdrui@euraminc.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 8:00:56 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|-----------------------------|-----------------------|--------------------|
| Jean-Claude Drui | Hawaiian Paradise Coffee | Oppose | No |

Comments: On behalf of the 48 employees at Hawaiian Paradise Coffee, we/l strongly oppose the measure to change the blend percentage. 1st of all there is NOT enough Hawaii grown coffee to support the 80 % requirement. 2nd....the pricing increase will with 100 % certainty lead to the vast majority (ie 99 %) of our restaurant/hotel clients to refrain from using a blend that has any Hawaiian Coffee and therefore these companies might now buy the coffee that is roasted on the mainland in lieu of the coffee roasted locally. The implications to my business and our 48 employees is obvious. Finally by disclosing the various percentages of coffee origin (ie 20 % Brazil 60 % Guatamala) you are asking companies to reveal their recipe, which is by many a well guarded trade secret. This bill, in my humble opinion, will have a negative impact on the farmers (because coffee now sold in blends will flood the market), a negative impact on processors and roasters. I strongly urge you not to support this bill.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: jwayman@hicoffeeco.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 11:43:16 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|---------------------|-----------------------|-----------------------|
| Jim Wayman | Hawaii Coffee Assoc | Oppose | Yes |

Comments: The Hawaii Coffee Association STRONGLY OPPOSES SB594. For 23 years consumers have had the right to purchase 10% Hawaiian Blends. We oppose taking away this choice with a more expensive 80% Blend. The current 10% Blend provides an affordable price point of \$5.00 for a 8 oz. Bag. A bag of 80% Blend will now cost \$13.00. Nearly tripling the price will cause consumers to purchase coffees containing no Hawaiian coffee. This will ultimately hurt consumers, farmers, roasters and processors. Another set of stakeholders are Hawaii's restaurants and hotels. A majority of Hotels and restaurants serve 10% Kona blend coffees. Companies like McDonald's have served 10% Kona blend for over 40 years. 7-Eleven has served 10% Kona blend for over 25 years. These companies are trying to support Hawaiian agriculture but would no longer be able to do so if forced to take a major price increase that more than doubled their cost. It was decided b industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package. Due to this Hawaii has passed coffee labeling laws which mandate that any coffee package using Hawaiian origin names must adhere to strict labeling standards. Our current labeling standards make what they are purchasing clear to consumers. (Example) 10% Kona Coffee Blend SB 594 as proposed would cause the label to change on a bag of 10% Kona blend to also include all other coffee blend ingredients in the package to be depicted on the front panel as follows: (Example) 30% Colombian 30% Costa Rican 30% Guatemalan 10% Kona This would place an extreme hardship on the blending industry because all blend components are not available at all times due to logistics, crop size and pricing. So, if any one of the blend components were not available it would make the packaging materials obsolete which would be very costly to business. This labeling is impractical and unnecessary. The essential question we ask: Why are we even considering raising the blend requirement to 80%? At this time, every pound of Hawaiian coffee is being sold and is being sold at a record price. Green Kona is commonly selling for \$18.00 per pound while roasted Kona coffee is selling at up to \$50.00 per pound. The farm gate value of Hawaiian coffee has increased over 400% (20% annually) in the last 20 years with 10% Blends. The Hawaiian coffee industry is currently thriving. Changing the formula that at got us here is a risk we do not need to take.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: joachim@athenaofhawaii.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 9:09:40 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|---------------------------------|-----------------------|-----------------------|
| Joachim Oster | ATHENA of HAWAI'I Coffee LLC | Support | Yes |

Comments: I am a Kona coffee family farmer since more than a decade, growing, processing and selling our own plus the coffee from more than a dozen other farms as 100% Kona coffee. I personally know of 14 other competing small Kona coffee farms in similar situations and simply do not see any evidence that cherry prices would be dropping if the few 10% Blenders would stop purchasing Kona cherry coffee. Rather the opposite: Despite increasing retail prices for 100% Kona coffee, the demand is at an alltime high with no end in sight. SB 594 simply brings the faulty Hawaiian coffee laws in compliance to Federal Labeling law: The labeling of a product name with an associated geographical location of a food that is substantially different from the actual contents of the packaging is perceived by consumers as misleading. Such a practice is a form of misbranding and in violation of the Federal US Fair Packaging and Labeling Act of 1966. The Food & Drug Administration (FDA) considers misbranding an economic fraud. To protect both the food grower/ manufacturer and consumer, legislative measures like this bill must be used to curtail this deception. It can not be expected that a Hawaii industry which is naturally divided into importers and local farmers can find common ground on such an issue. Hawaiian names are an extremely valuable economic asset and it is expected for them to be misused. The Hawaiian legislation has a profound interest to utilize the marketing and image power of the islands' good names to benefit its own agriculture and people in perpetuity. Not to aid i.e. mainland based liquor distributors to secure their lucrative contracts with hotels and resorts by offering cheap mislabeled foreign coffee under the 'Kona' name. If there is an existing state law in compliance with federal regulations upon which such percentages of non-Hawaiian product could be based, I humbly point at the 2004 law enacted to protect the manufacturing and sustainability of the exquisite Ni'ihau shell leis with a MINIMUM of 80% locally sourced shells: SECTION 1. Chapter 486, Hawaii Revised Statutes This law was opposed by similar nonsensical arguments, like the need to fill the demand for "cheap" Ni'ihau shell leis. Yet it found unanimous approval in all committees, House and Senate, and was signed quickly by the governor. Abrupt change even of bad circumstances can cause disturbances in any market. Therefore I advice to introduce the law gradually over several seasons. Respectfully, J Oster ATHENA of HAWAI'I Coffee Farm

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: kingcoffee@aol.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 7:06:22 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: We STRONGLY OPPOSE SB594. For 23 years consumers have had the right to purchase 10% Hawaiian Blends. We oppose taking away this choice with a more expensive 80% Blend. The current 10% Blend provides an affordable price point of \$5.00 for a 8 oz. Bag. A bag of 80% Blend will now cost \$13.00. More than doubling the price will cause consumers to purchase coffees containing no Hawaiian coffee. This will ultimately hurt consumers, farmers, roasters and processors. It is estimated that 10% Blends are the everyday coffee for over 125,000 consumers in Hawaii. Another set of stakeholders are Hawaii's restaurants and hotels. A majority of Hotels and restaurants serve 10% Kona blend coffees. Companies like McDonald's have served 10% Kona blend for over 40 years. 7-Eleven has served 10% Kona blend for over 25 years. These companies are trying to support Hawaiian agriculture but would no longer be able to do so if forced to take a major price increase that more than doubled their cost. It was decided b industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package. Due to this Hawaii has passed coffee labeling laws which mandate that any coffee package using Hawaiian origin names must adhere to strict labeling standards. Our current labeling standards make what they are purchasing clear to consumers.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: kelly@hklcoffee.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 11:55:44 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|---------------------|-----------------------|-----------------------|
| Kelly Edwards | Hale Kai Lana, Inc. | Support | No |

Comments: We are growers and seller's of 100% Kona coffee and are in favor of SB594 because we believe if action is not taken and quickly, Hawaiian coffee will have such a bad reputation (due to blending without proper labeling), that the industry may never recover. This is not just our personal opinion but a fact based on feedback from customers, roasters and coffee-industry experts. The Hawaiian coffee reputation has been horribly damaged and as we have our distribution center on the mainland, can tell you first hand of the common and rampant misconceptions consumers have about Kona and Hawaiian coffee in general because they have unsuspectingly been given a blend of mostly inferior beans but think they are drinking 100% Kona. It is only those that are willing to re-try Kona coffee that we are able to convert back to loving Kona coffee. One cup of pure Kona in their hand, and then on their tongue, turns their misconception that Kona and other Hawaiian coffee is nothing special, around. Unfortunately, many consumers and coffee roasters have been fooled in the past, some recognize this (roasters especially) and some don't. How many have we already lost that will not give Hawaiian coffee another try? It is difficult, at best, to have to justify the high price tag but why would anyone give it another chance and pay the high price if they didn't like it? They didn't like it because what they received was not what they thought. If you purchase an automobile and find it is riddled with flaws you aren't likely to select that same vehicle when it comes time to purchase another vehicle. Once bitten... Hawaiian coffee is becoming more and more difficult to sell - thanks to mislabeling or no-labeling. We need labeling reform not only in the State of Hawaii but in all states! We are pleading with all involved to use common sense and do the right thing before Hawaiian coffee is lost to the "so-so" coffee market forever, which it cannot compete in due to higher labor and production costs.Please help us!

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>larrywilkens@roadrunner.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Thursday, February 12, 2015 6:49:14 PM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|-------------------|-----------------------|-----------------------|
| lawrence wilkens | mainland ventures | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

We are strongly opposed to SB594.

At the current level of a 10% blend it affordable to a large section of the population. By increasing the present to 80% you would limit how much coffee processors purchase from individual farmers and limit sales, since the price will increase dramatically.

The labeling laws as they stand, inform the consumer of what is contained within that bag off coffee they purchase. By requiring a blender to list the origin and percent would again raise the price for a bag of coffee since in the "blending world" there is not one steady source of coffee but many. Every time that source changes so do the bag and that cost will be passed on to the consumer.

Thank You,

Louis V. Daniele III

Commercial Sales Executive

Kau Coffee Mill

To: AGL Testimony

Cc: <u>nredfeather@kohalacenter.org</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Thursday, February 12, 2015 2:28:49 PM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|---------------------|-----------------------|-----------------------|
| Nancy Redfeather | Kawanui Farm - Kona | Support | No |

Comments: The coffee industry has been asking for legislative support in this area of labeling and branding since before Governor Lingle. I am a coffee farmer in Kona and we have experienced incredible challenges in the past years due to invasive species pressures, labor pressures, and the higher cost of inputs to deal with these pressures. Many countries of the world recognize a quality superior product from a regional area needs protection. Please support this Bill and work things out with the Blenders, we should all be able to have a good business in and outside of Hawai'i. Please support the more than 700 Hawaii Island families who take coffee from seed to cup. Mahalo, Nancy Redfeather and Gerry Herbert Kawanui Farm - Kona

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To: AGL Testimony

Cc: paul.ahcook@parbev.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 9:40:22 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|-----------------------------|-----------------------|--------------------|
| Paul Ah Cook | Paradise Beverages, Inc. | Oppose | No |

Comments: I am strongly opposed to SB594! The impact of this bill will benefit a very few, while having adverse effects on everyone else living in Hawaii. The price ramifications would practically eliminate locally grown coffee from being consumed in Hawaii. The 80% minimum would be cost prohibitive for local food and beverage businesses to serve, and for local retailers to provide shelf space for. The present laws allow for pricing tiers, and allow for our locally grown coffee to remain as part of our locals' lifestyle, as well as provide allure for our visitors to consume or take home from Hawaii. Please look at the macro picture when contemplating this bill!

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From: agtestimony
To: AGL Testimony

Cc: <u>CPN Testimony</u>; <u>WAM Testimony</u>

Subject: Oppose SB594. Robert Rice, Kona Horizons Coffee Farmer, TMK#8-7-014-006, Ph#808-7476246er

Date: Friday, February 13, 2015 10:50:02 AM

Measure

Name

Organization

Testifier Position

Present at Hearing

SB594

Robert Rice

Kona Horizons Coffee Farmer

STRONGLY Oppose

No

TESTIMONY ON SB594, RELATING TO COFFEE HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE February 17, 2015 at Conference Room 414

Aloha Chairperson Ruderman, and Members of the Committee:

I am a Kona Coffee farmer. Thank you for the opportunity to testify on Senate Bill No. 594 relating to Coffee. Please oppose measure SB594.

I oppose a legislative solution and forcing people to buy "80% Blends" because the solution is not political; it should be left to the market.

The consumer should be allowed to choose. My crop of Hawaii grown coffee depends on my ability to sell my coffee cherry to a variety of buyers.

I am also opposed to legislation changing the labeling requirements to list in order by percentage used the other coffees that make up the remainder of the blend. Roasters often change the coffees used in the blends based on coffee availability and price.

Thank you for the opportunity to testify on this measure.



Testimony to the Senate Committee on Agriculture Senator Russell E. Ruderman, Chair Senator Gil Riviere, Vice Chair Tuesday, February 17, 2015 at 3:35 pm Conference Room 414, State Capitol

RE: SENATE BILL 594 Relating to Agriculture

Chair Ruderman, Vice-Chair Riviere and Members of the Agriculture Committee:

Retail Merchants of Hawaii (RMH) opposes SB 594, which requires a specific listing of the geographic origins of various Hawaii-grown coffees and the geographic or regional origins of the various coffees not grown in Hawaii that are included in a coffee blend to be listed on the front panel of the label. Increases the minimum percentage requirement for coffee blends to use geographic origin in labeling or advertising to 80 percent coffee by weight from that geographic origin.

As the single largest generator of general excise tax in the State of Hawaii; employing nearly 25% of Hawaii's workforce and representing over 3000 storefronts throughout the State, **RMH opposes SB 594.** This bill would essentially cause the label to change on a bag of 10% Kona coffee blend to also include coffee blend ingredients in the package to be depicted on the front panel. The 10% Hawaiian blended coffees are important to Hawaii. It diversifies the price point creating a two tier market between 10% blends and 100% origin coffees. With Hawaii's economy driven by over 2 million visitors coming to the Islands, coffee and Made in Hawaii Products at reasonable prices are nine times out of ten, the number one purchase by these visitors. By having to change the label, the price for each coffee package may double and perhaps triple in many cases.

Additionally, this would place an extreme hardship on the blending industry because all blend components are not available at all times due to logistics, crop size and pricing. Packaging materials will need to be constantly changed in order to match the various blend types; ultimately increasing costs to the industry. The increased costs will cause a rippling effect both to the retailer and to the consumer.

Coffee, specifically Kona Coffee, is one of Hawaii's largest commodities, and is currently thriving and selling at record prices. This evidence proves that the current system is successful!

RMH respectfully requests that each member of the Agriculture Committee OPPOSE SB 594.

Thank you for the opportunity to provide testimony.

Retail Merchants of Hawaii 210 Ward Avenue, Suite 121 Honolulu, Hawaii 96814 (808) 592-4200

To: AGL Testimony
Cc: legechair@gmail.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Sunday, February 15, 2015 9:59:25 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------------------------|-----------------------|--------------------|
| Simon Russell | Hawaii Farmers Union United | Support | No |

Comments:

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Hawaii Restaurant Association

2909 Waialae Avenue #22 Honolulu, Hawaii 96826 www.HawaiiRestaurant.org

Date: February 14, 2015

To: Senator Russell E. Ruderman, Chair

Members on the Senate Committee on Agriculture

From: Victor Lim, Hawaii Restaurant Association

Subject: SB 594 Coffee Labeling and Content Requirements

The Hawaii Restaurant Association stands in Opposition to SB 594 dealing with Coffee Labeling and Content Requirements for our locally grown coffee blends.

Phone: (808) 944-9105 Email: info@HawaiiRestaurant.org

It is our understanding that the majority of restaurants and hotels here in Hawaii currently serve the 10 % Kona Blend. The change to the 80 % blend as stated in this bill will over double the cost that we are currently paying. It is also our understanding that our Kona Coffee beans already command premium prices and 100 percent gets sold.

This requirement change will greatly increase the back door costs of products to our restaurant and thus result in less usage and support for our local agriculture industry as well as the roasters and blenders of coffee here in Hawaii.

We feel that this change as proposed is not necessary and urge this committee to not pass this out. Thank you for allowing us to share our industry's point of view.



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

Date: February 14, 2015

To: Sen. Russell E. Ruderman, Chair

Members on the Senate Committee on Agriculture

From: Victor Lim, McDonald's Franchise Owner

Subject: SB 594 Coffee Labeling

We at McDonald's of Hawaii have been using our Hawaii's own coffee with 10% Kona Blend for over 40 years and strongly opposed SB594 that will change the content requirements.

We take great pride in our ability to support our local industries and at the same time serve a very quality product that our customers love. The fact that it has cost us slightly more than the mainland brands is the price that we can absorb up to now.

This change is requirement to 80 % local beans will surely make it economically impossible for us to make this available for our customers. This in turn will have a negative effect on our local coffee industry from the roasters and processor like Lion coffee and Hawaii Coffee as well as our growers.

It is our understanding that our Kona beans have always been selling at very high prices with every pound produced being sold.

We firmly believe that this is not needed and urge this committee to not pass this bill. Thank you for giving us the opportunity to share our views.

To: AGL Testimony
Cc: zarine@hawaii.rr.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 11:57:40 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|-------------------------------|-----------------------|--------------------|
| Zarine Dorabji | Kona Sunset Farmers Market | Support | No |

Comments: Strongly in support of this measure. Our state needs accurate, nondeceptive labeling to protect our most valuable resources - our agriculture brands without diluting the integrity of the products we sell.

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To: AGL Testimony
Cc: avtwang@gmail.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 3:42:49 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------------|-----------------------|-----------------------|
| Allan Wang | Aikane Kona Coffee | Support | No |

Comments: Dear Senators, Thank you for considering my testimony in support of this bill. I am testifying as a small coffee farmer, and educated, concerned physiciancitizen that would like to see Hawaii's agriculture be sustaining and derive income that stays in the state to support it's citizens. The aim of this bill is to stop the deception that blenders have been foisting on local and visiting and online orderers by selling 10% Kona coffee and besmirching the good Kona name. By selling what amounts to \$5/lb coffee at a price of \$15 to \$25/lb by merely putting the word "Kona" prominently and repeatedly on the label, the Blenders are able to send an estimated \$14.4 million each year in "excess profits" to their Mainland corporate owners. If blends were outlawed, this excess profit would go to farmers in the form of higher farmgate prices. \$14.4 million divided by approximately 700 Kona coffee farmers indicates that the economic loss to the average Kona Coffee farm is more than \$20,000 per year. As a local specialist physician, I truly need to practice medicine to keep my 11 acres of farmland green and producing a world class crop. This is largely due to the daunting economics of Kona coffee in Hawaii due to the dilution of the economics that blenders are forcing on the market for Kona coffee. It is untrue that passing this law will hurt Kona farmers. Please see the relevant Feldman study. I hope our elected leadership does what is best for the largest number of Hawaii citizens, and our island economy, through the benefits that would accrue from passing this bill. Please support SB 594. Feel free to contact me with any questions or concerns. Mahalo, and aloha, Allan Wang, MD, PhD

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To: AGL Testimony
Cc: Anitakelleher@me.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 9:50:08 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: This deception and fraud of Hawaiian grown coffees has gone on far too long. It is time to take measures to correct this and protect our Heritage coffee crop. Consumers expect truth and Aloha here in our beautiful State. It is confusing and wrong to use Kona on a label that contains just 10% of that product. I am a 100% Kona Coffee Farmer. I work hard at producing a fine coffee and am embarassed and saddened when people do not understand what is so special about Kona coffee because they have been trying a blend with 10% Kona in it. This is not anything like Kona coffee. How could it be? Lets correct this and be proud of our Hawaiian grown products as we are of the privilege to call Hawaii home.

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From: <u>agtestimony</u>
To: <u>AGL Testimony</u>

Cc: <u>CPN Testimony</u>; <u>WAM Testimony</u>

Subject: Oppose SB594 Anna Caudell, Individual, Kona Coffee Farmer

Date: Thursday, February 12, 2015 4:57:56 PM

Measure: SB594 Name: Anna Caudell

Organization: Individual, Coffee farmer

Testifier Position: Oppose Present at Hearing: No

TESTIMONY ON SB594, RELATING TO COFFEE

HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE

February 17, 2015

Conference Room 414 at 3:35 PM

Aloha Chairperson Ruderman, and Members of the Committee:

I am a Kona Coffee farmer. Thank you for the opportunity to testify on Senate Bill No. 594 relating to Coffee. Please oppose measure SB594.

I oppose a legislative solution and forcing people to buy "80% Blends" because the solution is not political; it should be left to the market. The consumer should be allowed to choose. My crop of Hawaii grown coffee depends on my ability to sell my coffee cherry to a variety of buyers.

I am also opposed to legislation changing the labeling requirements to list in order by percentage used the other coffees that make up the remainder of the blend. Roasters often change the coffees used in the blends based on coffee availability and price. Listing those coffees will cause packaging to have to be thrown away every time a blend ingredient changes raising the price to consumers and decreasing sales of coffee from my farm.

Thank you for the opportunity to testify on this measure.

To: AGL Testimony
Cc: bobmatt01@aol.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 6:43:37 AM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Bob Mattingly | Individual | Support | No |

Comments: I fully support SB594

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To: AGL Testimony
Cc: mauka248@gmail.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Saturday, February 14, 2015 12:19:06 PM

SB594

Submitted on: 2/14/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Bob Smith | Individual | Support | No |

Comments: I strongly support this measure.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: cmiyashiro@hicoffeeco.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 7:00:42 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|-----------------------|-----------------------|
| Charlie Miyashiro | Individual | Oppose | No |

Comments: Honorable Senators & Representatives, As an employee in Hawaii's coffee industry and a constituent, I urge you to veto bill SB594. For over 20 years, 10% Hawaiian blended coffee has been offered to consumers with great success. It has been beneficial to all, as it has afforded the consumer a reasonable price point and allowed Hawaii's coffee industry to compete in a highly contested market. Bill SB594 would put an end to that success and prove fatal to Hawaii's coffee industry. Mandating an increase to 80% Hawaiian blended coffee would more than double it's cost, hurting the consumer, farmer, processor and roasters, as this price point would drive people to buy cheaper coffee blends containing no Hawaiian coffee. Please do not kill Hawaii's coffee industry, I urge you to veto bill SB594. Respectfully, Charles T. Miyashiro II

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: cnceicher@gmail.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 9:12:52 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|----------------------------|-----------------------|--------------------|
| Chris Eicher | Kona Private Coffee farmer | Support | No |

Comments: I strongly support SB594 to stop the unfair practice of selling Kona Coffee blends containing less than 80% real kona grown coffee. This is cutting the amount of coffee exported from Hawaii and cutting the private farmers ability to make a profit! Sincerely, Chris Eicher

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: clare@huahuafarm.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 3:24:39 PM

Attachments: SB594 testimony.docx

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|--------------|--------------|-----------------------|-----------------------|---|
| Clare Wilson | Individual | Support | No | Ì |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: colemel@kanalanifarm.org

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 1:31:36 PM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: Aloha Committee Members: As a farmer in Kona, it is with utmost respect that I request that the Hawaii legislature support the protection that farmers need of the heritage products that are defined by geographical identity. As a member of the volunteer Board of Directors of American Origin Products Association, Linteract regularly with people from places such as Idaho who looks out for Idaho potatoes and from California which ensures that County wines such as Napa Wine, or from Vermont with Vermont Maple Syrup who all have state recognition of their products and together we are seeking national protections as well. As the volunteer North American representative of oriGIn which is based in Geneva, Switzerland, it is a strong international understanding that nothing that is not at least 51% of a product name can be so referred. Hawaii is the only such exception in the world. There have now been decades of adjustment and preparation for Hawaii product companies to come up with marketing plans that ensure that the products from Hawaii are recognized and sought by their consumer following. If not, there are plenty of consumers who know that a product which is a complete or partial product based on geographical identity in the name will contain a majority of said product. Coffee is a great starting point for Hawaii given its' recognition internationally and therefore we can and should be sure that the name being used represents what people (we are all consumers) understand it to mean. Deceptive marketing and selling something for what it is not simply to sell the Hawaii or County or District names of Hawaii is not only deceptive, but ensures that consumers don't trust the ethics of not only the vending companies but the enforcing entities such as the HDOA in reference to consumer deception. This is an opportunity for Hawaii to stand up for Truth in Labeling and to have a premier agricultural product (coffee) stand on its' own in terms of consumer understanding and acceptance. Please support this piece of legislation and please recognize that this is but one means for Hawaii agriculture to keep the economics of farming at home as the price value increases and farmers can thereby take better care of their farms, which will help farmers and non-farmers alike. Sincerely, Colehour Bondera 808/640-1643 cell/text

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To: AGL Testimony

Cc: <u>connie.phillips@parbev.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 11:26:56 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|-----------------|-----------------------------|-----------------------|-----------------------|---|
| Connie Phillips | Paradise Beverages, Inc. | Oppose | No | 1 |

Comments: This would place an extreme hardship on the blending industry because all blend components are not available at all times due to logistics, crop size and pricing. Therefore, I am opposing SB594.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>craig.nakatsukasa@parbev.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 8:23:17 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|-------------------|--------------|-----------------------|-----------------------|--|
| Craig Nakatsukasa | Individual | Oppose | No | |

Comments: Strongly Oppose

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: dsayad@socopac.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 7:38:24 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| David | Individual | Oppose | No |

Comments: strongly oppose SB594

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: teahawaii@gmail.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 11:39:42 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: We need the support of Hawaii government to make right the misdirected and confusing labeling that has gone on for way to long regarding Kona Coffee. Raising public awareness and supporting that authenticity means a majority percent. It will change the tainted reputation regarding Hawaii grown products and give voice to the Hawaii farmer contributing to our local economy and pave the way for other specialty crops of Hawaii facing similar challenges. Please consider SB594 a turning point in Hawaii history. Aloha, Eva Lee - Tea Farmer

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: eva.woo@parbev.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 8:55:11 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>greg.bennett@bunn.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 6:26:18 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|--------------|--------------|-----------------------|-----------------------|--|
| Greg Bennett | Individual | Oppose | No | |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

As a Kona Coffee farmer for many years, I have always been deeply disturbed by the misrepresentation of the fine product my wife and I produce. The 10% blends being sold simply are not Kona Coffee, yet our name appears on the label. Our hard work and all we represent is sullied by foreign coffee being sold with our name on it so that others may profit. I would like to see my coffee sold solely as 100% Kona but wholly support this bill that would at least require these blends to taste in some remote fashion like our coffee.

With that being said, disclosure of the origin of the remainder of the blend with our Hawaiian grown coffee properly and fairly tells the consumer just what he or she is purchasing. That's fair and that's just right.

Thank you for considering my comments as a Hawaiian resident who would like to see our fine community of farmers, myself included, properly represented for our work and support of the entire community here in Kona and throughout this fine State.

Sincerely,

James J. Kelleher Jr. Blue Corner Coffee

To: AGL Testimony
Cc: jlenhart@hicoffeeco.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 6:31:44 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| James Lenhart | Individual | Oppose | Yes |

Comments: The cost of raising the blend content from the current 10% to 80% would virtually eliminate any Hawaiian blend coffees from being used at hotels, restaurants, and convenience stores in the state and open up the market to less expensive mainland coffees.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: jwseel@cs.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 7:46:07 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

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

Comments: I am a Coffee and Macadamia Nut grower on the Big Island. Hawaii protected Macadamia Nuts by requiring only Hawaii grown nuts to be used with the Hawaiian name. Hawaiian Coffee needs the same protection. Farmers can't compete with the cheap imports used to mix into coffee using the Hawaiian name.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>rumakingadifference@yahoo.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 7:41:56 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| John Murphy | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: kallygos@mac.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 7:32:08 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| | Submitted By | Organization | Testifier Position | Present at Hearing |
|---|--------------|--------------|-----------------------|-----------------------|
| ſ | Kally | Individual | Support | No |

Comments: I am a small coffee farmer that supports SB594 to end the sanctioned fraud that is hurting all parties but big business. Currently my crop is counterfeited at great loss to myself and my community, state, country. Please change this with truth in labeling! Everyone but counterfeiters & Co. want it! Truth on labels at the very least!

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: kodo@hawaii.rr.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 3:01:55 PM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Kodo Miyaoka | Individual | Support | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>klturkington@yahoo.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 8:52:43 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Krystle Martin | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: wittermarc@aol.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 9:22:37 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Marc Witter | Individual | Oppose | No |

Comments: SB594 – Requires a specific listing of the geographic origins of various Hawaii grown coffees and the geographic and regional origins of the various coffees not grown in Hawaii that are included in a coffee blend to be listed on the front panel of a label. Increases the minimum percentage requirement for coffee blends to use geographic origin in labeling or advertising to 80% by weight from that geographic origin. I STRONGLY OPPOSE SB594. For 23 years consumers have had the right to purchase 10% Hawaiian Blends. We oppose taking away this choice with a more expensive 80% Blend. The current 10% Blend provides an affordable price point of \$5.00 for a 8 oz. Bag. A bag of 80% Blend will now cost \$13.00. More than doubling the price will cause consumers to purchase coffees containing no Hawaiian coffee. This will ultimately hurt consumers, farmers, roasters and processors. It is estimated that 10% Blends are the everyday coffee for over 125,000 consumers in Hawaii. Another set of stakeholders are Hawaii's restaurants and hotels. A majority of Hotels and restaurants serve 10% Kona blend coffees. Companies like McDonald's have served 10% Kona blend for over 40 years. 7-Eleven has served 10% Kona blend for over 25 years. These companies are trying to support Hawaiian agriculture but would no longer be able to do so if forced to take a major price increase that more than doubled their cost. It was decided b industry consensus that "Truth in Labeling" for consumers was a better path than mandating an arbitrary percentage of Hawaiian coffee content required in the package. Due to this Hawaii has passed coffee labeling laws which mandate that any coffee package using Hawaiian origin names must adhere to strict labeling standards. Our current labeling standards make what they are purchasing clear to consumers. (Example) 10% Kona Coffee Blend SB 594 as proposed would cause the label to change on a bag of 10% Kona blend to also include all other coffee blend ingredients in the package to be depicted on the front panel as follows: (Example) 30% Colombian 30% Costa Rican 30% Guatemalan 10% Kona This would place an extreme hardship on the blending industry because all blend components are not available at all times due to logistics, crop size and pricing. So, if any one of the blend components were not available it would make the packaging materials obsolete which would be very costly to business. This labeling is impractical and unnecessary. The essential question we ask: Why are we even considering raising the blend requirement to 80%? At this time, every pound of Hawaiian coffee is being sold and is being sold at a record price. Green Kona is

commonly selling for \$18.00 per pound while roasted Kona coffee is selling at up to \$50.00 per pound. The farm gate value of Hawaiian coffee has increased over 400% (20% annually) in the last 20 years with 10% Blends. The Hawaiian coffee industry is currently thriving. Changing the formula that at got us here is a risk we do not need to take.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: bsoriano@hawaii.rr.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 8:29:42 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|-----------------------|-----------------------|
| Mariebeth Soriano | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: mlscarlata@sbcglobal.net

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 10:02:41 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Mario Scarlata | Individual | Oppose | No |

Comments: This measure would hurt businesses and consumers in Hawaii due to increase of coffee prices. It may also lead to loss of KONA distribution due to strict 80% labeling rule. I strongly oppose SB594. Sincerely, Mario Scarlata

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

I am a Kona Coffee Farmer and I am in support of SB594, Senator Russell Ruderman's Truth-In-Coffee-Labeling bill.

This bill provides relief to the farmers who are the creators of a premium product from those who take advantage of loopholes and bad legislation to cheat the public.

I have nothing against the blending of Kona, as long as the blenders play fair and tell the consumers EXACTLY what they buying. The blenders adulterate our premium product by adding low-grade coffee from foreign places and refuse to tell the public what is in their cup. These blenders are not farmers, they don't grow the coffee, and they just buy from farmers who prefer not to go to the expense to process their own coffee.

I know people will wince at the description of adulteration but it is defined as:

- 1) "To render (something) poorer in quality by adding another substance, typically an inferior one."
- 2) "To corrupt, debase, or make impure by the addition of a foreign or inferior substance or element; especially to prepare for sale by replacing more valuable with less valuable or inert ingredients"

The blenders use the Kona name to define 10% of the product and then add unnamed foreign coffee to the product and they refuse to tell the public what they are buying. They explain this to the legislature with the argument that it is a "trade secret" where their filler comes from, that this inferior product is so special to their final product that they cannot divulge where it comes from. That silly explanation says that the filler is more important than the 10% Kona they are using. If that is the case, why do they persist using Kona on the label at all?

The next excuse they propose is that they often change the country of origin of the filler and it was too costly or impossible to list the specific country producing the filler.

So which is it? Is it a trade secret because you don't want the public to know which country the 90% coffee comes from because it is so special, or you just buy from any country, which has a low price at the time? If it is so special and trade secret, why adulterate it with 10% Kona?

A decade ago the major blender said that he was "all for" 100% Kona and would, each year, increase his percentage of Kona in his blend by 10%. Based upon that lie, he would only be selling 100% Kona now, however he still sells 10% blends as his major product. He made that statement to appease the farmers and deflect criticism. When I looked at Target Supermarket a while back, there were 45 rows of 10% blend to a row or two of 100% Kona. The 10% blends are his major product. It is the product most offered at restaurants and the resorts he supplies.

Bulk packages they receive do not list a 10% label I assume because they are not a retail product. Thus restaurants and servers think they are selling a Kona Coffee.



Jack In The Box and McDonalds were encouraged to change their marketing when it was discovered they were not selling Kona Coffee, but rather a blend. What better way to make money than to have the public think they are buying one thing when they are getting another!

Hawaii Coffee Roasters have a product called "Mountain Roast – Made In Hawaii". That means that perhaps 50% value was added, in Hawaii, not that the coffee ever grew here.



Kona coffee blends on the mainland may not even list a percentage on the label because there is no Federal requirement until Hawaii has legislation supporting such labeling.

A recent complaint and suit against Safeway uncovered that they were selling a Kona Coffee Blend that did not even have 10% Kona. When they admitted that, they said in the same breath that they had spoken to Hawaii Coffee Company who would then supply them with 10% blend or 100%. You should note that this letter states that they were selling a blend of LESS THAN 10% Kona with no indication on the label at all as to percentage.

On August 2, 2011, Safeway Director of Public Affairs & Governmental Relations Susan Houghton and other Safeway officials met with KCFA Board member Paul Uster at Safeway headquarters in Pleasanton, California, to review the concerns of Kona coffee growers. Ms. Houghton committed to review those concerns and to determine "[w]hether or not we can increase the Kona blend to the 10% criteria cited by the Hawaii labeling law on coffee."

In the same breath Houghton also said select Safeway stores in California will begin carrying Royal Kona Coffee with 100% Kona coffee in April 2012. That leads the reader to believe that Hawaii Coffee Company, who so vehemently is against labeling the coffee with proper origins, was knowingly selling them a less than 10% blend.

As you can see, the mislabeling of Kona coffee and the addition of 90% filler does nothing but hurt the farmers and increase the profits of those who do not create the premium product.

I encourage you to pass this bill and ask that any modifications contain the two criteria that more Kona is better than less Kona and that country of origin(s) of the filler be indicated on the front of the label.

Mark Shultise Lavarock Farm Captain Cook, HI

To: AGL Testimony

Cc: <u>michael@intelligentblends.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 10:56:16 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------------|-----------------------|-----------------------|
| Michael | Intelligent Blends | Oppose | No |

Comments: No reason to drive up prices of Hawaii coffee being served to millions of tourists. This is a really bad idea. 10% Hawaiian blend has worked very well for over 40 years. Don't change a winning formula.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: mikeabrams@msn.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 8:56:20 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Mike Abrams | Individual | Oppose | No |

Comments: This measure would be very bad for our island economy and the coffee farming and roasting business if passed. I strongly oppose this measure. Please vote NO. Mahalo, Mike

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: Paul@honolulucoffee.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Monday, February 16, 2015 9:37:29 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|-----------------|-----------------------|-----------------------|
| Paul Massard | Honolulu Coffee | Oppose | No |

Comments: There is no reasoning, research or demand behind the arbitrary increase to the 80% minimum requirements for origin designation. It is the right of the consumer to choose what coffee they want to buy, not the right of legislation to choose for them. As we know coffee is a once a year crop, with each growing region in the world, having different harvest seasons. Because of this, the coffees that are used change from time to time. This is so that our customers get the freshest possible coffee. This proposed labeling change would increase our cost of production significantly as each time we had a change in any of our blend components we would have to print new labels.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>petrus@cerrogrande.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 8:38:44 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|---------------|--------------|-----------------------|-----------------------|--|
| petrus dufaur | Individual | Oppose | No | |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>rnishihara@hicoffeeco.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Thursday, February 12, 2015 5:33:56 PM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| RACHEL NISHIHARA | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>randy@randyphillips.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Saturday, February 14, 2015 1:32:29 PM

SB594

Submitted on: 2/14/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Randall Phillips | Individual | Support | No |

Comments: Aloha, I own a small coffee farm in Holualoa with 2 acres in coffee. I sell my 100% Kona coffee retail to restaurants in Kona and in New York City as well as to guests of my vacation rentals. I can testify first hand to the confusion that guests visiting experience when buying coffee labeled "10% Kona Blend". The current labeling law is obviously deceptive at best and arguably fraudulent at worst. It allows blenders to fill a bag of coffee using the cheapest 3rd world commodity grade coffee they can buy and associate it with the geographical name Kona. We are the only region in he world that by law permits the use of its premier name with only 10% genuine content. The only other single origin coffee that most professional coffee tasters would equate in quality with Kona coffee is Jamaican Blue Mountain coffee. They allow no blending and their coffee sells for 25-30% higher than Kona coffee. This is not because it is better (it is not) but the brand name has not been tainted by confusion in labeling for decades. 10% blenders are ruining the reputation of our coffee and are stealing the profits based on very deceptive labeling. I am in support of SB594 and strongly urge you to consider passing it. Mahalo, Randy Phillips Kona View Coffee

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: rkaiwi@hicoffeeco.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Thursday, February 12, 2015 11:13:40 AM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Roger Kaiwi | Individual | Oppose | Yes |

Comments: My name is Roger Kaiwi and I'm writing in opposition to SB594.For years now small groups have attempted to raise the blend amount in a Kona blend without any research. We as Kona farmers are enjoying record high farm gate prices and don't wish to see any changes. I urge you to vote NO! Roger Kaiwi

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: ron.shinoda@parbev.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 9:01:40 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| ron shinoda | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: rwong@hicoffeeco.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 9:08:51 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Roy Wong | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: sal.bruno@parbev.com

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Monday, February 16, 2015 11:16:42 AM

SB594

Submitted on: 2/16/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|-----------------------|-----------------------|
| Salvatore Bruno | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>sharina.shimabuku@parbev.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 8:24:38 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|-----------------------|-----------------------|
| Sharina Shimabuku | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>smawae@hicoffeeco.com</u>

Subject: *Submitted testimony for SB594 on Feb 17, 2015 15:35PM*

Date: Friday, February 13, 2015 10:19:06 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Shawn Mawae | Individual | Oppose | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: rkaiwi1@hawaii.rr.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Thursday, February 12, 2015 11:19:10 AM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Stacie Loo | Individual | Oppose | No |

Comments: I'm strongly opposed to SB594. I urge you to vote NO! Stacie Loo

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: marlin658@aol.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Friday, February 13, 2015 4:29:03 AM

SB594

Submitted on: 2/13/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|-----------------------|-----------------------|
| Steven McLaughlin | Individual | Oppose | No |

Comments: I strongly oppose SF594. I am a coffee farmer who processes my own coffee and sells this coffee in green and roasted to a selected group of buyers. I am amazed that the price of 100% Kona continues to break record level prices. I do not understand why there has always been a small group of Kona coffee farmers that continue to disrupt the sale of Kona Blends in our industry. If the large Kona blenders that offer a 10% Kona blend to the visitors who come to Hawaii and most all the restaurant chains in Hawaii have to have an 80% Hawaiian coffee content, the price would more than double and demand for that product would decrease. For that part of the industry that sells 2/3's of Hawaii grown coffee, the price would drop dramatically for Kona cherry. The farmers today, even with the current Cherry Bore problems that are present in Kona coffee are continuing to obtain record prices for their coffee cherry. It is through the continued leadership of the large blenders that work with the State Agriculture Department in solving the current Cherry Bore situation in Kona. As a coffee farmer, I want to obtain the highest price possible for my Kona coffee so I stongly oppose SB594 that would cause a long term decrease in the Kona coffee cherry price. Thank you Captain Cook Coffee Company, Steven M. McLaughlin Chief Executive Officer

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony
Cc: teb@ihilanifarms.com

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Sunday, February 15, 2015 7:23:46 PM

SB594

Submitted on: 2/15/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Terry Browne | Individual | Support | No |

Comments: I agree with the arguments of the Kona Coffee Farmer's Association, of which I am a member, in supporting this important legislation.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

To: AGL Testimony

Cc: <u>tikehara@hicoffeeco.com</u>

Subject: Submitted testimony for SB594 on Feb 17, 2015 15:35PM

Date: Thursday, February 12, 2015 7:58:36 PM

SB594

Submitted on: 2/12/2015

Testimony for AGL on Feb 17, 2015 15:35PM in Conference Room 414

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Terry Ikehara | Individual | Oppose | No |

Comments: This will greatly hurt the local coffee industry. This will price the local blends of coffee above the economical price of the local and normal consumer. The phrase keep it local still pertains to a 10% blend because everyone can still afford it but 80% blend Will force some local roasters to not promote local coffees and promote international coffees.

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