

Honolulu, Hawaii

FEB 7 - 2019

RE: S.B. No. 869
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 869 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Department of Agriculture to inspect and certify all Hawaii-grown green coffee beans in shipments of 100 pounds or less for grade and origin to ensure the quality and source of the coffee beans and help prevent fraud.

Your Committee received testimony in support of this measure from one member of the Hawai'i County Council; Hawaii Coffee Association; Greenwell Farms, Inc.; Hawai'i Farm Bureau; Hawaii Coffee Growers Association; and two individuals. Your Committee received testimony in opposition to this measure from one member of the Hawai'i County Council; Sugai Kona Coffee; Paradise Meadows Orchard & Bee Farm; Kona Coffee Council; Darden Young Farm, LLC; Carta Coffee Merchants; Mokulele Farms; Cornwell Coffee; Kona Premium Coffee Company; Buddha's Sanctuary, LLC; Hala Tree Coffee; Maika'i Kona Coffee Co. Ltd., dba Holualoa Kona Coffee; Bea's Knees Farm; Kona Coffee Farmers Association; Mauna Mama Kona Coffee; Kona Lisa Coffee; Lava Rock Farm; Rusty's Hawaiian Coffee; HKCC, LLC; Konaloha Farms; Donkey Mill Art Center; Keei Mauka Coffee; Absolute Palate, LLC; Sunshower Farms; and forty-two individuals.



Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that some companies falsely claim that one-hundred percent of their coffee beans are grown in Hawaii. This measure helps to ensure the grade and origin of green coffee beans by requiring the Department of Agriculture to inspect and certify green coffee beans grown in Hawaii. However, your Committee notes that this inspection and certification requirement is cost-prohibitive for many small farmers and coffee businesses and could potentially lead to bankruptcy for some small farmers and businesses.

Your Committee notes the Department of Agriculture's testimony that this measure is unclear whether Hawaii-grown green coffee beans weighing 100 pounds or less that are not shipped are required to be certified and that it will be difficult for the Department to determine, during the certification process, which coffee beans will be shipped out of the district of origin. The Department testified further the increased volume of inspections will require additional staffing and office space to assist the Department's two employees in its small Kona office, where coffee needs to be roasted and tested.

Your Committee further finds that there currently is controversy between many bigger and smaller coffee growers in the State regarding this measure. Most smaller farmers expressed opposition to this matter, while bigger businesses supported this measure. Your Committee requests the Hawaii Coffee Association to reach out to smaller farmers to attempt to unify the voice of farmers regarding this measure going forward.

Your Committee has amended this measure by:


- (1) Making the inspection fees on a per pound basis;
- (2) Limiting the requirement for inspection and certification to Hawaii-grown green coffee beans that are shipped out of the district of origin and deleting language allowing exceptions specified by rules of the Department of Agriculture; and



- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 869, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.


Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,


MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 869	AEN, CPH	02.01.2019		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)			X	
RHOADS, Karl	X			
THIELEN, Laura H.	X			
FEVELLA, Kurt			X	
TOTAL	3	0	2	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes