

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Acting Chairperson
Board of Agriculture

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF THE DEPARTMENT OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT,
& TOURISM AND AGRICULTURE & ENVIRONMENT

FEBRUARY 8, 2019
1:30 P.M.
CONFERENCE ROOM 224

SENATE BILL NO. 763
RELATING TO ADVERTISING AND MARKETING

Chairpersons Wakai and Gabbard and Members of the Committees:

Thank you for the opportunity to present testimony on Senate Bill 763. This bill requires the department of business, economic development, and tourism in consultation with the department of agriculture, to conduct a study calculating the economic impact and gross domestic product lost by the State as a result of companies exploiting the Hawaii brand and selling products in the United States using place-based marketing without any material ties to the State. The Department supports this bill provided it does not impact the department's priorities listed in the Executive Budget and offers a comment.

The department administers two programs that identify products with material ties to the State. The Seal of Quality program that brands Hawaii-grown and Hawaii-made products, and the Made in Hawaii with Aloha logo, that identifies Hawaii-made products, respectively, Chapters 148-61 and 486-119, Hawaii Revised Statutes. This study would support the relevance of those programs to Hawaii's economy and our agricultural products.



The need for the study is further evidenced by recent legal action taken with Pinnacle Foods, Inc, a Delaware corporation for labeling their product line of potato chips as “Hawaiian” because the chips are made in Washington with little to no ingredients from Hawaii. The study would quantify the impact of this type of labeling and advertising.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
AND
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 8, 2019
1:30 PM
State Capitol, Conference Room 224

In consideration of
SB 763
RELATING TO ADVERTISING AND MARKETING.

Chairs Gabbard and Wakai, Vice Chairs Ruderman and Taniguchi, and Members of the Committees.

The Department of Business, Economic Development & Tourism (DBEDT) offers comments on SB 763, which requires DBEDT, in consultation with the department of agriculture, to conduct a study calculating the economic impact and gross domestic product lost by the State as a result of companies using the Hawaii brand and selling products in the United States with place-based marketing without any material ties to the State.

While DBEDT supports the intent of this bill, the data required for this study does not exist including the number of companies impacted, their location, revenue, ownership, employment, type of marketing, and the origin and content of products associated with the Hawaii brand. Collecting this data would be necessary in order to estimate the impact to the State's economy. In order to collect the data, \$250,000 would be needed to hire a research firm to conduct surveys to obtain the required data.

Thank you for the opportunity to testify.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

LATE

February 8, 2019

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

TESTIMONY ON SB 763
RELATING AGRICULTURE

Room 224
1:15 PM

Aloha Chairs Gabbard and Wakai, Vice Chairs Ruderman and Taniguchi, and Members of the Committees:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports SB 763, which requires the department of business, economic development, and tourism, in consultation with the department of agriculture, to conduct a study calculating the economic impact and gross domestic product lost by the State as a result of companies exploiting the Hawaii brand and selling products in the United States using place-based marketing without any material ties to the State.

Many products manufactured in Hawaii utilize locally grown or produced agricultural products. HFB has been active in promoting the "Buy Local" and "Hawaii Made" campaigns such as HDOA's "Buy Local, It Matters!" a call-to-action campaign to help encourage local residents to buy local farm products, the "Hawaii Seals of Quality" program which was developed to distinguish quality Hawaii grown crops and value-added products and the "Made in Hawaii" branding program. We also support the "Kauai Grown" and "Grown on Maui" campaigns which seeks to promote locally grown agricultural products and recognizes the farmers, ranchers, retailers, and restaurants that bring these products to the consumer.

HFB's Farmers' Markets and the Hawaii State Farm Fair gives growers and producers of Hawaii agricultural commodities and other farm-related products alternative marketing opportunities. In this setting, consumers interact directly with farmers and producers and can learn the uses and benefits of quality, locally grown or prepared food products with

local ingredients. The synergy of farmers, value-added vendors, food vendors and consumers promoting the use and sale of Hawaiian grown farm products and ingredients create increased demand and economic viability for Hawaii's agriculture industry.

The Hawaii brand promotes products made in the state, but also helps promote locally grown and produced agricultural products which is important to Hawaii's manufacturing industry and helps support and showcase Hawaii's agricultural industry.

We support efforts that protect and strengthen the Hawaii brand.

SB-763

Submitted on: 2/1/2019 10:44:19 AM

Testimony for EET on 2/8/2019 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

What a great idea. Thanks for looking into this!



PO Box 168, Kealahou, HI 96750
808-929-9550

HAWAII STATE SENATE
JOINT COMMITTEE ON AGRICULTURE AND ENVIRONMENT
&
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 8, 2019
1:30 p.m.
Conference Room 224

RE: Testimony in Support of SB 763

Aloha Chairs Gabbard & Wakai, Vice Chairs Ruderman & Taniguchi and members of the Committees,

I am Chris Manfredi, President of Hawaii Coffee Association.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry, including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

The HCA STRONGLY supports SB 763

There is no greater threat to the integrity and protection of Hawaii's brands than the introduction of counterfeit and substandard Hawaiian coffee into the supply chain. It is the number one complaint I receive from our members.

While we grapple with coffee counterfeiting in Hawaii, we are also aware of and impacted by its widespread practice outside of the state. A study as proposed in SB763 will help quantify the size and scope of the problem and will likely lead to actions that will protect Hawaii's valuable brands and origin names. This legislation is an important step in the right direction. We applaud the authors, introduces and supporters of this measure.

Please pass SB763.

Thank you for your support and for the opportunity to testify.

SB-763

Submitted on: 2/7/2019 3:26:24 PM

Testimony for EET on 2/8/2019 1:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: