

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

GLENN K. MURANAKA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**MARCH 15, 2019
9:00 A.M.
CONFERENCE ROOM 312**

**SENATE BILL NO. 895
RELATING TO AGRICULTURE**

Chairperson Creagan and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 895, which expands the offense of false-labeling of Hawaii-grown coffee to include grade standard violations and all stages of Hawaii-grown coffee. The Department supports the intent of this bill and offers comments.

Act 328, SLH 2012 established criminal penalties for Hawaii-grown cherry, parchment and green coffee, however it overlooked the enforcement on fraudulent Hawaii-grown roasted coffee. An effective enforcement/prosecution on roasted coffee will require a scientific method to determine the actual origin of the coffee to prove the fraudulent claim. The Department has been informed of a methodology that can determine a chemical fingerprint to determine the production area of other commodities. The Department is unaware if this methodology can be expanded to coffee, or if it can determine an accurate percentage for a blended product. In addition, the Department currently lacks the resources to cover the cost of the analysis and an appropriation will be needed in order to effectively prove any fraudulent occurrence. To create the baseline on the soil contents for the analysis of respective growing regions, the Department requests an appropriation of \$50,000.

Thank you for the opportunity to testify on this measure.



SB-895

Submitted on: 3/14/2019 12:28:31 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Hawaii Farm Bureau	Support	Yes

Comments:

SB-895

Submitted on: 3/14/2019 9:20:01 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brenda Iokepa-Moses	HACD	Support	No

Comments:

It is important that we keep the integrity of the origin where coffee is grown. Each has a different flavor profile and each is known for their distinct taste. Not fair to the farmer nor it is ethical to the buyer that is paying a certain price for a particular coffee. This should apply to roasted coffee, green bean or coffee parchment. Anyone misrepresenting should be held accountable and punished for this type of fraud.

Strongly support SB895.

SB-895

Submitted on: 3/14/2019 8:58:10 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Bateman	Hawaii Coffee Association	Support	No

Comments:

Chair and Members:

Coffee fraud has had a major adverse impact on the sustainability of the Kona coffee industry over the years. Fraudsters have used roasted coffee to hide their fraud. This fraud reduces both the value and quality of Kona coffee. We need your help to add roasted coffee to the list of protected coffees. Please pass this bill out of committee.

Thank you,

David Bateman, Director



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HAWAII HOUSE OF REPRESENTATIVES
COMMITTEE ON AGRICULTURE

March 15, 2019
9:00 AM
Conference Room 312

RE: Testimony in Support of SB 895

Aloha Chair Creagan, Vice Chair DeCoite and members of the Committee,

I am Chris Manfredi, President of Hawaii Coffee Association.

The Hawaiian green coffee industry is valued at more than \$62MM annually by USDA - not accounting for retail sales, nor our contributions to Hawaii's tourism industry. 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 895

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

The HCA applauds the introducers, co-sponsors and supporters of this measure that adds roasted coffee to the false labeling law.

Most counterfeited coffee is found in roasted form, though we are aware of other nefarious practices. When HRS 708-871.5 was created in 2012, we objected to the omission of roasted coffee from the law, but understood that enforcement would be a challenge. However, since that time technologies have emerged that can definitively prove where coffee is grown - in both roasted and green forms. This technology - the mapping of radioisotopes - is currently accepted in criminal trials - just like fingerprints and DNA. We respectfully ask the legislature to add roasted coffee to this law.

Legitimate producers are trying to compete in the market by offering high quality products grown in Hawaii - as compared with those that are counterfeited with foreign-grown coffee and falsely labeled as being of Hawaiian origin, and offered at a lower price.

This artificially creates downward price pressure and shrinking profit margins. Legitimate producers earn a modest profit while counterfeiters receive an ill-gotten windfall. This has the greatest impact on small producers. This practice is widespread and undermines our industry, our growers, and our origin names.

An often overlooked and unnecessary risk associated with coffee counterfeiting is the introduction of invasive species to Hawaii. Importing green coffee to Hawaii for use by counterfeiters creates an additional vector for invasive pests and disease like Coffee Berry Borer, Coffee Leaf Rust and Coffee Berry Disease.

Please lend your support to Hawaii's coffee industry by supporting SB895!

Thank you for the opportunity to testify on this vitally important initiative.



RE: SUPPORT for SB895
RELATING TO AGRICULTURE
Roasted Coffee, False Labeling

Aloha Legislators,

The Kona Coffee Farmers Association stands in support of this Bill. We represent over 200 farms in the Kona districts and our mission is to protect the economic interests of our growers.

As you are likely aware, there is a class action lawsuit by Kona growers against mainland and Hawaiian roasters who are allegedly counterfeiting roasted coffee as “Kona”. It is a shame that the State does not currently have the protocols to prosecute bad actors in the roasting community.

This Bill closes an important loophole where counterfeiters have been escaping oversight. By granting HDOA the ability to challenge the authenticity of a roasted coffee’s origin, it opens the door for better enforcement and higher profits to farmers. The less counterfeit coffee in the marketplace, the greater the demand for real Hawaiian coffee.

The technology to inspect roasted coffee for origin is basic and mainstream. The University of Hawaii has done studies on roasted coffee, where they use readily-available lab equipment to successfully differentiate between Kona and non-Kona beans (Jun Wang, et al., Vol. 74, Nr. 5, 2009—JOURNAL OF FOOD SCIENCE). Granting HDOA the authority to inspect roasted coffee would open a new avenue to protect Hawaiian coffees from counterfeiting.

My family has three generations who farm coffee and we support ourselves on 100% Kona. Thank you for considering support to this bill. Your attention makes a difference in the lives of hundreds of farmers.

Mahalo nui loa!

A handwritten signature in black ink that reads "Suzanne".

Suzanne Shriner
President

SB-895

Submitted on: 3/14/2019 11:29:33 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John C. Cross	Ka'u Valley Farms, LLC	Support	No

Comments:

SB-895

Submitted on: 3/14/2019 11:03:42 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alla Kostenko	Ka'u Mountain Farm	Support	No

Comments:

SB-895

Submitted on: 3/14/2019 2:57:21 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Louis V. Daniele III	Kau Coffee Mill	Support	No

Comments:

The coffee industry in Hawaii has multiple threats. The vast majority come to us, in forms of pests such as CBB or Kona root-knot nematode. Environmental threats such as the lack of rain or too much rain, volcanic eruptions, wind storms etc. Of the threats, I have just listed, we have come together as an industry, to combat and mitigate the effects of each one, in some way.

False-labeling is in my opinion, the most insidious threat now facing the Hawaiian Coffee industry. This undermines the integrity of all of our brands. The wide spread counterfeiting of Hawaii coffee, paints Hawaii in a dimwitted light, for allowing this to not only occur, but to flourish.

Thank you for your consideration.

Louis Daniele

LATE

SB-895

Submitted on: 3/14/2019 8:07:58 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gloria Camba	Kau Coffee Growers Cooperative	Support	No

Comments:

Please include "roasted coffee" to the counterfeiting law.

Gloria Camba, President, Kau Coffee Growers Cooperative



LATE

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info@mauigrowncoffee.com

March 14, 2019

RE: Testimony in Support of SB 895

Aloha Chair Creagan, Vice Chair DeCoite and members of the Committee,

My name is Jeff Ferguson Vice President of the MauiGrown Coffee Company Store

We our retailers & roasters of 100% Maui Coffee as well as other Hawaiian Coffees and affiliated with MauiGrown Coffee Distributors...growers of Maui Coffee in Ka'anapali. At our store in Lahaina we sample and serve and sell 100% Maui Coffee. We are fortunate that we have direct contact with consumers looking for Hawaiian coffee. These consumers seek us out to taste and learn about Hawaiian coffee. Some of the consumers are wary of "grocery store" Hawaiian coffee. Most appreciate what we have to offer them. Many consumers are confused by the labeling of roasted coffee and ask us, "what does it mean when the label says 10% Kona." We are thankful that at least they read the label and we explain it. Some ask why should they buy our 100% Maui Coffee when they can by 100% Kona at a grocery store down the street for less than what our Maui Coffee costs us.

SB 895 along with the technology of mapping radioisotopes can help change that disparity in the marketplace.

Thank you for your support of the Hawaii Coffee Industry.

SB-895

Submitted on: 3/14/2019 7:55:08 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Donna Woolley	Individual	Support	No

Comments:

SB-895

Submitted on: 3/12/2019 7:23:53 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kirstin Kahaloa	Individual	Support	No

Comments:

SB-895

Submitted on: 3/13/2019 10:23:03 AM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Leinani Wessel	Individual	Support	No

Comments:

SB-895

Submitted on: 3/14/2019 12:18:53 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Fischer	Individual	Support	No

Comments:

I firmly believe in the protection that would guarantee a higher quality standard for the Hawaiiin Coffee growers. SB895 is an important piece of legislation that will enhance this goal

Gary R. Fischer

SB-895

Submitted on: 3/14/2019 1:36:30 PM

Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gloria Biven	Individual	Support	No

Comments:

I strongly support this bill.

LATE

SB-895

Submitted on: 3/14/2019 8:05:24 PM
Testimony for AGR on 3/15/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Miles Mayne	Individual	Support	No

Comments:

Please include "roasted coffee" to the counterfeiting law.

Thanks

Miles Mayne

Kau Coffee Farmer