

SB895

Measure Title:	RELATING TO AGRICULTURE.
Report Title:	Roasted Coffee; False Labeling
Description:	Extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee.
Companion:	
Package:	None
Current Referral:	CPH, JDC
Introducer(s):	KANUHA, DELA CRUZ, K. KAHELE

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Acting Chairperson
Board of Agriculture

State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF THE DEPARTMENT OF AGRICULTURE
BEFORE THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION,
& HEALTH

FEBRUARY 11, 2019
9:30 A.M.
CONFERENCE ROOM 312

SENATE BILL NO. 895
RELATING TO AGRICULTURE

Chairperson Baker 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 roasted coffee. The Department supports the intent of the 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.

Thank you for the opportunity to testify on this measure.



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Submitted on: 2/10/2019 9:22:36 AM

Testimony for CPH on 2/11/2019 9:30:00 AM

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:



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HAWAII STATE SENATE
COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH

February 11, 2019
9:30 AM
Conference Room 229

RE: Testimony in Support of SB 895

Aloha Chair Baker, Vice Chair Chang 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 and co-sponsors of this measure by adding roasted coffee to the false labeling Law.

Most counterfeited coffee is found at the roasted level, 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 is currently being 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.

Legitimate producers earn a modest profit while counterfeiters receive an ill-gotten windfall. This artificially creates downward price pressure for growers and shrinks their margins. 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 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.

Thank you for your support SB895!

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Submitted on: 2/9/2019 3:14:58 PM

Testimony for CPH on 2/11/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Testifying for MauiGrown Coffee, Inc.	Support	No

Comments:

Please support this bill to help enforce the blatant mislabeling going on throughout our state.

The good name and branding of Hawaiian origin coffees is being compromised by those who are falsely labeling their roasted coffee as a hawaii origin at a markedly lower price, therefore hurting the Hawaii coffee grower who strives to produce a high quality product. If a roaster/retailer is NOT in favor of this bill, then they probably have a monetary stake in this game.

Mahalo for your consideration.

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Submitted on: 2/10/2019 8:06:33 AM

Testimony for CPH on 2/11/2019 9:30:00 AM

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

Comments:

Our business is in support of this bill. We believe that this is an important measure in minimizing coffee counterfeiting in our state, which directly affects us — coffee farmers.

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Submitted on: 2/10/2019 9:54:35 AM

Testimony for CPH on 2/11/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Greenwell	Testifying for Greenwell Farms Inc	Support	No

Comments:

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Submitted on: 2/10/2019 8:56:43 AM

Testimony for CPH on 2/11/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lorie Obra	Testifying for Rusty's Hawaiian LLC	Support	No

Comments:

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Submitted on: 2/9/2019 8:09:31 PM

Testimony for CPH on 2/11/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

Aloha Chair Baker, Vice Chair Chang, and members of the Committee,

I am writing in the support of Senate Bill 895.

This measure provides for language describing the criminal offense of falsely-labelling Hawai'i coffee. I would argue that this purpose and intent of this law is good and necessary, because we must, as a society, preserve our Hawai'i agricultural sector. Farming, particularly coffee, is a sustainable industry for our islands, and provides increasingly scarce working-class jobs for a struggling rural population. To the extent that misinformation and dishonest advertising can capture profits from local farmers, that can be considered a form of theft, a willful robbing of the suppliers of a specific good, which is Hawaii coffee.

To that end, and because I believe in consumer choice requiring clear, symmetrical information, we should ensure that coffee purchasers truthfully know from where their coffee originates. For that reason and those already stated, I support this measure. Thank you for your consideration.

Respectfully,

Dylan P. Armstrong