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Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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

**BEFORE THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION,
AND HEALTH**

**FEBRUARY 20, 2020
10:00 A.M.
CONFERENCE ROOM 229**

**SENATE BILL NO. 2955
RELATING TO COFFEE LABELING**

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2955, relating to coffee labeling. This bill expands the coffee labeling requirements pertaining to Hawaii grown roasted coffee to include ready-to-drink coffee beverages. The Department supports the intent of this bill and offers comments.

The Department supports the Hawaii coffee industry and the use of unique geographic coffee growing regions to market, advertise and sell Hawaii-grown coffee. Currently the Department can enforce grading and labeling of green Hawaii-grown coffee, but cannot determine the content or origin of a coffee or its blend once it is roasted or manufactured as a ready-to-drink beverage. There is no industry standard to determine the actual content or origin of the coffee for effective enforcement and the Department currently lacks the manpower and resources to effectively prove any fraudulent occurrence. The Department may need to work with industry/university to research the adoption/cost to implement new inspection/detection technology required to regulate the authenticity of roasted and blended Hawaii-grown coffee labeling.

Thank you for the opportunity to testify on this measure.



SB-2955

Submitted on: 2/16/2020 8:04:07 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
bruce corker	Testifying for Rancho Aloha Kona Coffee	Support	No

Comments:

Dear Chair Baker and Committee Members:

As a coffee farmer, I **strongly support SB2955**.

All coffee products using Hawaii place names on packaging should be subject to the same labeling requirements that apply to roasted and instant coffee. That is not currently the case for Ready-To-Drink coffee products or for samples provided to hotel guests, in waiting rooms, or business offices. Currently marketers of these products can use names like “Kona Coffee”, “Maui Coffee”, “Hawaii Coffee” in the labeling of packages containing little or no coffee from the named region. Consumers are deceived and Hawaii coffee farmers are economically damaged. **Please protect the integrity of Hawaii-grown coffee; please protect Hawaii's farmers.**

In response to concerns that have been raised by the Hawaii Department of Agriculture [see, for example, the HDOA’s written testimony of February 12, 2020 to the Senate Agriculture & Environment Committee concerning HB2955], please know that those concerns do not have a factual basis:

Concern 1: *“Many of the ready-to-drink coffee beverages sold at retail are manufactured and packaged outside of Hawaii, in which the Department has no enforcement jurisdiction.”*

The Facts: Just as with roasted and instant coffee, if an RTD coffee product is sold in this State there is jurisdiction over the labeling and advertising of the product, regardless of where the product is manufactured or packaged. See HRS 485-120.6.

Concern 2: *“However, while the Department can enforce grading and labeling of green Hawaii-grown coffee, the Department cannot determine the content or origin of a coffee or its blend once it is roasted or manufactured as a ready-to-drink beverage.”*

The Facts: There are many available methods for determining the origin of roasted and brewed coffee. As to authentication of coffee origin, for example, authors from the University of Hawaii have identified a straightforward and inexpensive scientific procedure for coffee origin authentication in Journal of Food Science, Vol. 74 (2009)—

including authentication for roasted and brewed coffee. This article has been repeatedly brought to the attention of the HDOA.

Concern 3: The HDOA has suggested that “the bill expands the Department’s enforcement responsibilities” and will burden the HDOA’s personnel and resources.

The Facts:

**The enforcement responsibilities would be no different than those HDOA currently has for the labeling of roasted and instant coffee. To the extent the HDOA is suggesting that it lacks resources or personnel even to enforce the existing law, the Department should be seeking increased resources to meet its enforcement responsibilities.

**Most business follow the law—and the fact that a few may not should not be a reason to avoid enacting laws to protect consumers and farmers. Most prosecutions of violations in this type of requirement result from information provided by whistleblowers and competitors—with minimal enforcement burdens on the Department.

**To the extent the HDOA is suggesting that it can’t enforce the requirements of the law because it lacks a laboratory to perform the type authentication described in the 2009 Journal of Food Science article, the answer is that the HDOA does not need to maintain its own lab. It can hire UH or private scientists to preform authentication when suspected violations are brought to the Department’s attention.

Please enact SB2955. Please protect Hawaii coffee farmers.

Bruce Corker, Rancho Aloha, Holualoa, Hawaii County



RE: SUPPORT for SB2955
RELATING TO COFFEE LABELING

Expands the coffee labeling requirements to include ready-to-drink coffee beverages.

Aloha Chair Baker and Committee Members,

The Kona Coffee Farmers Association requests and appreciates your 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. We understand that this hearing does not take in-person testimony. I will be in attendance and am happy to answer any industry-specific questions that may arise.

Unlike other coffee products, the State does not currently regulate ready-to-drink (or RTD) coffee. This bill would bring RTD in line with the other labeling laws for coffee.

Under the current RTD loophole, vendors are free to use and misuse the State trademarks for Hawaii coffee at will. Every convenience store in the state sells cans of cold brew RTD coffee with the word “Kona” or “Hawaiian” on the label. Yet nowhere does it indicate the percentage (if any) of actual Hawaiian coffee in the can. Consumers are misled and growers are cheated.

Our islands’ coffee growers do not earn any money from RTD coffee that is improperly labeled as “Kona” or “Maui” or “Hawaiian”. Furthermore, consumers now associate Kona or Maui coffees with an off-brand product masquerading under a Hawaiian banner. This damages Hawaii’s key agricultural brands. Passage of this Bill easily remedies such damage by requiring proper labeling on RTD coffee, as is standard with roasted coffee labeling laws.

The coffee industry does not expect additional enforcement needs from this bill. Labeling laws are generally self-policing through consumer complaints. We expect this to be true for RTD labeling.

My family has three generations who farm coffee. Thank you for your consideration of this bill. Your support makes a difference in the lives of over 1,000 coffee growers statewide.

Mahalo nui loa!

Suzanne Shiner
President Emeritus

SB-2955

Submitted on: 2/18/2020 3:31:53 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Maryanoff	Testifying for KCFA	Support	No

Comments:

Dear Committee Members:

We support SB2955 - Coffee; Labeling; Ready-to-Drink Coffee Beverages

FIRST, THANKYOU FOR SUPPORTING **CBB subsidy for treatment** of our two small farms: without that help we would NOT have 100% delicious KONA coffee available for consumers! **It is an amazing amount of work to produce 100% Kona coffee, especially with the weather in the last three years!**

As small Kona farmers, we support **SB2955 RELATING TO COFFEE LABELING.**

SB2955 adds to the existing coffee labeling law AND THUS FOLKS DRINKING IT GET TO KNOW EXACTLY WHAT THEY ARE DRINKING.

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command the high respect that it garners in the broad coffee world.

Consumers deserve to know what they are consuming. For roasted coffee, 10% coffee blends that use Hawaiian names, such as Kona and Ka'u, must state the % of named coffee in the blend.

Coffee drink cans and bottles that say "Kona Coffee" on the principal label may say 10% blend in tiny type on the back where most consumers will not see it, or they may not disclose the % blend at all. Indeed, some drinks may not contain any of the named coffee. For the same reasons the current law requires prominent labeling of percent of origin coffee in bags of roasted coffee, the law should apply to coffee drinks as well.

Samples of 10% coffee blends are often provided in hotel rooms and to clients in other venues. The large box that contains dozens of these small packages must by law be properly labeled, but the unit the consumer sees is not currently required to be legally labeled.

Consumers do not see the legally labeled container; their samples of ground coffee say only "Kona Coffee" or maybe "Kona Coffee Blend". Consumers **have no information** on the percentage of Hawaiian coffee in the sample package. The packages that consumers receive should be required to meet the legal labeling requirements that larger bags of roasted coffee must meet.

Please pass SB2955 to include coffee drinks and coffee samples in the coffee labeling law.

Mahalo in advance for your support.

Sincerely,

Bruce and Cynthia Maryanoff

cmaryanoff@comcast.net

Co-CEOs, Absolute Palate LLC

18 Feb 2020

SB-2955

Submitted on: 2/18/2020 7:57:05 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Koontz	Testifying for Konaloha Farms	Support	No

Comments:

When we are trying to preserve the quality and name of Kona Coffee, why should we make an exception for RTD coffee products? Please help keep our precious coffee a sought after, quality product. Mahalo, John Koontz, Konaloha Farms

SB-2955

Submitted on: 2/18/2020 2:40:15 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chet Gardiner	Testifying for Cassandra Farms	Support	No

Comments:

In addition to being a long-time connoisseur of fine coffee, I am a coffee farmer from the Kona region of the Big Island of Hawai'i. I am also the Vice President and a member of the Board of Directors of our Kona Coffee Farmers Association.

This is an issue of honesty in advertising.

Kona Coffee is primarily grown on small, often family operations. It is often more of a lifestyle choice and passion than a "business" - we mainly grow for love, not money. For us, the reputation of Kona Coffee, probably the best tasting coffee on the planet is an issue of basic survival for hundreds of Coffee farms in our region as well as a matter of pride.

It is a serious oversight that seriously damaging loopholes exist in current labeling requirements that allow the Kona name to be used on products that may contain no content from Kona at all.

I urge passage of SB2955 to close that loophole.

Thank you for the opportunity to weigh in on this matter.

SB-2955

Submitted on: 2/18/2020 11:42:22 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqueline Wikum	Testifying for Pohaku Farm	Support	No

Comments:

Aloha, I strongly support this bill. Coffee is the second largest crop in the state by volume, but the largest crop by number of farmers. We need to protect our Hawaii growers.

Truth in labeling does not prevent products from being sold, it only prevents the fraudulent use of the Hawaii name on products that do not contain Hawaiian coffee. This bill is common sense, if a seller wants to call it "Hawaiian", require the percentage of Hawaiian coffee on the label.

Thank you
Jacqueline Wikum
coffee grower

SB-2955

Submitted on: 2/17/2020 4:54:15 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Scarr	Individual	Support	No

Comments:

To The Committee:

I strongly support this bill.

Ready-to-Drink and coffee samples provided in hotel rooms and professional offices should be labeled to inform consumers what they are consuming, just as bags of roasted coffee are. Coffee beverages and individual servings should be added to existing coffee labeling legislation. This does not add to the responsibilities or the work required of the HDOA. They have responsibility to monitor coffee blends in all forms. Please add coffee drinks and single cup beverages to the labeling law.

SB-2955

Submitted on: 2/18/2020 6:20:04 AM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cecelia Smith	Individual	Support	No

Comments:

I strongly support SB9255 for truth in labeling on Ready to Drink labels.

I am a Kona Coffee Farmer of 31 years and live in South Kona, Hawaii.

Mahalo and with aloha,

Cecelia Smith

SB-2955

Submitted on: 2/18/2020 3:29:37 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bruce Maryanoff	Individual	Support	No

Comments:

Dear Committee members:

We support SB2955 - Coffee; Labeling; Ready-to-Drink Coffee Beverages

FIRST, THANKYOU FOR SUPPORTING **CBB subsidy for treatment** of our two small farms: without that help we would NOT have 100% delicious KONA coffee available for consumers! **It is an amazing amount of work to produce 100% Kona coffee, especially with the weather in the last three years!**

As small Kona farmers, we support **SB2955 RELATING TO COFFEE LABELING.**

SB2955 adds to the existing coffee labeling law AND THUS FOLKS DRINKING IT GET TO KNOW EXACTLY WHAT THEY ARE DRINKING.

Please note that agricultural products from all over the world are, and have been, protected by laws that control their identity as to place of origin and unique characteristics. Some notable examples include wines, cheeses, olive oils, specialty vinegars, spices, and condiments. Coffee produced in Kona and other notable Hawaiian appellations deserve to be treated in the same manner. The Kona brand must have its integrity protected to command the high respect that it garners in the broad coffee world.

Consumers deserve to know what they are consuming. For roasted coffee, 10% coffee blends that use Hawaiian names, such as Kona and Ka'u, must state the % of named coffee in the blend.

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disclose the % blend at all. Indeed, some drinks may not contain any of the named coffee. For the same reasons the current law requires prominent labeling of percent of origin coffee in bags of roasted coffee, the law should apply to coffee drinks as well.

Samples of 10% coffee blends are often provided in hotel rooms and to clients in other venues. The large box that contains dozens of these small packages must by law be properly labeled, but the unit the consumer sees is not currently required to be legally labeled.

Consumers do not see the legally labeled container; their samples of ground coffee say only "Kona Coffee" or maybe "Kona Coffee Blend". Consumers **have no information** on the percentage of Hawaiian coffee in the sample package. The packages that consumers receive should be required to meet the legal labeling requirements that larger bags of roasted coffee must meet.

Please pass SB2955 to include coffee drinks and coffee samples in the coffee labeling law.

Mahalo in advance for your support.

Sincerely,

Bruce and Cynthia Maryanoff

cmaryanoff@comcast.net

Co-CEOs, Absolute Palate LLC

18 Feb 2020

SB-2955

Submitted on: 2/18/2020 7:02:02 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janelle Gomes	Individual	Support	No

Comments:

I am in full support of SB2955. I am a kona Coffee Farmer on the Big island of Hawaii. I beleive the consumers have the right to know what they are actully getting and us Kona Coffee farmers deserve to have our products represented fairly and honestly!!

Thank you for your support on this issue

Mahalo

Janelle Gomes Honalo Farm

SB-2955

Submitted on: 2/18/2020 8:33:44 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sharlene Gee	Testifying for business	Support	No

Comments:

I am a Kona coffee farmer and a Kona Coffee Farmers Association member testifying in **strong support of SB2955 – Coffee Labeling; Ready-to-Drink Beverages.**

Ready-To-Drink (RTD) coffee products should meet the same labeling requirements that apply to roasted and instant Hawaii-grown coffee. It doesn't make any sense for these beverages to be exceptions. It is downright deceptive. A consumer is not going to be aware that there are different labeling requirements.

A beverage with the label "Kona coffee" on a can or other package should tell you how much of the product (if any) is actually from Kona.

Consumers deserve to know what they are drinking, and coffee farmers deserve to have their products represented fairly and honestly.

SB-2955

Submitted on: 2/18/2020 9:07:57 PM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Bedingfield	Individual	Support	No

Comments:

This testimony is submitted in support of SB 2955 to expand labeling requirements for ready to drink coffee products. We are a small coffee farm in the Holualoa area in Kona. We grow and process all of our own coffee to sell direct to our customers, primarily via the internet.

The coffee farmers, processors and roasters in Kona have worked hard for generations to build an outstanding reputation for the quality of Kona coffee around the world. The coffee industry is a vital part of the economy of west Hawaii that provides full-time, casual, and seasonal work for many many people. Kona coffee also supports the visitor industry on Hawaii Island as many tourists look to experience coffee production first hand, take some of it home with them, and continue to purchase the coffee after they return.

But the fact is that producing quality Kona coffee is an expensive, labor-intensive process. It is maddening to see others exploit the brand that hundreds of small farmers have worked so hard to create. The consumers of these ready to drink products should know whether they are really drinking Kona coffee or not. Lack of this information on labels devalues our product by these companies that offer an inferior product at a lower price without revealing that little or none of the coffee is actually from Kona. They should be required to put the actual percentage of Kona coffee on the label.

Parmesan cheese is from Parma, Italy. Real champagne is produced only in Champagne, France. Napa wine must be 100% from Napa County; Idaho potatoes have to be grown Idaho. These geographically identified brands enhance and protect the value of these products which support vital local industries. Why should we let anyone trade on our brand by falsely claiming that their drink is Kona coffee when it isn't or if only a small percentage is actually Kona coffee.

Please move to protect both the hard-working producers and the consumers by requiring sellers of these ready-to-drink coffee products to put on their label the source of the contents.

thank you for your support

Scott Bedingfield, Poseur Estate Coffee

Holulaloa, HI

SB-2955

Submitted on: 2/19/2020 8:46:55 AM

Testimony for CPH on 2/20/2020 10:00:00 AM

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

Comments:

This testimony is in strong support of SB2955.

SB2955 essentially says that “ready-to-drink” coffee beverages must comply with the same labeling requirements that are presently required by other Hawaii coffee products sold on the shelf. Essentially it says these products must disclose how much Hawaii coffee is contained in the package if any.

The issue is one of “truth in labeling”.

If the “ready-to-drink” coffee beverage sold on the shelf in the store or provided to you in your hotel room, says “Kona Coffee” or any other Hawaii geographical designation, then the product should contain coffee from this region.

The label on the can or other package provided to you should tell you how much of the product (if any) is actually from Kona, Maui, Kauai etc.

Consumers deserve to know what they are drinking, and coffee farmers deserve to have their products represented fairly and honestly.

The cost to print an extra line on the package is zero. The blenders, packagers, and sellers of these products know or should know what is in them - and consumers deserve this same right.

As to the question of the limited enforcement capacity of the HDOA, it is my understanding that this measure does not mandate any significant increased actions or investment in this area. The underlying expectation is that the vast majority of the companies engaged in producing these products will voluntarily comply with the law, as is the case with all other labeling regulations in Hawaii.

Mahalo,

Gary Hooser

Note: While I am consulting with and registered to lobby on behalf of the Kona Coffee Farmers Association, this testimony is presented on my own behalf.

SB-2955

Submitted on: 2/19/2020 8:49:22 AM

Testimony for CPH on 2/20/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dee Fulton	Testifying for Mauna Mama Kona Coffee	Support	No

Comments:

It is absurd that our Legislators allow the Kona coffee brand to be pilfered. Where else in the world does this happen? Look at Vidalia onions....they must be grown in Vidalia County, GA. Here's the story: The onions were first grown by Moses Coleman. Then other farmers started growing the unusually sweet onions and selling them at the Farmers Market in Vidalia, Georgia.

In 1986, Georgia's state legislature passed legislation giving the Vidalia Onion legal status and defining the 20-county production area. The Vidalia Onion was named Georgia's Official State Vegetable by the state legislature in 1990.

In 1989, Vidalia Onion producers united to establish Federal Marketing Order No. 955 for the crop. This USDA program established the Vidalia Onion Committee and extended the definition of a Vidalia Onion to the Federal level. The Marketing Order provided a vehicle for producers to jointly fund research and promotional programs.

The state of Georgia protected their brand.

Hawaii needs to protect it's unique brand.

I am a Kona coffee farmer and I'd like to be able to charge a fair price for my coffee. Competition from brands claiming to be Kona coffee and flooding the market makes it impossible for me to get the price that real Kona coffee deserves to get.

Thank you.

Deborah Fulton