

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 JUDICIARY

FEBRUARY 22, 2019
9:00 A.M.
CONFERENCE ROOM 016

SENATE BILL NO. 895
RELATING TO AGRICULTURE

Chairperson Rhoads 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 the bill.

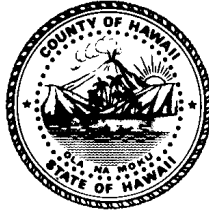
Act 328, SLH 2012 established criminal penalties for Hawaii-grown cherry, parchment and green coffee, however it overlooked the enforcement on fraudulent Hawaii-grown roasted coffee.

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.



County of Hawai'i
Council District 9 -
North and South Kohala



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Chair: Committee on Agriculture,
Water, Energy, and Environmental
Management

Vice Chair: Committee on Finance

HERBERT M. "TIM" RICHARDS, III
HAWAI'I COUNTY COUNCIL - DISTRICT 9
25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

February 20, 2019

Senate Committee on Judiciary
Honorable Senator Karl Rhoads, Chair
Honorable Senator Glenn Wakai, Vice Chair
Submission via online testimony

RE: **Support of SB 895**
Hearing Date/Time: February 22, 2019 at 9:00 a.m.

Dear Senators:

As the Chair of the Committee on Agriculture, Water, Energy, and Environmental Management for the Hawai'i County Council, I thank you for the opportunity to submit **testimony in SUPPORT of SB 895**. It is critical to continue maintaining the integrity of our Hawai'i coffee industry, and therefore false labeling of Hawai'i-grown coffee is an offense that should be extended to include roasted coffee. We must continue to protect our economic drivers of our island and state.

Please feel free to contact me should you need to discuss my position and knowledge of this matter further.

Sincerely,

HERBERT M. "TIM" RICHARDS, III
Hawai'i County Council, District 9



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

HAWAII STATE SENATE
COMMITTEE ON JUDICIARY

February 22, 2019
9:00 AM
Conference Room 016

RE: Testimony in Support of SB 895

Aloha Chair Rhoads, Vice Chair Wakai 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 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.

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!



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.

This Bill closes an important loophole whereby counterfeiters can ship roasted coffee without the ability of the HDOA to challenge the authenticity of the origin.

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, appearing to read "Suzanne".

Suzanne Shriner
President

SB-895

Submitted on: 2/18/2019 7:00:01 PM

Testimony for JDC on 2/22/2019 9:00:00 AM

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

Comments:

SB-895

Submitted on: 2/19/2019 10:49:49 AM

Testimony for JDC on 2/22/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Darwin Inman	Testifying for Kona Hills LLC	Support	No

Comments:

Kona Hills LLC supports this bill. Roasted Coffee should be added to the Counterfeiting law.

SB-895

Submitted on: 2/19/2019 6:26:44 PM

Testimony for JDC on 2/22/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	No

Comments:

Please support any measure that helps enforce the conterfeiting issues plaguing the coffee industry.

Mahalo

Kimo Falconer, President, HCGA

SB-895

Submitted on: 2/20/2019 11:31:47 AM

Testimony for JDC on 2/22/2019 9:00:00 AM

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

Comments:

As president and coffee farmer in Kau, I urge that this bill be passed. It will protect the Coffee Brand, of Hawaii, from contereiting, which is on the increase in recent years. Counterfeiting of the Hawaii Coffee brands erodes the value of the coffee offered to international consumers by Hawaii Coffee farmers.

Gloria Camba

President of KCGC & Coffee Farmer, Kau District

SB-895

Submitted on: 2/21/2019 8:02:55 AM

Testimony for JDC on 2/22/2019 9:00:00 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:

SB-895

Submitted on: 2/19/2019 9:49:14 AM

Testimony for JDC on 2/22/2019 9:00:00 AM

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

Comments:

SB-895

Submitted on: 2/20/2019 11:37:41 AM

Testimony for JDC on 2/22/2019 9:00:00 AM

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

Comments:

Yes, we need to have legislative backing to eradicate the counterfeiting of high quality Hawaiian coffees, with cheap imports. Producers of high quality coffees, will only be able to mitigate the menace of contereifenting, with legislative support.

Miles Mayne

Kau Coffee Farmer, Wood Valley, Pahala