
A BILL FOR AN ACT

RELATING TO COFFEE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that coffee is one of the
3 largest agricultural crops in the State and is a highly valued
4 commodity in Hawaii's economy. In 2020, coffee leaf rust was
5 discovered for the first time in the State on Maui and Hawaii
6 Island, and has now been detected on all major islands.
7 Additionally, the coffee berry borer is a coffee pest that
8 threatens coffee crops in Kona and throughout the State. These
9 two pests threaten the viability of the State's entire coffee
10 industry. Efforts to control coffee leaf rust and the coffee
11 berry borer are critical to the coffee industry, and the State
12 must continue to support these efforts.

13 The legislature also finds that assisting farmers
14 financially in combating these pests encourages farmers to adapt
15 to changing conditions and creates an incentive for farmers to
16 adopt recommended pest management strategies, including
17 application of the appropriate insecticides, fungicides, or



1 other treatments, as determined by the department of
2 agriculture. Research shows that subsidizing the cost of pest
3 treatment is an effective and necessary incentive to encourage
4 farmers to adopt recommended pest management strategies.

5 The legislature further finds that, for over thirty years,
6 Hawaii has been the only region in the world that statutorily
7 regulates the uses of its geographic names, such as "Kona",
8 "Maui", and "Kau", on labels of its specialty agricultural
9 products but requires that only ten per cent of the product
10 originate in the geographic area indicated. The low ten per
11 cent requirement directly damages and degrades the reputation of
12 world-famous Hawaii-grown coffees and inhibits the economic
13 interests of Hawaii coffee farmers. The legislature notes that
14 a 2018 publication entitled "Strengthening sustainable food
15 systems through geographical indications: An analysis of
16 economic impacts" by the Food and Agriculture Organization of
17 the United Nations and the European Bank for Reconstruction and
18 Development concluded, among other things, that Kona coffee
19 "does not enjoy any strong protection of its name" from the
20 State and, as a result, downstream stakeholders, rather than
21 farmers, "reap the economic benefits of the fame of Kona."



1 The purpose of this Act is to support Hawaii's coffee
2 growers by:

3 (1) Directing the department of budget and finance to
4 conduct a study to assess the economic impact on the
5 local coffee industry from potential changes to coffee
6 labeling laws; and

7 (2) Appropriate moneys for the pesticide subsidy program.

8 SECTION 2. (a) The department of budget and finance shall
9 conduct a study to assess the economic impact on the local
10 coffee industry from potential changes to coffee labeling
11 requirements established in section 486-120.6, Hawaii Revised
12 Statutes.

13 (b) The department of budget and finance shall consult
14 with the department of agriculture and stakeholders in the
15 coffee industry to establish the protocols to be used and
16 factors to be addressed in the study.

17 (c) The department of budget and finance shall complete
18 the study no later than January 1, 2024, and shall submit a
19 report of its findings and recommendations, including any
20 proposed legislation, to the legislature no later than twenty
21 days prior to the convening of the regular session of 2024.



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PART II

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2022-2023 for the pesticide subsidy program established by Act 105, Session Laws of Hawaii 2014, as amended by section 1 of Act 152, Session Laws of Hawaii 2015, as amended by section 2 of Act 65, Session Laws of Hawaii 2017, as amended by section 2 of Act 32, Session Laws of Hawaii 2018, as amended by section 43 of Act 111, Session Laws of Hawaii 2019, as amended by section 2 of Act 138, Session Laws of Hawaii 2021.

The sum appropriated shall be expended by the department of agriculture for the purposes of this part.

SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Coffee Labeling Economic Impact Study; Pesticide Subsidy Program; Appropriations

Description:

Directs and appropriates funds for the Department of Budget and Finance to conduct an economic impact study regarding the impact of potential changes to coffee labeling laws on the local coffee industry. Appropriates moneys for the pesticide subsidy program. Effective 7/1/2050. (SD1)

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