

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
HOUSE BILL NO. 1517, H.D. 1

February 11, 2022
2:00 p.m.
Room 329 and Videoconference

RELATING TO COFFEE

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1517, H.D. 1, amends Section 486-120.6, HRS, to require coffee blend labels to disclose geographic and regional origins and their percentages by weight in the coffee blend; prohibit using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51% by July 1, 2024; prohibit use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in the State; appropriate an unspecified amount of general funds in FY 23 for the Department of Agriculture (DOA) to purchase equipment to test coffee content or the percentage of coffee from green coffee beans grown in the State; and appropriate an unspecified amount of general funds in FY 23 for the Pesticide Subsidy Program within the DOA to effectuate this bill.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

FEBRUARY 11, 2022

2:00 P.M.

CONFERENCE ROOM 329 & VIA VIDEOCONFERENCE

HOUSE BILL NO. 1517 HD1
RELATING TO COFFEE

Chairperson Johanson and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1517 HD1. This measure requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees, prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent after 7/1/2024, prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii, and appropriates moneys for the pesticide subsidy program and for purchasing equipment to test coffee content or the percentage of coffee from green coffee beans grown in Hawaii. The Department supports the intent of this bill provided it does not adversely impact its priorities of the Executive Supplemental Budget 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. While the Department can enforce grading and labeling of green Hawaii-grown coffee, the Department lacks the capability to regulate the authenticity of roasted and blended Hawaii-grown coffee labeling. Currently, there is no industry standard to determine the actual content or origin of the roasted and blended coffee and there is no commercially available equipment for effective enforcement and to effectively prove any fraudulent occurrence. The Department supports the appropriation of funds for testing coffee content or the percentage of coffee from green coffee beans grown in Hawaii. This will give the Department with capability to research the potential adoption of new inspection and detection technology (such as Fourier Transform Infrared Spectroscopy, Stable Isotope Analysis) in order to regulate the authenticity of roasted and blended Hawaii-grown coffee labeling.

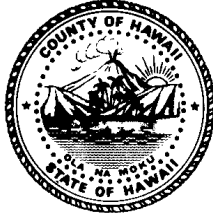
Finally, the Department supports the appropriation of funds to assist coffee growers with subsidizing approved pesticides to treat coffee trees for coffee berry borer and coffee leaf rust. The Department continues to work directly with coffee growers around the state to provide education and outreach for the safe, lawful, and appropriate use of pesticides.

Thank you for the opportunity to testify on this measure.

HEATHER L. KIMBALL

Council Member

*Chair, Committee on Governmental Operations,
Relations and Economic Development
Council District 1*



Contact Information

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HAWAI'I COUNTY COUNCIL

*County of Hawai'i
Hawai'i County Building
25 Aupuni Street, Suite 1402
Hilo, Hawai'i 96720*

TO: Honorable Mark J. Hashem, Chair
House Committee on Agriculture

FROM: Heather L. Kimball
Council Member, District 1

DATE: February 10, 2022

SUBJECT: **SUPPORT HB 1517, RELATING TO COFFEE**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to require truth in labeling for Hawaiian coffee and appropriate funds to support the pesticide subsidy program.

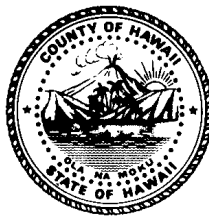
In this instance I am providing testimony in my capacity as an individual member of the Hawai'i County Council. However, the Hawai'i County Council did vote unanimously to urge the State of Hawai'i to pass legislation increasing the minimum percentage requirement for blends of Hawai'i-grown coffee from 10% to 51%, and that the remaining contents be geographically identified by origin.

I **SUPPORT** this measure for the following reasons:

1. It values the premier, specialty Hawaiian coffee industry that has been operating for over 200 years and has become a valuable commodity in the State by requiring coffee blend labels to disclose geographic and regional origins and per cent by weight of the blended coffees.
2. It preserves the Hawai'i-grown coffee brand by prohibiting using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51% after 7/1/2024
3. It protects customers by prohibiting the use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

For these reasons, I **SUPPORT** HB 1517 Relating to Coffee.

Holeka Goro Inaba
Council Member, District 8, N. Kona



Office: (808) 323-4280
Email: holeka.inaba@hawaiiicounty.gov

HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

February 9, 2022

Committee on Consumer Protection & Commerce
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Re: Testimony in support of HB1517, RELATING TO COFFEE LABELING
Videoconference Hearing: February 11, 2022 at 2:00 p.m.

Dear Chair, Vice Chair, and Members of the above referenced Committee,

On behalf of myself and constituents of Council District 8 in North Kona, I would like to express support for the above referenced bill, and submit a brief testimony as follows:

We support HB1517 which requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. This measure also prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased into a minimum of 51% after July 2024, as well as prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

In November 2021, I introduced Resolution 223-21 related to Coffee Labeling at the Hawai'i County Council where it received unanimous support from my colleagues. Similar to Resolution 223-21, the current measure before you makes sense and works to protect our coffee farmers on the Big Island and the largest agricultural crop in the State of Hawai'i. Without remedy and the protections called for in this bill, there will be devastating long-term impacts to Hawai'i's economy.

I strongly urge the passing of HB1517.

Sincerely,

HOLEKA GORO INABA, Council Member
District 8, North Kona

HB-1517-HD-1

Submitted on: 2/9/2022 2:45:52 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Roger Kaiwi	Kona Coffee Council	Oppose	No

Comments:

Aloha Chair , I wish to strongly oppose HB1517. We all aware that our current and past HDOA dont have the time , resources , and ability to track and police such a bill. Our current inspectors are very good at grading Kona/Hawaiian coffees , but lack the time and training to complete such a task. We are also asking that the State provide sufficent documentation that proves raising to 51% or any other qnantity will be sucessful! At this time I'm not aware of anyone including those asking for this change offer a 51% blend! If this is such a sucessful blend , why isnt anyone doing it? We also wish to point out that we are still in the middle of a Global Pandemic and believe any disruption could be catistophic! Mahalo for your time.

Roger Kaiwi

HB-1517-HD-1

Submitted on: 2/9/2022 5:27:07 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Koontz	Konaloha Farms	Support	No

Comments:

For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its geographic names (“Kona”, “Kau”, “Maui”) on labels of one of its specialty agricultural products with only 10% genuine content.

Using the Kona name (or the Ka’u or Maui or Kauai names) on packages containing 90% inexpensive imported coffee has damaged the reputation of Hawaii-Grown coffee with consumers.

In 2007 the Legislature made a factual finding that existing coffee blend labeling laws cause “consumer fraud and degrade the Kona coffee name.”

As indicated by analysis from the resource economist Marvin Feldman, 10% Kona “blends” reduce the income of the average Kona coffee farm by about \$20,000 per year.

Last fall the Hawaii County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.

France requires sparkling wine be 100% from grapes grown in the Champagne region in order to use the word “Champagne” on the label; Idaho requires 100% of the potatoes in the package be grown in that state to use the name “Idaho Potatoes”; Vermont requires that 100% of the contents be from Vermont to label a product as “Vermont Maple Syrup”. While Hawaii coffee farmers would very much prefer our state to provide a similar 100% labeling law— 51% is a long overdue step in the right direction. Please support this bill in order to preserve one of Hawaii's treasured resources, it's premium coffee. Mahalo!

HB-1517-HD-1

Submitted on: 2/9/2022 5:55:02 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Eva Lee	Hawaii Farmers Union United Tea Committee Chair	Support	No

Comments:

HFUU is a 501(c)(5) agricultural advocacy nonprofit representing over 1,500 family farmers and their supporters organized as 14 Chapters in the four Hawai'i Counties. That includes coffee farmers in Kona on Hawai'i Island.

This bill will help set a precedent for many Hawaii specialty crops in need of origin identification.

We hope this bill be given strong support for Hawaii coffee growers setting fine example in producing world class coffee helping to further Hawaii specialty crops.

Many such farmers have testified in support of this Bill. They speak as owners of family farms who are able to make a living because they grow, process and sell a high-value "Origin" coffee from "Kona" and other Hawaii Origins. It is well-recognized, as recounted in HB144, that the way in which Hawaii's current law allows a 10% coffee blend to be labeled "Kona," (or "Ka'u," "Hamakua," "Maui," or "Kauai") is "misleading". The Legislature's 2007 Concurrent Resolution called it "consumer fraud." Hawaii County's 2014 Resolution called it "inherently deceptive and misleading."

It is also economically harmful to Origin coffee farmers. In 2018 the United Nations Food and Agriculture Organization concluded that these Hawaii Origin brands, like Kona: do "not enjoy any strong protection of its name" and that the result is "downstream stakeholders, rather than farmers, reap the economic benefits of the fame of Kona."

The opponents of this legislation are those "downstream stakeholders," who the United Nations says "reap the economic benefits" of 10% blended coffee. They have testified that "no one can accurately predict" the economic effect of requiring Hawaii's Origin coffee blends to contain 51% Kona, Ka'u, Hamakua, Maui or Kauai coffee. We can predict however, that Hawaii Origin coffee blends will no longer be deceptively marketed. We can also predict that 51% coffee blends will still be less expensive than 100%-- only now their cost will be linked to the fair value of Hawaii's Origin coffees.

Mahalo,

Eva Lee - *Camillia sinensis* tea farmer/HFUU Tea Committee Chair

HB-1517-HD-1

Submitted on: 2/9/2022 6:20:46 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cynthia Maryanoff	KCFA	Support	No

Comments:

"Testimony in strong support of HB1517—COFFEE LABELING

Dear **House Consumer Protection and Commerce Committee**

We submit this written testimony **in STRONG SUPPORT of HB1517—COFFEE LABELING**

On behalf of the more than 300 members of the **Kona Coffee Farmers Association**, we are submitting this written testimony. We have two working Kona coffee farms [Honalo Farm and Cynthiana Farm]. **We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i.** We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] and trying to recover from the "Kona LOW cyclone" damage. **WE NEED YOUR SUPPORT of HB1517 now more than ever! We expect next year's yields of KONA coffee to be diminished due to CLR and weather damage so we need this passed now please!**

The new law does require more information about the remaining 49% but does not make blenders specify that it is *Arabica* so it could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee. The current bill is an excellent start, requiring 51% Kona coffee. Requiring 49% to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger.

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 high respect in the coffee world.

Our reasons for **strong support of HB1517:**

1. **Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for.

2. **Use of the name without requiring the content exploits the region and deprives farmers of income. Further, not even identifying the 49% as Arabica or not is also misleading. Our legislature has /continues to support farmers in their fight against Coffee Borer Beetles Beetles [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB1517.**

3. **Low quality coffee is being sold under a prestigious name and results in lowering standards and damaging the brand. Possible blending with Robusta coffee also damages the brand.**

The blenders, many owned by large companies, strongly oppose this change because they are making a fortune selling inexpensive coffee, which may not even be *Arabica* as "Kona" or "Ka'u," to unsuspecting customers.

Hawai'i needs to step up and protect the brand integrity of its premier Arabica coffee brands that are grown throughout the islands. Thank you for your positive consideration and passage of **HB1517**.

Sincerely,

Bruce and Cynthia Maryanoff

cmaryanoff@comcast.net

Co-CEOs, Absolute Palate LLC

9 Feb 2022

HB-1517-HD-1

Submitted on: 2/9/2022 6:01:28 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Shaheen Mulkern	Mulkern Landscaping & Nursery	Support	No

Comments:

Aloha,

Please support this bill to support our Hawaii coffee growers. Our local industry needs your help to stay viable.

Thank you for your consideration.

HB-1517-HD-1

Submitted on: 2/9/2022 5:59:46 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kevin Mulkern	Mulkern Landscaping & Nursery	Support	No

Comments:

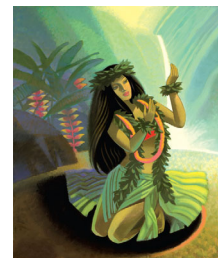
Aloha,

Please support this bill to support our Hawaii coffee growers. Our local industry needs your help to stay viable.

Thank you for your consideration.

HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
Fax: 808-847-7900
www.hicoffeeco.com



TO: Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair
Committee on Consumer Protection & Commerce

FROM: Gerard Bastiaanse
President- Hawaii Coffee Company

RE: **HB 1517 HD1 Relating to Coffee – In Opposition**
February 11, 2022; 2:00 p.m.

Aloha Chair Johanson, Vice Chair Kitagawa and members of the committee:

Hawaii Coffee Company is in opposition to HB 1517 HD1, which would increase blend requirements for Kona coffee sold from a 10% Kona bean requirement up to a 51% requirement on July 1, 2024 and continuing thereafter.

Hawaii Coffee Company offers a range of coffee, from 10% Kona blend to 100% Kona coffee as well as similar consumer coffee blend options from other Hawaii coffee growing regions. All product labels clearly reflect whether the coffee is a blend of Kona coffee or 100% Kona coffee to ensure that customers are fully informed of the composition of the coffee product. Based on available market information, we believe Hawaii Coffee Company sells significantly more volume of 100% Kona coffee to consumers in Hawaii than any other company. In a typical year, approximately half of the Kona coffee purchased by Hawaii Coffee Company from Kona farmers goes into 100% Kona products.

We believe it is important to offer consumers a range of coffee products from 10% Kona blend to 100% Kona coffee for several reasons.

First, Kona coffee has a distinctive taste and, therefore, the amount of Kona coffee in a blend can change the taste of the coffee. Some consumers prefer the milder taste of the lighter blends, while others prefer the robust taste of a higher-percentage blend. Thus, providing a range of coffee products, all of which are accurately labeled, allows consumers to make an informed decision and to choose their coffee product based on their taste preferences.

Second, Kona coffee commands a premium price. The greater the percentage of Kona coffee included in a blend, generally, the higher the cost. The more affordable 10% Kona blend coffee is served at restaurants as well as purchased in traditional grocery or similar retailers. Eliminating 10% blends will force consumers and our restaurant partners to either select another

affordable alternative roasted on the mainland or abroad, by a mainland or foreign company, which includes no Hawaiian coffee, or to pay a five times higher price for a 100% Kona coffee product. Offering a range of coffee products allows consumers to choose taking into account its affordability and their own budget. This also ensures that consumers can continue to support our local economy.

Third, including a range of coffee products will allow us to continue to support our local farmers and to reduce food waste. By eliminating all 10% coffee blends, the overall demand for Kona coffee purchased from farmers by Hawaii Coffee Company, and other roasters, will significantly decline and will have corresponding negative impact on the coffee cherry price. This reduction in the price Kona farmers receive for their coffee may challenge the commercial viability of many multi-generational farms. If the demand for coffee products falls, coffee farmers may be left with unsold and unused coffee cherry that without a buyer will go to waste. This waste would be unfortunate as it could be avoided by maintaining the ability to allow for a range of coffee products.

Fourth, HB 1517 HD1 will reduce the volume of coffee purchased, roasted and packaged by Hawaii Coffee Company at our facility in Kalihi. As a result, the number of employees we currently employ would not be sustainable and a reduction in workforce would occur. This would also have an adverse impact on the local suppliers we work with and the revenues to the State. Local businesses have been struggling through the pandemic and if this bill passes, it will increase financial hardships.

Additionally, HB 1517 HD1 as written has the potential to conflict with trademark rights. A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of goods or services. Paradise Beverages, Inc. dba Hawaii Coffee Company is the owner of a number of well-known and widely recognized federal and state trademarks (“HCC Marks”). Hawaii Coffee Company has spent significant time, energy, and expense promoting the HCC Marks and the HCC Marks have accrued considerable value and goodwill to Hawaii Coffee Company as a result thereof. Hawaii Coffee Company’s claims of ownership in the HCC Marks are based upon long existing and clearly delineated common law and statutory rights. These rights constitute legally protectable property.

In particular, as to the HCC Marks for which Hawaii Coffee Company holds federal registrations, it is well-established that the federal trademark laws are designed to promote and encourage uniform trademark use, and to discourage activities which would result in confusion among purchasers. Local trademark display regulations which require alterations of federally registered marks for local use conflict with federal law and underlying public policy.

For these reasons, we ask you to hold this measure. Thank you for the opportunity to submit testimony.

HB-1517-HD-1

Submitted on: 2/9/2022 7:41:49 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark Shultise	LavaRock Farm	Support	No

Comments:

In 2007 the Legislature found that the existing labeling of coffee blends allowed consumer fraud. Economists also agreed that we farmers are losing money and reputation because the public was fooled by these blends and the naming of such. The only reason these blends have "Kona" on the label is because the company wants to trade on our name and reputation to sell an inferior product. If it was not inferior they would tell the public exactly what they were buying. One famous blender used 2 different explanations why they did not list the country which produced the blend they used. 1) It is a trade secret. 2) Our countries change based upon price and availability. Thus it can't be a trade secret if they have no idea where the product is coming from.

Years ago when Safeway was asked if the "Kona Blend" they were selling was 10% they checked with their blender/supplier and assured us that they could INCREASE the Kona to 10%. Thus it was not even 10% but the public was told there was Kona in the bag. Perhaps 1 bean?

It is unconsonable that Hawaii allows someone to hide 80% of the content of a Kona blend from the public? This is similar to someone selling a gasoline blend to the public which contains 10% water (Oh, sorry, we didn't think you cared what the additive was).

I lived in Georgia where Vildalia Onions are grown. Did you know: A Vidalia onion is one of several varieties of sweet onion grown in a production area defined by law of the U.S. state of Georgia since 1986 and the United States Code of Federal Regulations (CFR). Why is Kona Coffee not treated the same?

I am tired of watching these blenders (who do not actually grow Kona Coffee) profit from deceptive practices and the ability to put a small amount of Kona in a bag and call it a Kona Blend.

I also support the funding of coffee testing equipment but think that 2050 is too far off and should be sooner.



Hawaii's Thousand Friends

335 Hahani Street #342132 * Kailua, HI 96734 * Phone/Fax (808) 262-0682 E-Mail: htf3000@gmail.com

February 11, 2022

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair

Rep. Lisa Kitagawa, Vice Chair

HB 1517 HD1 RELATING TO COFFEE

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization, supports HB 1517 HD1, which requires coffee blend labels to disclose geographic and regional origins and percent by weight of blended coffees.

For thirty plus years our state has authorized the use of geographic names such as Kona, Kau, Maui, Kauai etc. on coffee labels that contain only 10% of the coffee from that region.

Allowing coffee to not contain 100% of the coffee from the region where it is grown deprives farmers of receiving full value of their regionally grown coffee.

Vermont requires that the content of a bottle of syrup with the label Vermont Maple Syrup must contain 100% syrup from Vermont. Requiring that Hawaii's coffee from various places around the state to contain 100% of the coffee grown from the region is no different.

We urge you to pass HB 1517 HD1 to give our farmers a fair shake and ensure the public that when purchasing coffee labeled *Kona* the coffee beans are actually from Kona. It is called truth in advertising.



— CORKERS' —

RANCHO ALOHA

estate grown • certified organic

February 10, 2020

Chair Johanson and Members of the Committee:

I am a coffee farmer in the North Kona District of Hawaii County and a Board Member of the Kona Coffee Farmers Association.

I STRONGLY SUPPORT HB1517, and offer 2 points in favor of passage:

First, HB1517 is a compromise. For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its regional names (“Kona”, “Ka’u”, “Maui”, “Kauai”) on labels of an agricultural product with only 10% of the contents from the named region. By contrast, France prohibits word “Champagne” on the label unless 100% of the wine in the bottle is from grapes grown in the Champagne Region; Idaho requires 100% genuine content to use the words “Idaho Potatoes” on a label; and Vermont requires 100% genuine content for labeling “Vermont Maple Syrup”. Although Hawaii coffee farmers would prefer this type of 100% requirement for the labeling of our product, HB1517 represents a compromise and an important step toward addressing the consumer fraud and the damage to the economic interests of farmers that has been caused by Hawaii’s 10% coffee blend labeling law.

Second, while the HDOA’s view that enforcement of the coffee blend labeling law would be made easier by new scientific inspection and detection technology is accurate, it should be recognized that enforcement is not limited to the use of this technology. For example, in the Kona Kai scandal of the 1990s the counterfeiters of Kona coffee were convicted because of whistleblower testimony and forensic testimony as to coffee purchase and sales records. Whether the law requires 10%, or 51%, or 100% genuine content, the State is capable of enforcement--with or without the use of new scientific detection procedures. Hawaii needs to protect its farmers, just as France, Idaho, Vermont, and other regions protect their farmers.

Please pass HB1517.

Bruce Corker
Rancho Aloha
Holualoa Hawaii County



Greg Maples, Chairman – Polynesian Cultural Center **Ryan Tanaka, Incoming Chair**- Giovanni Pastrami

Ave Kwok, Vice Chair- Jade Dynasty **Tambara Garrick, Secretary** – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace **Tom Jones, Past Chair** – Gyotaku

Sheryl Matsuoka, Executive Director **Chivon Garcia**, Executive Assistant **Holly Kessler**, Director of Membership Relations

Date: February 9, 2022

To: Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee on Consumer Protection & Commerce

From: Victor Lim, Legislative Lead

Subj: HB 1517, HD1 Relating to Coffee Labeling

The Hawaii Restaurant Association representing 3,400+ restaurants stand in opposition to HB 1517, HD1 that will change the 10% Kona Bean requirement moving up to 51% after 7/1/24 for the Kona Blend.

Many of our local restaurants have been using the Kona Bend with a 10 % Kona bean content for 10 years, 20 years and some restaurants like McDonald's have been at it for over 50 years, supporting our local economy.

We all know that Kona coffee commands a premium price and have a stronger distinctive taste. Requiring a higher percentage will change the taste profile that many of our current restaurants customers enjoy and another consequence will be that our cost of buying locally blended coffee will significantly increase, all of this while our restaurant industry is one of the most severely hit by the Covid Pandemic. This will add to the unprecedented food cost increases our industry is currently facing.

Eliminating the 10% blends will be forcing our hand to eventually move away to a more affordable national brands thus causing a loss of business for our local processors.

We urge that this committee hold this bill and thank you for giving us the opportunity to share our industry's concerns.





23 E. Kawili St, Hilo, HI 96720 • Phone: (808) 933-3340

Comments on HB1517 relating to Coffee Labeling and Pesticide Subsidy

House Committee on Consumer Protection and Commerce

February 11, 2022 2:00 PM

Aloha Chair Johanson and Vice-Chair Kitagawa,

The Big Island Invasive Species Committee supports this bill. Kona Coffee is the signature agricultural product of the island of Hawaii, and a world-famous, premier product representing the state of Hawaii. Growers have been hit in recent years by the arrival of *both* of the world's worst pests of coffee—the Coffee Berry Borer in 2010, and now Coffee Leaf Rust. Most growers are small, family operations and the costs of managing these pests alone may cause many to give up. Continuing the subsidy of proven treatment options for both the invasive Coffee Berry Borer and Coffee Leaf Rust will give these family farms the support to continue the difficult task of producing Kona Coffee. Supporting the long-sought after labeling restrictions supports these businesses in meeting the true cost of producing a specialty product unique to Hawai'i, without being undercut by imports.

The fact that both of these pests have arrived in Hawaii in recent years highlights an even more critical issue before the legislature this session: the gaps in our state Biosecurity System. Fewer than 4% of the Prevention-related tasks in the Hawaii Interagency Biosecurity Plan have been implemented since it was adopted in 2017. The Big Island Invasive Species Committee encourages this committee give special consideration to bills like **SB3379** which would fund ports-of-entry surveillance for harmful invasive species including the red imported fire ant and hybrid killer bees; **HB2306** and **SB2950** which would restore special funds to the Department of Agriculture to fund their biosecurity and quarantine program, and consider steadily increasing the funds and supports available to the program to avoid the next bad thing to be established in Hawaii.

Mahalo for your consideration,

Springer Kaye, Manager
Big Island Invasive Species Committee



February 10, 2022

Re: HB 1517

Greetings Chair and Committee Members:

As an organization who represents Kona coffee farmers, it is the diverse perspective of our members from which my requests/input are put forth. Kona Coffee Farmers Association has approximately 200 members.

With all due respect, HB1517 should be supported, and passed through the Committee.

Farming is a vital piece of Hawaii's economy and well-being. Coffee is a back-bone of Hawaii agriculture.

Kona Coffee Farmers Association (KCFA) is a proud member of oriGIn, an international organization based in Geneva, Switzerland which stands up for consumer information and legal protection of products which are place-based, around the world (oriGIn has over 600 members from nearly all countries, which include Idaho potatoes, Napa Valley wine and Vermont maple syrup as but a few other examples).

Shifting Hawaii label laws so that they properly reflect what is in the bags of coffee is helpful to the KCFA farmer members, and more-so is honesty and integrity in terms of consumer perception of what is being consumed. Since we are all consumers, and we all want to know what we are consuming, we should recognize how the proposed changes will serve Hawaii at many levels. We need to defend the origin of our products.

The needed appropriations for subsidy programs are also vital, since that has not happened for several years. As a course of improvement, the subsidy should not only be for pesticides, but also for farmers improving tree health through additional fertilizing, which has been shown to have as much of an impact on the "new" pest (coffee berry borer beetle) which farmers are currently faced with. Please consider such an amendment.

Thank you for your support of this piece of legislation and communication as needed if any questions.

Sincerely,

Colehour Bondera, President

colemel2@gmail.com





PO Box 168, Kealahou, HI 96750

HOUSE COMMITTEE ON AGRICULTURE

February 11, 2022

RE: Testimony in support of HB1517 HD1

Aloha Chair Johanson, Vice Chair Kitagawa and members of the committee,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association (HCA).

The Hawaii Coffee Association supports HB1517 HD1.

We like that the measure considers a phased approach.

We like that "Foreign Grown Coffee" is an option for sellers who may not want to disclose country of origin for their blends.

Counterfeit and poor-quality blended coffee introduced into the marketplace undermines the hard work of Hawaii's growers and producers, who are forced to compete with fake and foreign-grown products that carry the name of Hawaii's growing regions. These fakes are often priced below the cost of production of genuine Hawaiian coffee. This creates downward price pressure during a time when costs are increasing for producers. Labor is up. Fertilizer is up. Pest control is up. Transportation is up.

Growers work tirelessly to produce some of the finest coffee grown anywhere. This is necessary so they can command a high price; to stay in business, pay their employees and feed their families. When they visit the supermarket, they are outraged that coffee is offered on the same shelves as their own at a price lower than their cost of production. You may ask how this is possible. It's possible because unethical sellers introduce foreign grown coffee into their packaging and represent it as a Hawaii-grown product. Hawaii's coffee growers are squeezed between a high cost of production and unfair competition.

It's important to note that a 51% Hawaii-grown blend ratio is a compromise between 100% and the current system that allows one bean in ten to be Hawaii-grown. We have heard opponents to this measure testify that the taste of their blends is "different". We agree with those statements. We find many of their blends to be below minimum grade standards for Hawaii-grown coffee as outlined in HAR 4-7-143. Hawaii's producers are regulated and bound by these minimum grade standards, yet the imported coffee used in these blends is unregulated by Hawaii's strict minimum grade standards. This is unfair and undermines Hawaii's premium reputation and brands built on high quality.

Further, one must question the wisdom of importing raw, foreign-grown coffee into our coffee growing regions and fragile ecosystems. These shipments are, at least, a prime vector for the introduction of invasive species.

PART III of the measure appropriates funds for the existing pesticide subsidy program. This program has been a lifeline for Hawaii's coffee growers in the battle of invasive pests and disease; notably Coffee Berry Borer and Coffee Leaf Rust.

A report released on January 21, 2022 by USDA National Agricultural Statistics Service (NASS) suggests the value of Hawaii's green coffee crop in the 2021-22 exceeds \$113,000,000. This figure places coffee near the top of the charts in statewide crop value, yet does not account for upstream and downstream revenue in terms of value-added products and ancillary businesses. It's also important to note the coffee industry promotes tourism, and preserves open space, view planes and watersheds.

The typical coffee farm in Hawaii is a small family farm, yet the largest farm in the state is also a coffee farm. For more details regarding Hawaii's coffee industry impacts on the State's economy, please see the attached document: *What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver.*

Coffee leaf rust (CLR) has been discovered on Hawaii Island, Kauai, Maui, Oahu and Lanai. CLR poses a devastating threat to Hawaii's coffee industry. CLR is known to spread rapidly and leads to defoliation and tree death. Coffee Berry Borer (CBB) remains a significant threat in all coffee producing regions.

Hawaii's coffee farmers have the highest cost of production anywhere, particularly with recent labor shortages and inflationary pressures. The cost to manage layers of threats caused by invasive species and COVID are squeezing Hawaii's farmers more than ever before. Yet we still compete in a global market with our counterparts across the globe who do not share our high costs. We respectfully ask that the Pesticide Subsidy Program be continued and be adequately funded, at least until we can transition to coffee varieties that are resistant to Coffee Leaf Rust. Your support is vitally important to Hawaii's coffee growers and the many families and businesses that depend on our industry.

Please pass HB1517 HD1.

Please accept our thanks and respect on behalf of the hard-working coffee producers located throughout the State of Hawaii.



Released January 21, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Coffee Utilized Production Up 17 Percent from Last Season

Hawaii utilized coffee production is forecast at 26.7 million pounds (cherry basis) for the 2021-2022 season, up 17 percent from the previous season. Bearing acreage totaled 7,100 acres, up 300 acres from the previous year. Average yield, at 3,820 pounds (cherry basis) per acre, was up 310 pounds from the previous year.

Coffee Bearing Acreage, Yield, Production, Price, and Value – Hawaii and United States: 2019-2020, 2020-2021, and 2021-2022

State	Bearing acreage			Yield per acre ¹		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(acres)	(acres)	(acres)	(pounds)	(pounds)	(pounds)
Hawaii	6,900	6,800	7,100	3,952	3,510	3,820
United States	6,900	6,800	7,100	3,952	3,510	3,820
State	Total production ¹			Utilized production ¹		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)
Hawaii	27,270	23,870	27,120	26,880	22,715	26,690
United States	27,270	23,870	27,120	26,880	22,715	26,690
State	Price per pound ¹			Value of utilized production ¹		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(dollars)	(dollars)	(dollars)	(1,000 dollars)	(1,000 dollars)	(1,000 dollars)
Hawaii	2.02	2.13	2.25	54,298	48,383	60,053
United States	2.02	2.13	2.25	54,298	48,383	60,053

¹ Cherry basis.

Coffee Utilized Production and Price on Equivalent Basis – Hawaii: 2019-2020, 2020-2021, and 2021-2022

Basis and State	Utilized production			Price per pound		
	2019-2020	2020-2021	2021-2022	2019-2020	2020-2021	2021-2022
	(1,000 pounds)	(1,000 pounds)	(1,000 pounds)	(dollars)	(dollars)	(dollars)
Parchment						
Hawaii	6,400	5,390	6,510	14.10	13.40	12.40
Green						
Hawaii	5,120	4,312	5,208	20.10	19.40	21.70

Coffee Harvested Not Sold Production – Hawaii and United States: 2019-2020, 2020-2021, and 2021-2022

State	Harvested not sold ¹		
	2019-2020 (1,000 pounds)	2020-2021 (1,000 pounds)	2021-2022 (1,000 pounds)
Hawaii	390	1,155	430
United States	390	1,155	430

¹ Cherry basis.

Definition of Terms

Bearing acreage: An orchard or grove is considered to be of bearing age when it can normally be expected to produce a commercially significant quantity of the crop. Bearing age is a function of many factors including variety, rootstock, year planted, etc.

Harvested not sold: Fruit of marketable quality that was picked but not sold for various reasons.

Total production: The quantity of a crop actually harvested.

Unutilized production: The difference between total and utilized production, which is marketable fruit harvested not sold or utilized.

Utilized production: The amount of a crop sold plus the quantity used at home or held in storage.

Yield per acre: Unless otherwise stated, yield per acre is based on total production.

Value: Crop value estimates in this report cover the marketing season or crop year and should not be confused with cash receipts which are based on a calendar year.

Statistical Methodology

Survey Procedures: Standardized probability grower surveys are conducted semiannually to collect acreage, yield, production, and price data. All millers are also surveyed semiannually to determine quantity handled. Data from operators is collected by mail, internet, telephone, or personal interview to ensure adequate coverage.

Estimating Procedures: Information obtained from the coffee grower and miller surveys along with federal administrative data is used to establish estimates of bearing acres, yield, total production, utilized production, price, and value. These estimates are reviewed for errors, reasonableness, and consistency with historical estimates.

Revision Policy: End-of-season estimates will be published in the *Noncitrus Fruits and Nuts – Summary* released in May. Revisions the following year are based on a thorough review of all available data.

Reliability: Survey indications are subject to sampling variability because all operations growing coffee are not included in the sample. Survey results are also subject to non-sampling errors such as omission, duplication, imputation for missing data, and mistakes in reporting, recording, and processing the data. These errors cannot be measured directly, but they are minimized through rigid quality controls in the data collection process and a careful review of all reported data for consistency and reasonableness.

Information Contacts

Listed below are the commodity statisticians in the Crops Branch of the National Agricultural Statistics Service to contact for additional information. E-mail inquiries may be sent to nass@usda.gov

Lance Honig, Chief, Crops Branch.....	(202) 720-2127
Fleming Gibson, Head, Fruits, Vegetables and Special Crops Section	(202) 720-2127
Fleming Gibson – Blueberries, Cranberries, Cucumbers, Pistachios, Potatoes, Pumpkins, Raspberries, Squash, Strawberries, Sugarbeets, Sugarcane, Sweet Potatoes	(202) 720-2127
Deonne Holiday – Almonds, Apples, Asparagus, Carrots, Coffee, Onions, Plums, Prunes, Sweet Corn, Tobacco.....	(202) 720-4288
Robert Little – Apricots, Dry Beans, Lettuce, Macadamia, Maple Syrup, Nectarines, Pears, Snap Beans, Spinach, Tomatoes	(202) 720-3250
Krishna Rizal – Artichokes, Cauliflower, Celery, Garlic, Grapefruit, Hazelnuts, Kiwifruit, Lemons, Mandarins and tangerines, Mint, Mushrooms, Olives, Oranges,.....	(202) 720-5412
Chris Wallace – Avocados, Bell Peppers, Broccoli, Cabbage, Chickpeas, Chile Peppers, Dates, Floriculture, Grapes, Hops, Pecans	(202) 720-4215
Antonio Torres – Cantaloupes, Dry Edible Peas, Green Peas, Honeydews, Lentils, Papayas, Peaches, Sweet Cherries, Tart Cherries, Walnuts, Watermelons	(202) 720-2157

Access to NASS Reports

For your convenience, you may access NASS reports and products the following ways:

- All reports are available electronically, at no cost, on the NASS web site: www.nass.usda.gov
- Both national and state specific reports are available via a free e-mail subscription. To set-up this free subscription, visit www.nass.usda.gov and click on “National” or “State” in upper right corner above “search” box to create an account and select the reports you would like to receive.
- Cornell’s Mann Library has launched a new website housing NASS’s and other agency’s archived reports. The new website, <https://usda.library.cornell.edu>. All email subscriptions containing reports will be sent from the new website, <https://usda.library.cornell.edu>. To continue receiving the reports via e-mail, you will have to go to the new website, create a new account and re-subscribe to the reports. If you need instructions to set up an account or subscribe, they are located at: <https://usda.library.cornell.edu/help>. You should whitelist notifications@usda-esmis.library.cornell.edu in your email client to avoid the emails going into spam/junk folders.

For more information on NASS surveys and reports, call the NASS Agricultural Statistics Hotline at (800) 727-9540, 7:30 a.m. to 4:00 p.m. ET, or e-mail: nass@usda.gov.

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If you wish to file a Civil Rights program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#) (PDF), found online at www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver

As growers of one of the State's most important agricultural crops, we are nearly 1,500 strong tending more than 10,000 acres. Not only do we preserve open space and watersheds, we are a pillar of the local economy: For the 2021-2022 season, the USDA values Hawaii's unroasted coffee at \$113.01 million¹. The roasted equivalent is worth more than \$161.45 million². These narrow statistics fall short of accounting for upstream and downstream revenues from increased tourism and ancillary businesses. They do not account for the countless citizens and their families who depend on Hawaii-grown coffee for their livelihoods.

After more than 200 years of growing coffee on these islands, our industry is facing the most destructive coffee disease in the world: Coffee Leaf Rust (CLR), a fungus that can kill an entire farm in a matter of weeks. Annually, CLR causes \$3 billion in damage and lost income around the world.

In Hawaii, the stakes are higher than elsewhere. While most other coffee-growing regions have planted rust-resistant varieties, all of the ones commercially grown in Hawaii are not resistant. And the best fungicides used to fight this disease have not been approved here.

CLR has been found and is spreading rapidly on Hawaii Island, Maui, Oahu, Kauai and Lanai. Its spores are spread by wind, workers, rain, equipment and tourists. As a result, farmers are facing defoliation, a loss of yield up to 70% or more and significantly higher production costs. So far, in the 2021-2022 season, many farmers have had to raise their prices for unroasted coffee between \$1.50 and \$3.00+ per pound.

¹ 2021-2022 season estimate, pounds of utilized production (green beans) x price per pound: 5,208,000 pounds x \$21.70/pound = \$113.01 million. Source: USDA-NASS. Jan 2022. "Coffee".
https://www.nass.usda.gov/Statistics_by_State/Hawaii/Publications/Fruits_and_Nuts/Coffee%20Data%20Release%202022.pdf

² This is a wholesale roasted estimate of the value of the 2021-2022 season crop, priced at \$31.00 per pound: 5,208,000 pounds of green beans x \$31.00/pound = \$161.45 million. The \$31.00/pound is an average statewide value for the season that takes into account the lower wholesale prices of mechanically harvested coffee (Kauai, Oahu and Maui beans) and the higher prices of hand-harvested beans (Kona, Ka'u). It also reflects rising cost of production due to CLR.

To help save our industry, as well as the communities and families that depend on it, we need State, Federal and private support and we need it NOW.

Without action, we stand to lose hundreds of millions of dollars in Hawaii's economy – a contribution that far exceeds the value of the beans themselves. To grow our coffee, we hire thousands of workers and buy from local industries such as transportation and vendors of agricultural supplies. For the 2021-2022 season, this so-called “downstream economic impact” is estimated at about \$231.67 million³.

Then there is the “upstream economic impact” of Hawaiian coffee, which is unquantified. Compared to most other crops grown here, coffee offers two advantages: 1) Its worldwide popularity boosts the tourism potential of events such as the Kona Coffee Festival. 2) It is shelf stable. That makes Hawaiian coffee a major attraction for the souvenir market, drawing tourists to shops, cafes and agritourism operations statewide. In turn, these visitors create more worldwide demand for Hawaiian coffee once they return home. For example, foreign exports of coffee from Hawaii, valued at \$10.60 million⁴ in 2020, are an ongoing international advertisement for the Hawaii islands.

The economic losses from CLR would have an outsized impact in rural areas, where few other industries exist. Remember the collapse of the local sugar industry? We can expect similar results: dramatically increasing unemployment – especially of historically underserved and minority populations – accompanied by increasing crime and drug use. Not to mention the harm to the cultural heritage of our islands.

What We Need:

- Statewide approval of the most effective CLR fungicides, and subsidies for farmers to purchase them.
- Support for development of the best CLR-management strategies in Hawaii, as well as support to educate farmers of them.
- Support for research of the best CLR-resistant varieties that will maintain the quality of Hawaii coffees. Also support for the importation, propagation and distribution of CLR resistant varieties, including expanded plant-quarantine facilities. (This is a 5-10 year project.)
- Support for farmers to replace their existing fields with rust-resistant varieties.

³ Using multiplier of 2.05, applied to the 2021-2022 season value of the State's green beans: \$113.01 million x 2.05 = \$231.67 million. Multiplier from correspondence between HDOA chair P. Shimabuku and USDA Secretary S. Perdue, dated November 19, 2020.

⁴ Worldwide exports of \$4.46 million in roasted coffee from Hawaii + \$6.14 million in unroasted coffee (green beans) from Hawaii. Source: USDA Global Agricultural Trade System. 2020 data.

- *Support for other ways to build capacity and resilience within farm communities.*

Contact:

- Chris Manfredi, Executive Director, Hawaii Coffee Association, cmanfredi@hawaiicoffeeassoc.org
- Suzanne Shriner, Administrator, Synergistic Hawaii Ag Council, suzanne@shachawaii.org



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

DATE: Friday, February 11, 2022
TIME: 2:00 p.m.

HB 1517 RELATING TO COFFEE

STRONG SUPPORT

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 52 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

As a graduate student studying economics, I became fascinated with agricultural futures. I first examined the international coffee industry and coffee commodity trading on international exchanges.

There is a major loophole in Hawaii law that allows large foreign companies to use the Kona brand while using mostly inferior coffees from elsewhere. This bill is an important step in correcting that problem.

Mahalo

Henry Curtis
Executive Director



Lions Gate, Inc
PO Box 761
Honaunau, HI 96726

Phone: 808-989-4883
Fax: 866-475-8602
sales@coffeeofkona.com
www.coffeeofkona.com

**RE: SUPPORT for HB1517
RELATING TO COFFEE**

Aloha Chair and Committee Members,

The ten-percent minimum blend law has long been a drag on Hawaii's flagship crop. Consumers who buy a Kona Blend often think they are getting a blend of different Kona coffees when in reality, they are drinking 90% foreign beans. It dilutes and reduces the reputation of our coffee in the global specialty marketplace. If there is a place in the market for blends, it is at or above the 51% level, where Kona, Ka'u, Maui, Molokai or Kauai can rightly take the top percentage on the bag.

The blenders will continue to argue that we should "study" this issue. They will testify that coffee prices will crash should they stop buying Kona for blends. But this is not economic reality. COVID destroyed the local sale of blends due to a lack of tourists, yet cherry prices to the farmers are at their highest point ever. This year has been a "market study".

Over the last two decades the market for Hawaii coffee has changed drastically and many growers now sell out their entire crop online. The worldwide demand for Kona far exceeds supply and the value of our crop is at record highs. Selling 100% Hawaiian coffee direct-to market has made small farms financially viable.

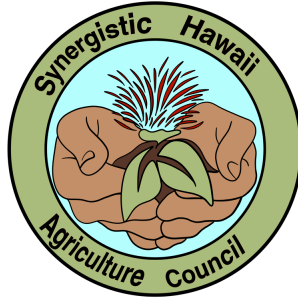
To maintain these record prices, it's vital that the State protect our distinctive brand from those who wish to use the name simply for profit. We must protect our origin products.

Blenders will disingenuously argue that selling 10% blends allow more consumers to "taste" Kona. But our market is not the tourist market, nor is it blends sold by the cup at fast food restaurants. Such pricing comes at the expense of a sustainable living for our Hawaii growers.

My family has three generations who farm coffee and we support ourselves on 100% Kona. Your support makes a difference for over 1,400 Hawaii coffee farmers.

Mahalo nui loa!

Jacqueline Wikum
Vice President



RE: SUPPORT for HB1517

RELATING TO COFFEE

Coffee Labeling; Blended Coffee; Percent of Coffee by Weight; Pesticide Subsidy Program; Appropriations

Aloha Chair Johanson, Vice Chair Kitagawa, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in support of this Bill. Our consortium represents 1,500 agribusinesses, from growers to processors and shippers, stretching across the State of Hawai'i.

We appreciate the Legislature working to protect our growers by increasing the blend ratio of coffee that can legally be labeled "Hawaiian". While SHAC would like to see 100% as a minimum, this phased-in bill is a reasonable compromise that should protect everyone in the industry, from our small farms to the larger processors.

SHAC receives Federal marketing funds to promote 100% Hawaiian origin products around the world, including coffee, papaya, floriculture and macadamia nuts. Frequently we find that the demand for 100% Hawaiian products far exceeds available supply. Quite simply, there is not enough Kona, Ka'u or Maui coffee to meet the global desire for Hawaiian coffee. To continue to allow a 10% blend ratio is deceptive to consumers, degrades the Hawai'i brand and is damaging to the long-term economic health of our growers.

Regarding the pesticide subsidy, for every \$50 in subsidy costs spent per acre, approximately \$600 in improved crop value is returned to the farmer. This has the potential to increase income by up to \$2.4 million across our statewide coffee communities. The University of Hawai'i estimates that each agricultural dollar circulates 11 times through the community, via local wages, goods and services. Supporting ag is good for the economy.

Please pass this bill. Mahalo nui loa!

Suzanne Shriner
Administrator

HB-1517-HD-1

Submitted on: 2/9/2022 2:00:01 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
lynne matusow	Individual	Support	No

Comments:

Proud to say I am addicted to 100% kona coffee. Proud to say I get my fix from a subscription which keeps me supplied. Mislabeling is a travesty and hurts our local coffee growers/farmers. I urge you to move this bill forward. These growers deserve our support

HB-1517-HD-1

Submitted on: 2/9/2022 4:16:48 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Franz Weber	Individual	Support	No

Comments:

This bill is crucial for the economic welfare of the Hawaii Coffee Farmers. Many regions in the US and around the world protecting the use of origin in the product name. Having less than 51 % Hawaii-grown coffee in a blend, and naming it Hawaii coffee, is misleading, and hurting the coffee farmers that depend on the income for their livelihood.

HB-1517-HD-1

Submitted on: 2/9/2022 5:55:12 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Robert Culbertson	Individual	Support	No

Comments:

Aloha Representatives!,

In 2007 the Legislature made a factual finding that existing coffee blend labeling laws cause "consumer fraud and degrade the Kona coffee name."

Last fall the Hawaii County Council unanimously passed a resolution calling on the Legislature to enact a 51% minimum for coffee blends without further delay.

Even as a 'hobby' farmer on the Big Island I know the value and work it takes to produce this premium beverage. I can do this as a hobby to enjoy the unique flavors of coffee from my land. *The fellows that do this for a living and to support their families need your help to realize the full potential of their land and labor.*

Please, let's get this done this year!

Mahalo,

R A Culbertson

Honokaa

HB-1517-HD-1

Submitted on: 2/9/2022 7:16:02 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Deborah Umiamaka	Individual	Support	No

Comments:

I strongly support HB1517.

Sincerely, Deborah Umiamaka.

HB-1517-HD-1

Submitted on: 2/9/2022 7:44:56 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lois Crozer	Individual	Support	No

Comments:

Coffee companies were using Hawaii's good name but not putting in much Hawaiian coffee, thereby cheating the consumers AND the growers. This bill will stop that.

Why is the date for this to take effect 2050?

HB-1517-HD-1

Submitted on: 2/9/2022 7:52:15 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
B Anderson	Individual	Support	No

Comments:

Thanks to Rep. Lowen for introducing the bill and for supporting me and other Kona Coffee Farmers. I am a small Kona Coffee Farmer with less than 500 trees. It hurts my niche marketing when blenders can sell coffee with the Kona name in large print and when you read the small print it is as low as 10% Kona coffee for \$8 when 100% Kona coffee sells upwards to \$90. As you know it is much more expensive to produce coffee here due to labor cost and inflation. Please pass this law and furthermore we need to preserve the Kona name for 100% Kona coffee. Please help us small farmers with this awesome produce to survive.

HB-1517-HD-1

Submitted on: 2/9/2022 8:18:01 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Tim Gomes	Individual	Support	No

Comments:

For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its geographic names (“Kona”, “Kau”, “Maui”) on labels of one of its specialty agricultural products with only 10% genuine content.

Using the Kona name (or the Ka’u or Maui or Kauai names) on packages containing 90% inexpensive imported coffee has damaged the reputation of Hawaii-Grown coffee with consumers.

To protect our farmers and the reputation of our growing region I stand in support of this bill.

HB-1517-HD-1

Submitted on: 2/9/2022 9:04:12 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Naomi Melamed	Individual	Support	No

Comments:

In strong support! Mahalo! Naomi and Yoav Melamed

HB-1517-HD-1

Submitted on: 2/9/2022 10:22:55 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Raphiell Nolin	Individual	Support	No

Comments:

As a Maui farmer, I strongly support HB1517

Mahalo

To: Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee on Consumer Protection & Commerce

From: Bronsten Kossow

09 February 2021

Measure: H. B. 1517 H.D. 1

Hearing Date: February 11, 2022

Time: 2:00pm

Location: House Conference Room 329 videoconference

Bill Description: Requires coffee blend labels to disclose geographic and regional origins and percent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one percent after 7/1/2024. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown in Hawaii. Appropriates moneys for the pesticide subsidy program and for purchasing equipment to test coffee content or the percentage of coffee from green coffee beans grown in Hawaii. Effective July 1, 2050.

Subject: Testimony in Support of H.B. 1517 H. D. 1.

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the House Committee on Consumer Protection & Commerce,

Thank you for allowing me the time to testify and show my **SUPPORT** for this piece of legislation that will truly benefit our local growers, farmers, and producers for Hawai'i grown coffee. As a son, grandson, and great-grandson of coffee farmers, our farmers need help; and, we need to continue to support them. Besides introduced species and world-wide market competition, our local coffee industry continues to struggle due to current coffee labeling laws and regulations that are not equitable. H. B. 1517 H. D. 1 will support the farmers with the necessary increase to the minimum percentage of coffee blends and assists farmers to combat Coffee Bearer Borer Beetle and Coffee Leaf Rust.

Coffee Leaf Rust, found in 2020 in Hawai'i, could be the most catastrophic species introduced in Hawai'i. In smaller farms across the historic Kona Coffee Belt most small farms have been infected by the fungus, as an example of the 2012 Latin America CLR Epidemic¹. Our support for H. B. 1517 H. D. 1 will in turn support these small coffee farmers.

Mahalo for the opportunity to testify,
Bronsten Kossow

¹ "Smallholder response to environmental change: Impacts of coffee leaf rust in a forest frontier in Mexico." (Vivian Valencia 2018)

HB-1517-HD-1

Submitted on: 2/9/2022 11:42:32 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Noa Lincoln	Individual	Support	No

Comments:

Hawaii agriculture needs the benefit of market advantage that the brand of Hawai'i offers. ALL Hawaiian agriculture should be protected this way, but this bill is an important step in recognizing the value derived from the name "Hawaii" on our agricultural products, and reserves that value for locally produced agriculture. I strongly support HB1517.

Dear Committee Chair and Members,

My husband and I have been growing, processing and selling 100% Kona coffee for 21 years. We strongly support HB 1517. Requiring 51% of the coffee in a bag labeled Kona blend and requiring the origin of the remainder of the coffee be listed will greatly benefit Hawaii's Kona coffee farmers. The same applies for all regions of coffee grown in Hawaii.

For too long, the State has allowed misleading labeling of coffee and that has been detrimental to Hawaii's coffee farmers. Not only has it kept the price of coffee low, it has fooled the consumer into thinking that a 10% blend of Kona coffee represents the flavor of Kona coffee. This results in the loss of future sales. The blenders make more money while degrading the reputation of our superior coffee.

Please support the growers of fine Hawaii coffees and pass this bill.

Mahalo,
Clare & Phil Wilson
Huahua Farm
Holualoa, Hawaii

Member, KCFA

HB-1517-HD-1

Submitted on: 2/10/2022 9:27:57 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Deniz Tek	Individual	Support	No

Comments:

As an independent Kona coffee farmer I respectfully ask that you support this bill. Please protect our precious Kona Coffee name and brand from theft through false labeling. Take a stand against the large mainland blenders who abuse our unique heritage, steal our name, and lie to consumers for profit.

HB-1517-HD-1

Submitted on: 2/10/2022 8:04:09 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara Barry	Individual	Support	No

Comments:

Aloha,

mahalo for introducing HB 1517 HD1.

i am

in strong support of this Bill.

our local coffee farmers work hard to produce coffee and the labeling should reflect how much of that premium coffee that's grown in Hawai'i is included in the beans people buy.

mahalo,

HB-1517-HD-1

Submitted on: 2/10/2022 11:34:09 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Soo Sun Choe	Individual	Support	No

Comments:

I strongly support this measure to protect Hawaii's coffee farmers not just from the dilution of their products on the market and deceptive marketing practices of processors but to reduce the likelihood of the introduction of pests and disease from the import of green coffee into the State.

Mahalo!

Soo Sun Choe

HB-1517-HD-1

Submitted on: 2/10/2022 11:53:15 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Suzanne Fields	Individual	Support	No

Comments:

Aloha -- I STRONGLY support HB1517.

I am a member of HFUU; a 501(c)(5) agricultural advocacy nonprofit representing over 1,500 family farmers and their supporters organized as 14 Chapters in the four Hawai'i Counties. That includes coffee farmers in Kona on Hawai'i Island.

Many such farmers have testified in support of this Bill. They speak as owners of family farms who are able to make a living because they grow, process and sell a high-value "Origin" coffee from "Kona" and other Hawaii Origins. It is well-recognized, as recounted in HB144, that the way in which Hawaii's current law allows a 10% coffee blend to be labeled "Kona," (or "Ka'u," "Hamakua," "Maui," or "Kauai") is "misleading." The Legislature's 2007 Concurrent Resolution called it "consumer fraud." Hawaii County's 2014 Resolution called it "inherently deceptive and misleading."

It is also economically harmful to Origin coffee farmers. In 2018 the United Nations Food and Agriculture Organization concluded that these Hawaii Origin brands, like Kona: do "not enjoy any strong protection of its name" and that the result is "downstream stakeholders, rather than farmers, reap the economic benefits of the fame of Kona."

The opponents of this legislation are those "downstream stakeholders," who the United Nations says "reap the economic benefits" of 10% blended coffee. They have testified that "no one can accurately predict" the economic effect of requiring Hawaii's Origin coffee blends to contain 51% Kona, Ka'u, Hamakua, Maui or Kauai coffee. We can predict however, that Hawaii Origin coffee blends will no longer be deceptively marketed. We can also predict that 51% coffee blends will still be less expensive than 100%-- only now their cost will be linked to the fair value of Hawaii's Origin coffees.

Mahalo for the opportunity to testify.

Suzanne Fields

Haiku, Maui



Feb. 9, 2022

My wife & I own a coffee farm in Captain Cook, Hawaii and we sell only 100% Kona coffee direct to consumers throughout the United States. I support and strongly urge the Hawaii State Legislature to adopt **HB1517**, which asks the State Legislature "to amend the minimum percentage requirement for blends of geographically named Hawaii-grown coffee from 10% to 51%."

Protecting the name and meaning of "Kona coffee" is critical to ensuring not only my success as a Kona coffee farmer, but the success of all the Kona coffee farms and farmers around me. Allowing coffee suppliers to label Kona blends with only 10% Kona coffee as "KONA" in large, bold print and "blend" in much smaller print not only misleads the consumer, but it undervalues our product and what the name "Kona coffee" should mean.

By protecting the integrity of the name Kona, HI, you will be not only protecting your constituents, and their livelihoods, you will also be protecting the land and our ability to continue using the best farming practices (which are labor intensive here). Forcing us to compete with products that consumers believe to be Hawaiian due to their packaging, but are actually primarily South American (Brazilian) makes it difficult for us to invest in our land and pay our skilled and very hard-working help a fair wage—which they deserve. Kona "blends", being typically 90% South American coffee in origin are often sold for less than it takes to even PRODUCE the same amount of Kona coffee (approximately \$15/lb). Kona coffee should be valued at a higher premium than that given that it accounts for a miniscule 0.00015% of the world's coffee (Kona yields around 2.5 million lbs of green coffee per year while the top ten coffee-producing countries produce over 16 BILLION lbs per year). Beyond just being one of the rarest coffees in the world, Kona coffee farmers have also developed a long history of high farming standards and best practices that deserve to be protected by the law and are worthy of the market rate of 100% Kona coffee.

Even though you've heard this before, it is worth reiterating...this type of misleading practice is not allowed anywhere else in the world. You do not see bottles of sparkling wine that announce "Champagne" in big bold flashy letters with the word "blend" beside it in a much smaller unobtrusive font. Nor do you see "Waterford {blend}" announced proudly on crystal knockoff. You don't see this because it is unfair to the consumer, it's unfair to the producer, and it doesn't make good fiscal sense for the region.

Again, I strongly urge you to amend the current minimum percentage requirement for blends of geographically named Hawaii-grown coffee from the 10% allowed now to 51% because it is the right and best thing to do for the state of Hawaii.

Mark Wessels

83-5614 Rabbit Hill Rd

www.domainkona.com

Lelia Zenner

Captain Cook HI 96704

info@domainkona.com

HB-1517-HD-1

Submitted on: 2/10/2022 11:56:29 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Amy Brinker	Individual	Support	No

Comments:

Support

HB-1517-HD-1

Submitted on: 2/10/2022 1:28:58 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cherie Griffore	Individual	Support	No

Comments:

Thank you for hearing this measure, I strongly support HB 1517 to protect Kona Coffee.

All Champagne is sparkling wine, but not all sparkling wine is Champagne. In France, the appellation d'origine contrôlée (AOC, controlled designation of origin) codified that anything labeled or marketed as Champagne must come from the Champagne district in France. In the 1960's Italy began developing its official wine classifications modeled on the French appellation system, they have 4 tiers of certification with DOCG being highest classification.

In the United States for a wine to be designated with an Appellation of Origin (such as a county name) federal law requires that 75% of the grapes used to make the wine be from that appellation, and the wine be fully finished within the state and county. Under California State law, any wine bearing California as an Appellation or Origin must be made with 100% of grapes that were grown and finished in the state.

The State of Hawaii devotes millions in funding to address invasive species when growing Kona Coffee, it only makes dollars and sense that requiring a minimum percentage of 51% would give us the best return on investment. All Kona Coffee is coffee, but not all coffee is Kona Coffee,

Mahalo,

Cherie Griffore

Westside Wines Kona

LATE

HB-1517-HD-1

Submitted on: 2/10/2022 2:49:39 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Greg Takeshima	Hawaii Department of Agriculture	Comments	Yes

Comments:

I will be available to answer any questions the committee has.

LATE

HB-1517-HD-1

Submitted on: 2/10/2022 5:22:09 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Morris Atta	Hawaii Department of Agriculture	Support	Yes

Comments:

Available for questions

LATE

HB-1517-HD-1

Submitted on: 2/10/2022 6:26:15 PM

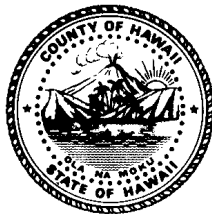
Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions.

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740



February 10, 2022
TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 1517, RELATING TO COFFEE
Committee on Consumer Protection and Commerce
Friday, February 11, 2022 at 2:00pm
House Conference Room 329 Via Videoconference

Aloha Chair Ling Johnason and Members of the Committees:

I thank you for the opportunity to testify in support of HB 1517. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

The purpose of this measure is to help protect the authenticity of Kona Coffee and codify standards for the industry, as well as provide additional support to our hard-working coffee farmers.

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

The purpose of this Act is to support Hawaii's coffee growers by requiring disclosure on the label of coffee blends of the respective geographic and regional origins and per cent by weight of the blended coffees. Making it a violation of the coffee labeling law to use a geographic origin in labeling or advertising for roasted or instant coffee blends that contain less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of fifty-one per cent. Prohibiting use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

For the reasons stated above I urge the Committee on Consumer Protection and Commerce to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read 'Rebecca Villegas', with a stylized, cursive script.

Rebecca Villegas
Council Member, Hawai'i County Council



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

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Eddie Asato, Pint Size Hawaii, *Vice Chair*
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Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Consumer Protection and Commerce
Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 11, 2022
TIME: 2pm
PLACE: Via Videoconference

RE: HB1517 HD1 Relating to Coffee

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

We believe in encouraging and supporting local food and drink production. This law would make it harder for businesses selling Hawaii coffee to create labels that best suit their brand and make it harder to promote local coffee to consumers. The existing coffee label regulations are clear and provide ample information to customers about what type of coffee they are getting.

Different ways of blending, roasting, and even brewing coffee create different products with different flavors and characteristics. Decisions about developing and marketing these different types of coffees should be left to coffee growers, blenders, roasters, brewers, and coffee drinkers. These are not the type of things that should be mandated by government bodies. For these reasons we ask that you hold this measure. Thank you for the opportunity to testify.

LATE

LATE

HB-1517-HD-1

Submitted on: 2/11/2022 10:59:51 AM
Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Thomas Greenwell	Greenwell Farms Inc.	Support	No

Comments:

I am Thomas Greenwell President of Greenwell Farms Inc. We grow over 200 acres of coffee and support 2 to 300 coffee farmers in Kona as well as selling over 130 thousand lbs of roasted Kona Coffee to visitors to Hawaii. Please support HB 1517

Thank you,

Thomas Greenwell

HB-1517-HD-1

Submitted on: 2/10/2022 2:32:02 PM

Testimony for CPC on 2/11/2022 2:00:00 PM



Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cecelia Smith	Individual	Support	No

Comments:

Thank you Representative Nicole Lowen for your efforts on behalf of Kona Coffee farmers. We Kona coffee farmers urge every Legislative person to support HB 1517!

51% minimum is the first step on a long overdue path to truth in labeling for the REAL THING-100% Kona Coffee.

Mahalo plenty and with aloha,

Cecelia Smith, 33 years long Kona coffee farmer in Honaunau mauka

LATE

HB-1517-HD-1

Submitted on: 2/10/2022 6:59:00 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Maureen Datta	Individual	Support	No

Comments:

I strongly support his bill.

RELATED TO COFFEE LABELING BILL

Telephone: (808) 746 1491

Prepared Testimony of
Lono Mack
Big Island, Hawaii

LATE

HB1517

Thursday, February-10-2022

Thank you for the opportunity to testify on House Bill 1517. This measure requires coffee blend labels to disclose geographic and regional origins and per cent by weight of the blended coffees, prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51% after 7/1/2024, prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii, and appropriates moneys for the pesticide subsidy program.

Geographical indications: (GIs) are indications that identify a good as originating in the territory of a country, or from a region or locality within that **territory**, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographic origin. Examples of GIs from the United States include "Florida" for oranges, "Idaho" for potatoes, "Vidalia" for onions, and "Washington State" for apples.

GIs are valuable to producers for the same reason that **trademarks** are valuable. They serve the same functions as trademarks because, like trademarks, they are source identifiers—that is, they identify the geographic source of the goods or services, they can be **guarantees** of quality if the owner controls use of the mark and requires authorized users of the GI to conform with the production standards, and can be valuable business assets.

Member countries of the **World Trade Organization** and their nationals are increasingly recognizing that GIs are valuable as marketing tools in the new world. Furthermore, intellectual property (IP) owners are finding that protecting IP has never been just a domestic concern. To that end, IP owners must be armed with information about domestic and foreign business systems of GI protection in order to fully Manage and enforce the value added by GIs to their goods and services, both at In Hawaii and abroad.

USPTO registration is not required in order for a GI to be protected in the United States. Rights acquired through substantially exclusive use for a significant period of time are also recognized. For example, the USPTO's Trademark Trial and Appeal Board held that COGNAC is protected as a "common law" certification mark in the United States. *Institut National Des Appellations v. Brown-Forman Corp*, 47 USPQ2d 1875, 1884 (TTAB 1998) ("Cognac" is a valid common law regional certification mark, rather than a Random term, since Customers in the United States primarily understand the "Cognac" designation to refer to brandy originating in the Cognac region of France, and not to brandy produced elsewhere, and since opposers control and limit use of the designation which meets certain standards of regional origin). Some EU GIs—when encountered outside the EU—are the names of types of products rather than a specialty product from a specific area. For example, ASIAGO is a GI in the EU but it is the common name for a type of cheese in the United States and in other countries. When European farmers migrated to the United States, they continued to produce the cheese and wine they made in Europe. They called these products by the names used in Europe: feta, asiago, munster, gorgonzola, and bologna, for example. The same was true for migrant farmers from Europe to other countries such as Australia, New Zealand, Canada, and Argentina.

In conclusion this bill was introduced with good intent and good heart for local farmers to preserve the "Kona Coffee" status and reputation. However, I become furious and impatient if postponing this measure until 2050. It would defeat the purpose of introducing this matter in the first place. If not resolved immediately does Greater damage discussing, and inefficient use of the publics attention.

LATE

HB-1517-HD-1

Submitted on: 2/10/2022 10:20:46 PM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Theresa Holderread	Individual	Support	No

Comments:

I support this bill. It is essential to the growth of our coffee market and ensure consumers are getting what they paid for. Allowing coffee to be labeled Kona etc when a minority such as 10% is all that's in it also deceptive marketing. We need to protect something that is only able to be produced in specific regions like other industries such and wine, bourbon etc.

LATE

HB-1517-HD-1

Submitted on: 2/11/2022 9:23:51 AM

Testimony for CPC on 2/11/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Maki Morinoue	Individual	Support	No

Comments:

Aloha

My name is Maki Morinoue, a fourth generation Kona Coffee farmer. We have experienced much invasive species more than ever with a vicious increase over the past 20 years that makes smaller farms not sustainable. On top of which the continued misrepresentation of our hard work to be ruined by these sales marketing corporations to profit off of our good reputation.

This bill is dumbed down from previously higher demand in Kona Coffee percentage to today's ask for 51%....1% over 50% to be able to technically '*market*' our high quality bean as *mostly* Kona Coffee.

I am also in support of the additional funding support for CBB/CLR subsidy program.

When will our leaders here in Hawai'i support the people, farmers and stop killing vital bills that draw a clear line of logic and protection towards your voters? Biosecurity comes to mind being passed all the way up to die in a closet via Way and Means (Finance). With recent corruption stories coming out. We as residents know there is more to come out. I feel this area needs to shine deep investigative report as I watch many good bills die here.

This bill should not be resurrected in various letters beyond this year because it must pass all the way. It is shameful that farmers work hard and invasive species and bad quality blends using our Kona Coffee name continues to bring much problem to the credentials of our farmers.

A more thoughtful legislation like New Zealand would be admirable as it would address biosecurity, quality for local products, protections for native species and overall health and wellbeing for residents and visitors while addressing food sovereignty. ALL CONNECTED. Yet we view bills to focus on a few items.

Please pass HB1517.

Thank you in advanced for looking after the future of our local product.

Aloha

Maki Morinoue

Holualoa

96725

