

JAN 20 2023

A BILL FOR AN ACT

RELATING TO COFFEE LABELING.

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

1 SECTION 1. The legislature finds that for over thirty
2 years, Hawaii has been the only region in the world that
3 statutorily regulates the uses of its geographic names, such as
4 "Kona", "Maui", and "Ka'ū", on labels of its specialty
5 agricultural products but requires that only ten per cent of the
6 product originate in the geographic area indicated. The
7 legislature further finds that this low ten per cent requirement
8 directly damages and degrades the reputation of world-famous
9 Hawaii-grown coffees and damages the economic interests of
10 Hawaii coffee farmers. The legislature notes that a 2018
11 publication entitled "Strengthening Sustainable Food Systems
12 Through Geographical Indications: An Analysis of Economic
13 Impacts" by the Food and Agriculture Organization of the United
14 Nations and the European Bank for Reconstruction and Development
15 concluded, among other things, that Kona coffee "does not enjoy
16 any strong protection of its name" from the State of Hawaii, and



1 as a result, downstream stakeholders, rather than farmers, "reap
2 the economic benefits of the fame of Kona".

3 The legislature also finds that more than ninety per cent
4 of Hawaii's coffee farms are located on the island of Hawaii.
5 In 2014, the Hawaii county council adopted Resolution No. 501
6 14, entitled "Requesting the Hawaii Legislature to Adopt
7 Provisions for Truth-In-Labeling for Hawaii-Grown Coffees". The
8 council's request to the legislature was based on several
9 findings, including:

10 (1) Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1,
11 regular session of 2007, which stated in part that:

12 (A) Existing labeling requirements for Kona coffee
13 causes consumer fraud and degrades the "Kona
14 coffee" name; and

15 (B) Confusion as to the difference between Kona
16 coffee and Kona coffee blends caused *Consumer*
17 *Reports* magazine to rate Kona coffee as "second
18 rate";

19 (2) The fact that it is inherently deceptive and
20 misleading to label coffee as a geographically
21 identified blend, such as "Hamakua Blend", "Ka'ū



- 1 Blend", or "Kona Blend", unless at least a majority of
2 the coffee is from that region;
- 3 (3) The label on the package of a ten per cent Hawaii
4 coffee blend does not advise consumers that ninety per
5 cent of the coffee in the package is imported, is
6 foreign-grown, or may be a mixture of multiple
7 Hawaiian regions and foreign-grown coffee;
- 8 (4) Not identifying the origin of ninety per cent of a
9 coffee blend is inherently deceptive to consumers, who
10 are often erroneously led to believe that a package of
11 coffee blend contains a blend of coffees only from
12 farms in Kona or other regions in Hawaii, when in fact
13 a portion of the blended coffee could be foreign-grown
14 coffee;
- 15 (5) Blending cheaper commodity coffees from Vietnam,
16 Mexico, Panama, Africa, and other foreign countries to
17 fill ninety per cent of the coffee blend enriches the
18 mainland-based corporations that own the Hawaii
19 blending companies with immense excess profits,
20 without any benefit to Hawaii coffee farmers;



1 (6) The acknowledged blending of beans of various roasts
2 and origins by coffee roasters to create unique flavor
3 profiles is an acceptable practice and is different
4 from the deceptive labeling using misleading
5 geographic origin names of blends, which violates the
6 basic principles of consumer protection and fair
7 marketing; and

8 (7) Immediate legislative action is necessary to protect
9 the reputation of Hawaii-grown coffees as premier,
10 specialty coffees from further degradation.

11 The legislature also notes that ready-to-drink coffee
12 beverages and inner wrapping labels given, but not sold, to
13 customers are not subject to the current statutory requirements
14 for fair trade coffee labeling and advertising. These
15 requirements only apply to roasted coffee and instant coffee.

16 The legislature finds that these labeling and advertising
17 requirements were primarily intended to resolve any consumer
18 confusion and allow consumers to "make an enlightened choice",
19 as stated in Act 289, Session Laws of Hawaii 1991. These
20 statutory requirements ensure truthful representation of a



1 coffee product's geographical origin, which protects consumers
2 from fraud and deception in coffee labeling and advertising.

3 Therefore, the purpose of this Act is to support Hawaii's
4 coffee growers by:

- 5 (1) Expanding the coffee labeling and advertising
6 requirements to include ready-to-drink coffee
7 beverages and inner packages and inner wrapping labels
8 given to customers;
- 9 (2) Requiring disclosure on the label of coffee blends of
10 the respective geographic and regional origins and per
11 cent by weight of the blended coffees; and
- 12 (3) Prohibiting use of the term "All Hawaiian" in labeling
13 or advertising for roasted coffee or instant coffee
14 not produced entirely from green coffee beans grown
15 and processed in Hawaii.

16 SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§486-120.6 Hawaii-grown [~~roasted or instant~~] coffee;**
19 **labeling or advertising requirements.** (a) In addition to all
20 other labeling requirements, the identity statement used for
21 labeling or advertising roasted [~~or~~] coffee, instant coffee, or



1 ready-to-drink coffee beverages produced in whole or in part
2 from Hawaii-grown green coffee beans shall meet the following
3 requirements:

4 (1) For roasted [~~or~~] coffee, instant coffee, or ready-to-
5 drink coffee beverages that [~~contains~~] contain one
6 hundred per cent Hawaii-grown coffee by weight, the
7 identity statement shall consist of either:

8 (A) The geographic origin of the Hawaii-grown coffee,
9 in coffee consisting of beans from only one
10 geographic origin, followed by the word "Coffee";
11 provided that the geographic origin may be
12 immediately preceded by the term "100%"; or

13 (B) The per cent coffee by weight of one of the
14 Hawaii-grown coffees, used in coffee consisting
15 of beans from several geographic origins,
16 followed by the geographic origin of the weight-
17 specified coffee and the terms "Coffee" and "All
18 Hawaiian";

19 (2) For roasted [~~or~~] coffee, instant coffee, or ready-to-
20 drink coffee beverages consisting of a blend of one or
21 more Hawaii-grown coffees and coffee not grown in



1 Hawaii, the per cent coffee by weight of one of the
2 Hawaii-grown coffees used in the blend, followed by
3 the geographic origin of the weight-specified coffee
4 and the term "Coffee Blend"; and

- 5 (3) Each word or character in the identity statement shall
6 be of the same type size and shall be contiguous. The
7 smallest letter or character of the identity statement
8 on packages of sixteen ounces or less net weight shall
9 be at least one and one-half times the type size
10 required under federal law for the statement of net
11 weight or three-sixteenths of an inch in height,
12 whichever is smaller. The smallest letter or
13 character of the identity statement on packages of
14 greater than sixteen ounces net weight shall be at
15 least one and one-half times the type size required
16 under federal law for the statement of net weight.
17 The identity statement shall be conspicuously
18 displayed without any intervening material in a
19 position above the statement of net weight. Upper and
20 lower case letters may be used interchangeably in the
21 identity statement.



1 (b) A listing of the geographic origins of the various
2 Hawaii-grown coffees and the regional origins of the various
3 coffees not grown in Hawaii that are included in a blend [~~may~~]
4 shall be shown on the label. [~~If used, this~~] This list shall
5 consist of the term "Contains:", followed by, in descending
6 order of per cent coffee by weight and separated by commas, the
7 respective geographic origin or regional origin of the various
8 coffees in the blend [~~that the manufacturer chooses to list~~].
9 Each geographic origin or regional origin [~~may~~] shall be
10 preceded by the per cent of coffee by weight represented by that
11 geographic origin or regional origin, expressed as a number
12 followed by the per cent sign. In place of separate listings of
13 regional origins of coffee not grown in Hawaii in the blend, the
14 list may include the words "Foreign-grown Coffee", preceded by
15 the per cent of such coffee by weight in the blend. The type
16 size used for this list shall [~~not exceed~~] be no less than half
17 that of the identity statement. This list shall appear below
18 the identity statement [~~, if included~~] on the front panel of the
19 label.

20 (c) The requirements of subsections (a) and (b) shall
21 apply to the labeling of any inner package or inner wrapping



1 that includes any geographic origin of Hawaii-grown coffee,
2 whether or not the inner package or inner wrapping is intended
3 to be individually sold.

4 [~~e~~] (d) It shall be a violation of this section to:

5 (1) Use the identity statement specified in subsection

6 (a)(1)(A) or similar terms in labeling or advertising

7 unless the package of roasted [~~e~~] coffee, instant

8 coffee, or ready-to-drink coffee beverage contains one

9 hundred per cent coffee by weight from that one

10 geographic origin;

11 (2) Use a geographic origin in labeling or advertising,

12 including in conjunction with a coffee style or in any

13 other manner, if the roasted or instant coffee

14 contains less than ten per cent coffee by weight from

15 that geographic origin;

16 (3) Use a geographic origin in labeling or advertising

17 roasted [~~e~~] coffee, instant coffee, or ready-to-drink

18 coffee beverages, including advertising in conjunction

19 with a coffee style or in any other manner, without

20 disclosing the [~~percentage of~~] per cent coffee by



- 1 weight used from that geographic origin as described
2 in subsection (a)(1)(B) and (a)(2);
- 3 (4) Use a geographic origin in labeling or advertising
4 roasted [~~or~~] coffee, instant coffee, or ready-to-drink
5 coffee beverages, including in conjunction with a
6 coffee style or in any other manner, if the green
7 coffee beans used in that roasted [~~or~~] coffee, instant
8 coffee, or ready-to-drink coffee beverage do not meet
9 the grade standard requirements of rules adopted under
10 chapter 147;
- 11 (5) Misrepresent, on a label or in advertising of a
12 roasted [~~or~~] coffee, instant coffee, or ready-to-drink
13 coffee beverage, the per cent coffee by weight of any
14 coffee from a geographic origin or regional origin;
- 15 (6) Use the term "All Hawaiian" on a label or in
16 advertising of a roasted [~~or~~] coffee, instant coffee,
17 or ready-to-drink coffee beverage if [~~the~~] that
18 roasted [~~or~~] coffee, instant coffee, or ready-to-drink
19 coffee beverage is not produced entirely from green
20 coffee beans [~~produced in geographic origins defined~~
21 ~~in this chapter;~~] grown and processed in Hawaii;



- 1 (7) Use a geographic origin on the front label panel of a
2 package of roasted [~~or~~] coffee, instant coffee, or
3 ready-to-drink coffee beverage other than in the
4 trademark or in the identity statement as authorized
5 in subsection (a) (1) and (2) unless [~~one hundred per~~
6 ~~cent of~~] the roasted [~~or~~] coffee, instant coffee
7 [~~contained in the package is~~], or ready-to-drink
8 coffee beverage contains one hundred per cent coffee
9 by weight from that geographic origin;
- 10 (8) Use more than one trademark on a package of roasted
11 [~~or~~] coffee, instant coffee, or ready-to-drink coffee
12 beverage unless [~~one hundred per cent of~~] the roasted
13 [~~or~~] coffee, instant coffee [~~contained in the package~~
14 ~~is~~], or ready-to-drink coffee beverage contains one
15 hundred per cent coffee by weight from that geographic
16 origin specified by the trademark;
- 17 (9) Use a trademark that begins with the name of a
18 geographic origin on a package of roasted [~~or~~] coffee,
19 instant coffee, or ready-to-drink coffee beverage
20 unless [~~one hundred per cent of~~] the roasted [~~or~~]
21 coffee, instant coffee [~~contained in the package~~



1 ~~comes~~, or ready-to-drink coffee beverage contains one
2 hundred per cent coffee by weight from that geographic
3 origin or the trademark ends with words that indicate
4 a business entity; or

5 (10) Print the identity statement required by subsection
6 (a) in a smaller font than that used for a trademark
7 that includes the name of a geographic origin pursuant
8 to paragraph (7) and in a location other than the
9 front label panel of a package of roasted ~~[or]~~ coffee,
10 instant coffee[-], or ready-to-drink coffee beverage.

11 ~~[(d)]~~ (e) Roasters, manufacturers, or other persons who
12 package roasted ~~[or]~~ coffee, instant coffee, or ready-to-drink
13 coffee beverages covered by this section shall maintain, for a
14 period of two years, records on the volume and geographic origin
15 or regional origin of coffees purchased ~~[and]~~, sold, and used
16 and any other records required by the department for the purpose
17 of enforcing this section. Authorized employees of the
18 department shall have access to these records during normal
19 business hours.

20 ~~[(e)]~~ (f) ~~[For the purpose of]~~ As used in this section:



1 "Geographic origin" means the geographic regions in which
2 Hawaii-grown green coffee beans are produced, as defined in
3 rules adopted under chapter 147; provided that the term
4 "Hawaiian" may be substituted for the geographic origin
5 "Hawaii".

6 "Per cent coffee by weight" means the percentage calculated
7 by dividing the weight in pounds of roasted green coffee beans
8 of one geographic or regional origin used in a production run of
9 roasted ~~[☒]~~ coffee, instant coffee, or ready-to-drink coffee
10 beverages by the total weight in pounds of the roasted green
11 coffee beans used in that production run of roasted ~~[☒]~~ coffee,
12 instant coffee, or ready-to-drink coffee beverages, and
13 multiplying the quotient by one hundred.

14 "Ready-to-drink coffee beverage" means a prepackaged
15 beverage that consists of or includes coffee and is sold in a
16 prepared form that can be immediately consumed upon purchase."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect upon its approval.

20



S.B. NO. 746

1

INTRODUCED BY:

DKN



S.B. NO. 746

Report Title:

Coffee Labeling; Advertising; Requirements; Coffee Blends;
Ready-to-Drink Coffee Beverages

Description:

Expands the coffee labeling and advertising requirements to include ready-to-drink coffee beverages and inner packages and inner wrapping labels. Requires disclosure on the label of coffee blends of the respective geographic and regional origins and per cent by weight of the blended coffees. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted coffee or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

