

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 259  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 259, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit the use of 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 on or after July 1, 2025; and
- (2) Prohibit 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 the State.

Your Committee received testimony in support of this measure from two members of the Hawai'i County Council; Hawaii Coffee Association; Rancho Aloha Coffee Farm; Kanalani Ohana Farm; Synergistic Hawai'i Agriculture Council; Hawai'i Farm Bureau; Institute for Agriculture and Trade Policy; Full Moon Coffee; Smithfarms; Morning Glory Farms, LLC; Buddha's Cup Coffee; Buna



Coffee Company; Cassandra Farms; Ka'awaloa Trail Farm, LLC; Kona Coffee Farmers Association; Kahili Kona Farm; LavaRock Farm; Country Talk Story; Consumer Federation of America; Mai Mahealani Farm; Ma'alahi Farm; Kuaiwi Farm; Hawaii's Thousand Friends; Chamber of Sustainable Commerce; Ka'ū Coffee Mill; Kona Earth, LLC; and twenty-five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Coffee Company, Kona Coffee Council, and Hawai'i Restaurant Association. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that Hawaii is the only region in the world where local laws allow the use of the region in the name of the product with only ten percent genuine regional content. When consumers purchase what they believe is "Kona Coffee", but is in fact ninety percent foreign-grown, local farmers suffer economically. This measure protects consumers by promoting integrity in the labeling of products and supports one of the State's most valuable signature crops.

Your Committee acknowledges the concerns raised in testimony that this measure, as currently written, does not allow sufficient time for coffee producers and retailers to sell existing inventory before the more stringent labeling requirements go into effect. Accordingly, amendments to this measure are necessary to address these concerns.

Therefore, your Committee has amended this measure by:

- (1) Clarifying that the labeling requirements imposed by this measure shall not apply to roasted or instant coffee produced in whole or in part from Hawaii-grown green coffee beans that are not offered for retail sale directly to consumers;
- (2) Extending the effective dates of the phasing in of new labeling and advertising requirements by one year to allow for a commercially-reasonable period to sell-off existing, costly packaging inventory and to secure new packaging in compliance with new requirements imposed by this measure;



- (3) Inserting language allowing retailers who, by June 30, 2024, purchase roasted or instant coffee blends that use a geographic origin in labeling or advertising containing less than twenty percent Hawaii-grown coffee by weight, to sell-off their coffee inventory that does not comply with the labeling requirements until December 31, 2024;
- (4) Amending section 1 to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 259, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



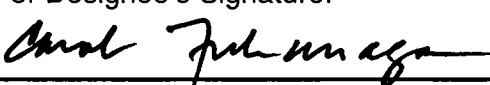
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JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

|   |   |   |                     |         |
|---|---|---|---------------------|---------|
| Bill / Resolution No.:*   | Committee Referral:   | Date:   |                     |         |
| HB259 HD1   | CPN   | 3/29/23   |                     |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____ |   |   |                     |         |
| The Recommendation is:  |   |   |                     |         |
| <input type="checkbox"/> Pass, unamended<br>2312  | <input checked="" type="checkbox"/> Pass, with amendments<br>2311 | <input type="checkbox"/> Hold<br>2310 <input type="checkbox"/> Recommit<br>2313 |                     |         |
| Members   | Aye   | Aye (WR)  | Nay                 | Excused |
| KEOHOKALOLE, Jarrett (C)  | ✓   |   |                     |         |
| FUKUNAGA, Carol (VC)  | ✓   |   |                     |         |
| MCKELVEY, Angus L.K.  | ✓   |   |                     |         |
| RICHARDS, III, Herbert M. "Tim"   | ✓   |   |                     |         |
| AWA, Brenton  | ✓   |   |                     |         |
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| <b>TOTAL</b>  | 5   | 0   | 0                   | 0       |
| Recommendation:   |   |   |                     |         |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |   |   |                     |         |
| Chair's or Designee's Signature:  |   |   |                     |         |
|    |   |   |                     |         |
| Distribution:   |   |   |                     |         |
| Original  | Yellow  | Pink  | Goldenrod           |         |
| File with Committee Report  | Clerk's Office  | Drafting Agency   | Committee File Copy |         |

\*Only one measure per Record of Votes