

STAND. COM. REP. NO. 1949

Honolulu, Hawaii

APR 04 , 2023

RE: S.B. No. 746
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 746, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COFFEE LABELING,"

begs leave to report as follows:

The purpose of this measure is to support Hawaii's coffee growers by:

- (1) Expanding the coffee labeling and advertising requirements to include ready-to-drink coffee beverages and inner packages and inner wrapping labels given to customers;
- (2) Requiring disclosure on the label of coffee blends of the respective geographic and regional origins and percent by weight of the blended coffees; and
- (3) Prohibiting 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.

Your Committee received testimony in support of this measure from the Department of Agriculture; two members of the Hawai'i



County Council; Hawai'i Alliance for Progressive Action; Kanalani Ohana Farm; Ma'alahi Farm; Kona Bae Farm; Rancho Aloha Coffee Farm; Hawaii Island Forest Stewards; Kahili Kona Farm; Hawai'i Farm Bureau; Hawai'i Farmers Union United; Synergistic Hawai'i Agriculture Council; The Four Sens, LLC; Kona Coffee Farmers Association; Hawaii's Thousand Friends; Absolute Palate LLC; Chamber of Sustainable Commerce; Cyanotech Corporation; Hawaii Coffee Association; Kona-Kohala Chamber of Commerce; and eight individuals.

Your Committee finds that fraudulent representations as to a product's geographic origin produces a two-fold harm. First, the fraudulent representation injures the consumer by undermining the consumer's choice, including the consumer's loyalty to or perceived quality of the geographic origin. Second, the fraudulent representation harms the producers by diminishing the value of that geographic identifier and harming its reputation. Your Committee further finds that while existing law provides protections from fraudulent representations on the labeling or advertising of instant or roasted coffee, these same protections do not extend to the ever-growing and very popular market of ready-to-drink coffee beverages. This measure bolsters the protections of geographic indicators of coffee grown in the State, thereby protecting consumers from fraud and deception in coffee labeling and advertising and preserving the integrity and reputation of Hawaii-grown coffee.

Your Committee notes that while the coffee labeling law allows for the use of "All Hawaiian" for certain coffee products in which one hundred percent by weight of the coffee in the coffee product is grown and processed in the State, the coffee products that do not meet this criteria continue to be eligible for the "Made in Hawaii" designation under section 486-119, Hawaii Revised Statutes, as long as those products meet the requirements for that designation.

Your Committee has amended this measure by:

- (1) Specifying that the labeling and advertising requirements apply if the applicable products are produced in whole or in part from Hawaii-grown and Hawaii-processed green coffee beans;



- (2) Clarifying that the application of the labeling and advertising requirements to the inner packages and inner wrapping labels are specific to the inner packages and inner wrapping labels of roasted coffee, instant coffee, and ready-to-drink coffee beverages;
- (3) Specifying that the application of the labeling and advertising requirements to ready-to-drink coffee beverages does not extend to made-to-order beverages; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 746, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 746, S.D. 1, H.D. 2.

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


MARY M. NAKASHIMA, Chair



