

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2103
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2103 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to deter coffee counterfeiting by:

- (1) Expanding the application of the criminal offense of false labeling of Hawaii-grown coffee to include roasted coffee;
- (2) Enhancing the penalties for the criminal offense of false labeling of Hawaii-grown coffee through the imposition of a mandatory fine for each offense; and
- (3) Establishing and appropriating funds for an enforcement position within the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Coffee Association, Hawai'i Farm Bureau, and one individual.

Your Committee received comments on this measure from the Hawaii Coffee Company.



Your Committee finds that Hawaii-grown coffee, the State's second most lucrative crop, is enjoyed around the world and is recognized for its outstanding quality. However, your Committee finds that counterfeit coffee, or the practice of falsely labeling discount coffee as being Hawaii-grown, has undermined Hawaii's hardworking farmers by creating an artificial increase in supply, thereby driving down the price and value of authentic Hawaii-grown coffee. Your Committee further finds that this practice has been almost exclusively exploited by sellers of roasted coffee products. This measure will make the harmful practice of counterfeiting roasted coffee a criminal offense, thereby protecting local coffee farmers and safeguarding the integrity and reputation of the State's premium coffee.

Your Committee has amended this measure by:

- (1) Inserting an unspecified appropriation amount; and
- (2) Inserting an effective date of July 1, 2040, to encourage further discussion.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committees on Judiciary and Ways and Means choose to deliberate on this measure, your Committee respectfully requests that the committees consider inserting an appropriation amount of \$88,935 for fiscal year 2024-2025.

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 S.B. No. 2103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2103, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



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



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.:* SB2103	Committee Referral: CPN, JDC/WAM	Date: 2/14/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5			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**