

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON COMMERCE AND CONSUMER
PROTECTION

TUESDAY, MARCH 21, 2023
9:55 AM
CONFERENCE ROOM 229 AND VIDEOCONFERENCE

HOUSE BILL NO. 259 HD1
RELATING TO CONSUMER PROTECTION

Chairperson Keohokalole and Members of the Committee:

Thank you for the opportunity to testify on House Bill 259 HD1. This measure 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 per cent after 7/1/2025. 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. The Department of Agriculture (DOA) supports the intent of this measure and offers comments.

DOA supports this measure but currently lacks the funding and budget allocation to execute its responsibilities and would require a one full time measurement standards specialist/inspector (approximate appropriation request of \$100,000) for the purpose of labeling and packaging enforcement and inspection. The specialist/inspector will help rebuild DOA's labeling enforcement capability that was lost during the RIF and to address labeling enforcement challenges in various Hawaii products including roasted



coffee, instant coffee, or ready-to-drink coffee beverages. The inspector will take the lead in researching and utilizing new recognized testing measures to identify different products geographically such as Oritain technology (<https://oritain.com>), which can generate science-based data from specific growing regions as a proof and confirmation of truth or false labeling and advertising.

Thank you for the opportunity to testify on this measure.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
March 21, 2023

RE: HB259 HD1 RELATING TO CONSUMER PROTECTION

Aloha Chair Keohokalole, Vice Chair Fukunaga and members of the committee,

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

The Hawaii Coffee Association supports HB259 HD1.

The HCA supports a move to a 51% blend ratio in favor of Hawaii-grown coffee.

We appreciate that the introducers and co-sponsors have heard our concerns and have included a phased approach, and made a provision for listing 'Foreign-Grown' coffee.

Hawaii's coffee producers have been asking for this change for decades. We feel it's high time for Hawaii's representative government to heed those calls.

Mahalo for passing HB259 HD1

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry, including growers, millers, wholesalers, roasters and retailers located throughout the State of Hawaii. The HCA's primary objective is to increase awareness and consumption of Hawaiian coffees. A major component of HCA's work is the continuing education of members and consumers.

Thank you for the opportunity to testify and for your support of Hawaii's coffee industry.

HB-259-HD-1

Submitted on: 3/19/2023 12:46:41 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Corker	Testifying for Rancho Aloha Coffee Farm	Support	Remotely Via Zoom

Comments:

Chair Keohokalole and Members of the Committee:

I am a coffee farmer **in** the North Kona District, and **I strongly support HB259** as a step in the right direction toward Truth-In-Labeling for Hawaii-Grown agricultural products and for the protection of consumers.

In support of the bill, I would like to make 3 points:

First—By setting minimum Hawaii-Grown content and clear disclosure of the % of foreign-grown coffee in "Hawaii Coffee Blends", the bill will protect consumers from deceptive labeling and fraud.

Second—HB259 will protect the reputation of Hawaii-Grown coffee and the economic interests of Hawaii farmers.

Third--HB259 will help to protect Hawaii’s reservoir of GOODWILL. As a State whose economy is heavily dependent on tourism, Hawaii should be concerned about protecting the goodwill it enjoys on the mainland and around the world. Failure of Hawaii to follow basic principles of Truth-In-Labeling undermines that reservoir of good will. Like everyone else, visiting consumers do not like to be misled and cheated by deceptive advertising and deceptive labeling.

Please protect Hawaii’s goodwill. Please pass HB259.

Thank you,

Bruce Corker, Rancho Aloha

HB-259-HD-1

Submitted on: 3/19/2023 6:07:31 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Testifying for Kanalani Ohana Farm	Support	Remotely Via Zoom

Comments:

Aloha Chair & Committee Members:

Please accept this as support for HB 259.

As a farmer, it is critical for our family that we receive the most for our crops.

As a father and consumer, it is honest labelling of products which helps achieve integrity and respect across the board. We are all consumers, and we need to trust what we see in labels.

As a strong supporter of the international group (oriGIIn -- <https://www.origin-gi.com/>) which seeks to protect both producer, processors and consumers with laws which cross countries and which focus on products from a geographical area (be it a County, a region, a State, etc.), I fully understand that we must work with one another at all levels to get the deserved protection.

As a certified organic farmer, I know that it is important to keep good records and to be honest about what is being produced and used for crop production and processing.

As a past member of the National Organic Standards Board, directly advising the USDA Secretary of Agriculture on organic standards, I understand how rules and laws are considered, created, and who influences those processes.

Again, as a farmer, it is vital that we work together. As a *President Emeritus* of the Kona Coffee Farmers Association, it is over many years that our farmer members have sought protection from Hawaii in terms of not allowing non-Hawaiian companies to use the name of Kona coffee for their profit while deceiving consumers.

Hawaii must stand up for truthful labels and protect the consumers of Kona products such as 100% Kona coffee. Let this be a starting point for future protection of one of Hawaii's most valued products – Kona coffee.

Thank you for your attention to this important matter and your support of HB259.

Sincerely,

Colehour Bondera

colemel2@gmail.com

Testimony of Jeffrey Clark

Ka'u Coffee Mill

March 21, 2023

HB-259 HD1 Relating to Coffee Labeling

Aloha Chair Keohokalole, Vice-Chair Fukunaga and members of the Committee on Commerce and Consumer Protection,

My name is Jeffrey Clark and I am the Chief Operating Officer for the Edmund C Olson Trust which owns and operates the Ka'u Coffee Mill. Ka'u Coffee Mill grows, processes and roasts 100% Ka'u-grown coffee and purchases coffee from 50 small farmers in the Ka'u district. Our farm grows coffee on 100 acres near Pahala on Wood Valley Road.

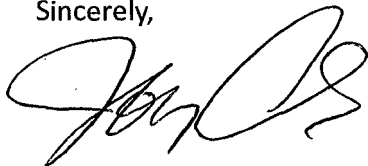
I am in full support of HB-259 HD1.

As a grower, processor, roaster and retailer of 100% Kau Coffee, I can see the devastating result of blended coffees on the Hawaii-grown coffee industry. Blended coffees, using as little as 10% of Hawaiian coffee, create a real problem for local farmers. Blended coffees do not provide the consumer with the proper taste profile and mislead the consumer about the region's flavor qualities. Blended coffees also depress the price of 100% Hawaii-grown coffees as well. Products need to be properly labeled to inform the consumer not only of the percentage of Hawaii-grown coffee, but also of the percentage by origin of foreign grown coffee. Under the current law, blenders do not have to disclose the origin of foreign grown coffee and most only indicate the Hawaii-grown percentage which misleads consumers.

The coffee industry in Hawaii started over 100 years ago by farmers and today, it represents one of the largest crops grown in the state of Hawaii. Hawaiian farmers have built a reputation for growing high quality, specialty coffees that command premium prices. Blenders have taken advantage of this reputation by minimally blending Hawaii-grown coffee with lesser cost and quality coffees grown elsewhere.

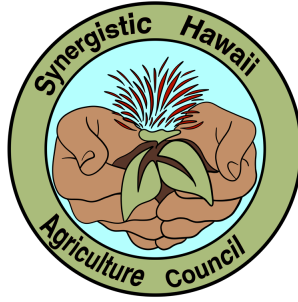
I urge you to stand with coffee farmers to protect their high-quality reputation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey Clark', written in a cursive style.

Jeffrey Clark

Chief Operating Officer, Edmund C Olson Trust No 2 / Ka'u Coffee Mill



RE: SUPPORT for HB259 HD1

RELATING TO CONSUMER PROTECTION

Consumer Protection; Coffee Labeling; Geographic Origins; Prohibitions

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in support of this Bill. Our consortium represents 1,500 macadamia, coffee, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Among other programs, SHAC receives Federal USDA marketing funds to promote 100% Hawaiian origin products. We find that the demand for 100% Hawaiian products far exceeds available supply. This is particularly true with coffee. Quite simply, there is not enough Kona, Maui, or Ka'u 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. If there is a place in the market for blends, it is at or above the 51% level, where the Hawaii name can rightly take the top percentage on the bag.

Passage of this Bill protects Hawaii origin coffees by providing consumers with correct labeling information. Food labels are a critical component of our agricultural economy, affecting a farmer's ability to earn a fair price for their products and supporting the growth of local and regional food systems.

Mahalo nui loa for supporting this bill!

Suzanne Shriner
Administrator

Before the Senate Committee on Commerce and Consumer Protection

Statement of Bruce Silverglade in Support of HB 259 (HD 1)

March 21, 2023

Dear Chairman and Members of the Committee:

I am Bruce Silverglade, former legal director of the Washington, DC – based Center for Science in the Public Interest (CSPI) writing in support of passage of HB 259 (HD 1). This bill is an essential consumer protection measure needed to prevent deception in the marketplace.

This testimony is submitted in my personal capacity; I served as Director of Legal Affairs of CSPI from 1981 to 2010. (I now reside full-time in the State of Hawaii and consult on food and agriculture regulatory issues).

During my tenure at CSPI, I helped lead the fight for the enactment of the Nutrition Labeling and Education Act, including *inter alia*, provisions ensuring that the State of Vermont could maintain special labeling provisions regarding maple syrup and provisions requiring the percentage of real juice to be declared on the labels of diluted juice beverages, 21 CFR Section 102.33.

I am also the author of *Food Labeling Chaos* (2010)

https://www.cspinet.org/sites/default/files/attachment/food_labeling_chaos_report.pdf. Chapter IX of this publication details the need for the type of requirements that would be mandated by this bill.

At the present time, coffee blenders in Hawaii are engaging in what food regulatory lawyers call “economic adulteration,” i.e. diluting a premium product (Kona coffee) with inferior coffee varieties. Such practices have long plagued segments of the food industry since the days that unscrupulous sellers would watered-down milk, <https://docstudio.org/2018/11/25/no-use-crying-over-spilt-milk/#:~:text=How%20watered%20down%20milk%20showcased,were%20mishandling%20their%20milk%20supplies>.

This bill would correct the problem by prohibiting the use of Hawaii geographical origins on coffee labeling and advertising for roasted and instant coffee that contains less than a set percentage of coffee by weight from that geographical origin, phased in to a minimum of 51% after July 1, 2025.

This measure is essential to protect consumers ranging from Hawaii residents to unsuspecting visitors.

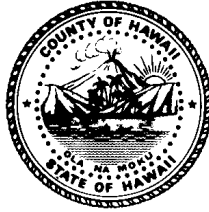
I note the Hawaii Coffee Company claims that federal trademark law preempts the State and invalidates this legislation. That assertion is incorrect. See, *When Your Trademark Is a False Advertisement*, https://katten.com/files/391153_kattwalk_spring_issue_16.pdf

The passage of this bill represents a vital step to protect the public. It ensures that consumers who purchase “Kona” coffee receive a product that contains a meaningful amount of coffee from the named geographical origin, prevents deceptive trade practices, and ensures a level competitive playing field in the industry.

I urge the committee to ensure that this bill is enacted. Thank you for consideration of my views.

Bruce Silverglade
3920 Wyllie Road
Princeville, HI 96722

HEATHER L. KIMBALL
COUNCIL CHAIR
Council District 1 (North Hilo,
Hāmākua, and portion of Waimea)



Phone: (808) 961-8828
Fax: (808) 961-8912
Email: Heather.Kimball@hawaiicounty.gov

LATE

HAWAI'I COUNTY COUNCIL

25 Aupuni Street, Ste. 1402.
Hilo, Hawai'i 96720

March 20, 2023

Committee on Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Submission via online testimony only

RE: **Support of HB 259, HD1**

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection:

As the Chair of the Hawai'i County Council, I thank you for the opportunity to submit **testimony in SUPPORT of HB 259, HD1**, relating to coffee labeling. It is imperative that we continue to protect Hawai'i's unique coffee industry and its reputation, and therefore, I support this measure for the following reasons:

1. It values Hawai'i's premier, specialty coffee industry, which has been operating for over 200 years, as a valuable commodity 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 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 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 Hawai'i.

Thank you for the opportunity to submit this testimony. If you would like to discuss my knowledge of this matter further, please do not hesitate to contact me directly.

Sincerely,

HEATHER L. KIMBALL



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 21, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE

TESTIMONY ON HB 259, HD1
RELATING TO CONSUMER PROTECTION

Conference Room 229 & Videoconference
9:55 AM

Aloha Chair Keohokalole, Vice-Chair Fukunaga, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 259, HD1, which 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 on or after 7/1/2025 and 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 the State.

Hawai'i-grown coffee is recognized for its high quality and aromatic flavor. Hawai'i-grown coffee is held to a set of quality standards that makes it one of the most expensive coffees in the world. It is one of Hawai'i's signature crops.

The 2021-2022 USDA National Agriculture Statistics Service (NASS) of Hawai'i Agriculture estimated the value of Hawai'i-grown coffee at \$61.9 million and ranked as coffee fifth in the top twenty agricultural commodities in the State.

To protect the Hawai'i coffee industry from counterfeiting, the legislature in 2012, enacted Act 323, which established criminal penalties for Hawai'i-grown cherry, parchment, and green coffee that is falsely labeled with regard to the geographic origin. However, in addition to the geographic origin, stricter enforcement of the labeling restrictions based on the quality of the coffee being sold is critical to prevent further counterfeiting of Hawai'i's recognized high-quality coffee. Furthermore, the criminal penalties for false labeling should apply not only to cherry, parchment, and green coffee but also to roasted coffee.

Thank you for the opportunity to testify on this measure.



Before the Senate Committee on Commerce and Consumer Protection
Statement of the Institute for Agriculture and Trade Policy in Support of HB 259 (HD 1)

March 21, 2023

Dear Chairman and Members of the Committee:

The Institute for Agriculture and Trade Policy (IATP) submits this statement in support of HB 259 (HD 1), which would prohibit the use of geographical origin labeling and advertising on coffee that contains less than a set percentage of coffee by weight from that geographical origin phased in to a minimum of 51% after July 1, 2025. IATP is a non-profit advocacy organization that seeks to advance fair and sustainable food, farm and trade systems. We are based in the U.S., with an office in Berlin. We carry out independent research and work in partnership with civil society organizations and social movements, locally, nationally, and globally. We advocate for public policies that encourage a transition away from extractive agriculture, limit corporate power, and direct public funding towards healthier, more resilient, and more equitable food systems.

Protections for Kona coffee are a form of Geographical Indication (GI). They ensure consumers' right to know how and where their food was produced, while enhancing local producers' rights to livelihoods and cultural traditions. These protections are used in many countries to protect producers' intellectual property and to ensure that consumers have accurate information. The World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) includes a special section on the protection of GIs. Article 22.1 of the TRIPS Agreement defines GIs and establishes that Members have a duty to prevent deceptive uses of product names through intellectual property protections.

The central idea behind these protections is that these products have inherent qualities related to their place of production (such as soil or climatic conditions, called *terroir*), as well as cultural knowledge and traditions, that differentiate them from similar products. That designation creates a kind of place-based "brand" that informs consumers about their special qualities and often allows producers to legitimately charge a premium price.

While this concept is most developed in the European Union, there are a number of Geographical Indications already in use in the United States. Although there is no centralized list as in the EU, names such as Maine Lobsters, Idaho Potatoes, Vidalia Onions, and Florida Oranges are protected under law.

The EU provides strong public support for GIs around the world, enforcing those protections through enforceable provisions in law and trade agreements. U.S. protections are much less ambitious and therefore less supportive of important GIs like Kona Coffee. The passage of this bill would strengthen consumer confidence and enhance local

livelihoods for this GI and could provide a model for similar protections for other agricultural products grown in Hawaii and other states.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Karen Hansen-Kuhn". The signature is fluid and cursive, with the first name "Karen" being the most prominent.

Karen Hansen-Kuhn
Program Director
Institute for Agriculture and Trade Policy

HB-259-HD-1

Submitted on: 3/18/2023 5:09:00 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Suzanne Patterson	Testifying for Full Moon Coffee	Support	Written Testimony Only

Comments:

I have been a coffee farmer in Kona for 30 years.

Through that time, we have fought recession, draught, disease, and local theft. But nothing has been as damaging to our business as mainland entities selling foreign coffee under the auspices of being true Kona coffee. After working SO HARD to bring our precious coffee to market, it is completely disheartening to have this fraud committed so openly. If you don't care about us, at least care about the consumer and demand protection of our native Hawaiian commodity. I personally would like to see 100% Kona coffee remain 100% pure. However, if need be, in support of my coffee organization KCFA, if they feel 51% is an acceptable compromise, I support their decision. Either way, the true Kona percentage should receive top-billing on any label. This is only honest approach and the only fair outcome. *Protect the consumer and protect our Kona coffee growers.*

HB-259-HD-1

Submitted on: 3/18/2023 6:22:21 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Cecelia Smith	Testifying for smithfarms pure kona 100% KOna	Support	Written Testimony Only

Comments:

As a real;y longtime 100% KOna Coffee farmer of **33 plus years**, please move this forward. I am a member of KOna Coffee Farmers Association and all of us want this to proceed. It's our life- 100% Kona cofee.

Mahalo plenty and with aloha,

Cecelia Smith

HB-259-HD-1

Submitted on: 3/18/2023 6:37:03 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
ERIC ALLEN	Testifying for MORNING GLORY FARMS LLC	Support	Written Testimony Only

Comments:

Hawaii Coffee Farmers need you to support HB259: 51%+ Kona Coffee

I am Eric Allen, the farm director at Morning Glory Farms in Holualoa Hawaii. We grow, process, and sell direct our specialty grade 100% Kona coffee from our family farm that been producing Kona coffee for over 80 years. We are facing many challenges with labor shortages, high costs for fertilizer, and from new and devastating coffee diseases like coffee leaf rust CLR which is reducing yields by more than 50% and will cost us \$20,000 per acre to replant CLR resistant trees. In addition to all the challenges we are still dealing with counterfeit coffee retailers that are selling cheap imported coffee with the KONA brand which is destroying the Kona Coffee reputation with the allowance of using just 10% Kona Coffee and 90% of low cost / low grade coffee from overseas.

Our farm is part of over 800 Kona Coffee farms on the Big Island and part of the Kona Coffee Farmers Association who really need you to do the right thing and finally pass HB259 once and for all. It's common sense that if you are selling Kona Coffee it needs to be mostly Kona Coffee in the bag - it really should be 100% Kona! Retailer are deceiving customers who think they are buying delicious Kona coffee, but really they are getting low grade and low priced coffee from an unknown overseas supplier. Imaging buying Idaho Potatoes when 90% were really grown in Russia, or Buying Florida Orange Juice and discovering that 90% was really grown in Vietnam. By not supporting this bill you are telling Hawaii farmers that you would rather just support overseas coffee farms in Brazil, Vietnam, and Columbia above the local Hawaiian citizens who vote for you and who produce local jobs and tax revenue to help the local economy.

Supporting HB259 will help rebuild the Kona Coffee farms and defend our customers from deceptive KONA labeling and marketing that is destroying the reputation of Kona Coffee Industry.

HB-259-HD-1

Submitted on: 3/18/2023 8:05:41 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Coleman	Testifying for Buddha's Cup Estate Grown Kona Coffee's	Support	Written Testimony Only

Comments:

I have been a Kona Coffee Farmer for 20 years, preserving what is left of Estate Grown 100% Kona Coffee. I educate tourists constantly and with the help of KCFA have fought for better labeling standards. I have suffered financially with many other Kona Farmers due to false advertising & labeling of sub-standard coffee's. It is has been far too long, and now time that our State government support HR259

HB-259-HD-1

Submitted on: 3/19/2023 6:15:29 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Fogelstrom	Testifying for Night Owl Kona Coffee	Support	Written Testimony Only

Comments:

Protect Kona farmer's livelihood by making the minimum amount of Kona coffee in a product 51%.

HB-259-HD-1

Submitted on: 3/19/2023 7:31:28 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Mastin	Testifying for The Buna Coffee Company, Holualoa, HI	Support	Written Testimony Only

Comments:

We are a small, ohana-owned Kona coffee farm in Holualoa. We grow Kona coffee and we also sell it retail. For coffee to be Kona, it must be grown here. While I think Kona coffee should be 100% in the bag, we support a minimum 51% standard. Imagine buying a product that you think is Kona coffee and then come to find out that less than half, or way more than half, is anything but! This bill will protect consumers against fraudulent products and at the same time protect the value and taste profile the world has come to expect from Kona coffee. Kona coffee is a Hawaiian heritage crop - it is so much more than amazing coffee. It is history itself. It is grown on Royal lands that have been farmed here for coffee by Hawaiians, Japanese and others for generations, a fabric of people, culture and language... this heritage and rich history are in the soil here. It grows in these trees and is shared in every cup. Kona coffee is to be celebrated and protected. Mahalo for your support.

HB-259-HD-1

Submitted on: 3/19/2023 8:20:17 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Chet Gardiner	Testifying for Cassandra Farms	Support	Written Testimony Only

Comments:

I urge a YES vote on HB259 - Relating to Consumer Protection.

This is a matter of truth in advertising as well as the future health of the families who work the hundreds of small farms in Hawai'i.

The sale of inferior, bland, watery tasting "blends" seriously harms the "Kona", "Maui" and "Ka'u" Coffee's names and reputation and as a result is a serious impediment to growing the pool of customers for the world's best coffee.

Since 100% Hawai'ian Varietal Coffee requires a significant amount of labor, the sale of inferior blends at fire-sale prices makes it that much harder for small family farms to recoup their expenses let alone realize a decent profit from their hard labor and passion for growing coffee.

The authorities who support other important crops and products such as Idaho Potatoes, Vidalia Onions, Vermont Maple Syrup and Champagne won't allow theirs names to be used to label products that don't contain 100% of the advertised product.

What's wrong with Hawai'i? Why can't one of our MOST important and visible high-value products be protected as vigorously as Onions and Potatoes?

Some folks are going to try to tell you that they can't stay in business without being allowed to market an inferior product using the "Kona" name and other misleading labeling to fool consumer. If that's true maybe they reexamine their business models.

I urge you to vote for fairness and honesty for consumers and Hawai'i's farmers.

Thank your for your consideration.

HB-259-HD-1

Submitted on: 3/19/2023 10:02:55 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Tony Tate	Testifying for Ka'awaloa Trail Farm LLC	Support	Written Testimony Only

Comments:

I support the passage of Kona Blend Bill HB 259. As a coffee farmer in South Kona, Hawaii, I rely on the sale of Kona coffee for my livelihood. Blends that are sold at ten percent, devalue the Kona name and the profits of small farmers like myself.

As a member of the Kona Coffee Farmer's Association, I believe that protecting Hawaii origin produces is important and that ten percent blends take money away from growers like myself by promoting ninety percent foreign-grown coffee under a Hawaii label. I would of course prefer that any coffee labeled Kona coffee be one hundred percent Kona coffee, but I feel fifty-one percent is a reasonable compromise moving forward.

HB-259-HD-1

Submitted on: 3/19/2023 2:54:18 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Erika Zemby	Testifying for Kona Bae Farm	Support	Written Testimony Only

Comments:

Please show your support for this bill. This will help protect our farmers and the Kona coffee name. Please help us keep the long tradition consumers count on when the purchase Kona coffee.



RE: SUPPORT for HB259
RELATING TO COFFEE

Consumer Protection; Coffee Labeling

Aloha Chair, Vice Chair and Committee Members

The Kona Coffee Farmers Association (KCFA) without reservation in supports approval of Bill HB259. We represent over 180 farms and agribusinesses in the Kona district.

We appreciate the Legislature working to protect our growers by increasing the blend ratio of coffee that can legally be labeled "Hawaiian". While many growers would like to see 100% as a minimum, the phased-in 51% bill is a reasonable compromise that should protect everyone in the industry, from our small farms to the larger processors.

The ten-percent minimum blend law has long depressed Kona'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 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 current demand for Kona coffee far exceeds available supply. Quite simply, there is not enough Kona, Maui, or Ka'u 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.

Please support this bill. It is what the coffee growers and the large majority of the coffee industry supports.

Mahalo nui loa!

Mark Petersen
President



HB-259-HD-1

Submitted on: 3/19/2023 10:32:57 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
George M. Peavy	Testifying for Kahili Kona Farm	Support	Written Testimony Only

Comments:

We are residents of South Kona where we maintain a coffee farm, providing local employment and supporting the local economy with our operations. The success of our business, its continued operations, and its contributions to the local community and the State of Hawaii is highly dependent upon production of a quality product for which there is a high demand.

Kona Coffee is a highly desirable regional brand, and other regions in Hawaii are increasing in their brand recognition. Regional branding is an important component of successful marketing of agricultural products, and is highly protected for many commodities in many states. It should be protected for the coffee industry in Hawaii.

Consumers have a right to know what is in a coffee blend and have an expectation of truthful product labeling.

I urge you to stand up for the farmers of Hawaii, for the importance of regional branding for Hawaii agricultural products, and for the rights of consumers to have a full and honest disclosure of the content of the product that they are asked to purchase, by supporting this legislation.

HB-259-HD-1

Submitted on: 3/19/2023 5:51:17 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Shultise	Testifying for LavaRock Farm	Support	Written Testimony Only

Comments:

I support this proposal as a Kona Coffe Farmer and CO-Founder of KCFA (the Kona Coffee Farmers Association).

I have seen too many visitors be confused and cheated by the current 10% blends and demand that any blend carry at least 51% Kona to include that name on the label or advertising.

We have already proven via a class action suit, that many people are willing to cheat the public with incorrect or misleading labeling to the detriment of Kona Coffee Farmers. It is only right to have at least 51% product in a blend that carried the Kona name.

10% KONA CANNOT BE TASTED IN A BLEND and should not be on the label as such. It is similar to the fraud committed with cans of Pork and Beans. The pork used in commercially manufactured pork and beans is pork fat. During the cooking process it is virtually all rendered (melted). Manufacturers state that the pork fat is there **for flavor, not for the meat content**. So much marketing is created to confuse and lie to the public.

We allow companys to state somethings "Made In" or a "Product Of" when one step out of the complete process is performed in an area while 99 other steps are foreign.

We MUST create proper labeling and procedures which allow the customer to understand a products composition and origin.

We farmers are not creating the blends. They are created by companys which do not grow the coffe, only dilute it for their own profit; thus robbing the farmer of honest income.

HB-259-HD-1

Submitted on: 3/19/2023 11:10:08 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Choon James	Testifying for CountryTalkStory.com	Support	Written Testimony Only

Comments:

SUPPORT HB259

Truth-in-Labeling is always good for the public interest.

If 49% is foreign-grown coffee, the label should clearly disclose that to consumers.



Consumer Federation of America

**Before the Senate Committee on Commerce and Consumer Protection
Statement of the Consumer Federation of America in Support of HB 259 (HD1) March 20,
2023**

Dear Chairman and Members of the Committee:

Consumer Federation of America writes to express our support for HB 259 (HD1). The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Today, more than 250 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors.

This legislation will protect consumers from deceptive marketing claims. Under the current law, coffee blenders may label coffee as originating from a particular geographical region, such as "Kona," when as little as 10% of the labeled coffee is actually from that area. The law requires the blenders to disclose the percentage of premium coffee ingredients on the label, but this requirement does not suffice to prevent labels from creating a misleading overall impression. Prominent use of the term "Kona" in the brand name and elsewhere on the product label, use of vignettes symbolizing the Kona region, romance language, and most importantly, the failure to disclose where the remaining 90% of the coffee in the package originates from - typically Vietnam, Indonesia, and central America, all conspire to dupe consumers.

By prohibiting the use of Hawaiian geographical origins on coffee labeling and advertising for roasted and instant coffee that contain less than a set percentage of coffee by weight from that geographical origin, phased in to a minimum of 51% after July 1, 2025, this bill will align product claims with consumer expectations. Current Hawaii state law is tantamount to allowing a food processor to take juice from one orange, blend it with the juice from nine lemons, and then label the product as "orange juice blend." Such practices are prohibited by federal law for juice blends, see 21 CFR Section 102.33, and should be prohibited by Hawaii for coffee blends as well.

Leading coffee blenders claim they simply seek to provide consumers a choice in the marketplace. But consumers should not have to discern accurately labeled products from inferior goods with misleading claims. The passage of this bill represents a vital step to protect consumers -- ranging from Hawaii residents to unsuspecting visitors touring the islands. We urge members of the committee to ensure that this bill is enacted. Thank you for consideration of our views.

Respectfully Submitted,

Thomas Gremillion
Director of Food Policy
Consumer Federation of America

Testimony in strong support of HB259 51% percent Kona

I submit this written testimony in **STRONG SUPPORT** of HB259.

Our entire family are members of **Kona Coffee Farmers Association** .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 of December 2021. **WE NEED YOUR SUPPORT of HB259 now more than ever! Our 2022 coffee yield was much 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 as Kona Typica is *Arabica*!

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 HB259**:

- 1. Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been received.
- 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 [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB259.***
- 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 **HB259**

Sincerely,

Cynthia Maryanoff
Co-CEOs, and CTO, Absolute Palate LLC
20 MAR 2023

HB-259-HD-1

Submitted on: 3/20/2023 8:02:51 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqueline Wikum	Testifying for Mai Mahealani Farm	Support	Written Testimony Only

Comments:

Protect Hawaii's iconic crops. The coffee growers want a minimum 51% for any bag where "Hawaiian" or Kona or Ka'u is mentioned. This ensures the 1,500 statewide growers of coffee are protected and receive the income they deserve.

Thank you
Jacqueline Wikum
President, Mai Mahealani Farm

HB-259-HD-1

Submitted on: 3/20/2023 8:54:31 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Carolyn Witcover	Testifying for Ma'alahi Farm	Support	Written Testimony Only

Comments:

I support a phased-in increase to a minimum of 51% for Hawaii coffee blends, as well as other measures which will protect consumers and advance the interests of farmers.

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce and Consumer Protection

RE: **HB 259 HD1 - Relating to Consumer Protection - In Opposition**
Tuesday, March 21, 2023; 9:55 A.M.

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

My name is Jacen Ham. I am the current Vice President of The Kona Coffee Council and have been a miller and processor of Kona coffee for 20 years.

The Kona Coffee Council is over 200 members strong and the current board represents over 85% of the Kona coffee industry. I'm also a partner of Holualoa Kona Coffee Company. We do the majority of custom processing for 400 farms on Hawaii Island. Our company certifies over 50% of the lots of coffee.

HB 259 HD1 would jeopardize our current Kona market. These changes would be devastating to the industry, especially the small to mid-size farms who depend on the green coffee market. We urge you to hold this bill.

Jacen Ham
Kona Coffee Council Vice President

LATE

HB-259-HD-1

Submitted on: 3/20/2023 10:50:03 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Una Greenaway	Testifying for Kuaiwi Farm	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole and Vice Chair Fukunaga

I have been a Kona coffee farmer for 45 years, and have been waiting for so very long for a bill that protects our wonderful coffee. I have witnessed all the battles over the years to increase the blend percentage to 51%. It looks as though we actually have a chance, if you folks do the right thing. Please pass this bill.

Mahalo

Una Greenaway

Kuaiwi Farm



LATE

300 Kuulei Rd. Unit A #281 * Kailua, HI 96734 * Phone/Fax (808) 262-0682 E-Mail

March 21, 2023

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

HB 259 HD1
RELATING TO COMSUMER PROTECTION

Hawaii's Thousand Friends, a non-profit organization dedicated to ensuring that growth is reasonable and responsible and that planning, and land use decisions protect natural and cultural resources and human health and are implemented in conformity with the law, supports HB 259 HD1 that 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, that will help protect the Hawaii coffee brand by ensuring truth-in-labeling of Hawaii coffee.

In testimony after testimony Hawaii's coffee farmers express pride in their regionally grown coffee. To help protect the good name and integrity of Hawaii's regional coffee farmers we recommend the following wording underlined be added to Section 1 Page 3 Line 1

Therefore, a change to the law is needed to protect consumers and Hawaii's regional coffee farmers by ensuring that minimum blend amounts allowed for coffee products that bear geographic origin names constitute a majority of the product from that geographic origin and are sufficient to ensure that the product reflects the quality and character of the region.

Farmers, who produce high-quality coffee in a local region, deserve the right to defend their area brand by requiring that coffee sold under a local regional name contains at least 51% of coffee grown from that region. Allowing anything less neither supports nor appreciates Hawaii's coffee farmers and the value of their product.

We urge you support Hawaii's coffee farmers and pass HB 259 HD1.

March 20, 2023

LATE



Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce & Consumer Protection
Tuesday, March 21, 2023
9:55 am
Via Videoconference

RE: **HB259 HD1** Relating to Consumer Protection (**Support with Amendments**)

Dear Chair Keohokalole, Vice Chair Fukunaga & Committee Members,

The Chamber of Sustainable Commerce testifies in support (with amendments) of HB259 HD1, which 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 per cent after 7/1/2025, 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 Hawai'i.

As business owners who strive for a triple bottom line and know we can strengthen our economy without hurting workers, consumers, or the environment, we urge this committee to pass HB259 HD1 with amendments because it protects consumers from intentionally misleading packaging that undermines the value of the work and investment of local coffee farmers.

It is absurd that a state that has "invested" more than \$80M/year building its brand identity and marketing Hawaii to the world, would turn around and tell its local coffee farmers that a 100% requirement for labeling is out of reach for them – that they should be content with "incremental truths", requiring only 20%-51% truthfully Hawaii grown coffee.

There are "truth-in-labeling" laws – and then there is HB259's "more-than-half-truthful-labeling". Where else could a commercial industry be so powerful that it could force state lawmakers to compromise on "truth" itself?

We urge you to protect truth in labeling, not half-truths in labeling or 20%-51% truthful labeling. Please **amend the bill to require 100% genuine Hawaii grown coffee when there are no other coffee regions included on the label except Hawaii's and require the factual percentage by region to be included on the label.**

**Hawaii
Legislative
Council**

Maile Meyer
Na Mea Hawaii
Honolulu

Russel Rudderman
Island Naturals
Hilo / Kona

Tina Wildberger
Kihei Ice
Maui

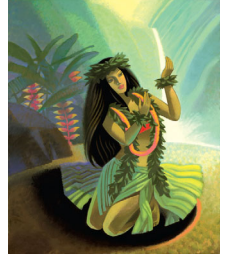
Joell Edwards
Wainiha Country Market
Kauai

Kim Coco Iwamoto
AQuA Rentals, LLC
Honolulu

LATE

HAWAII COFFEE COMPANY™

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Fax: 808-847-7900
www.hicoffeeco.com



TO: Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce and Consumer Protection

FROM: Gerard Bastiaanse
President- Hawaii Coffee Company

RE: **HB 259 HD1 - Relating to Consumer Protection – In Opposition**
Tuesday, March 21, 2023; 9:55 a.m.; Conference Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

Hawaii Coffee Company is in opposition to HB 259 HD1, which would increase blend requirements for Kona coffee sold from a 10% Kona bean requirement up to a 51% requirement on July 1, 2025 and continuing thereafter.

Act 222, SLH 2022 appropriated funds to the Hawaii Department of Agriculture (HDOA) to conduct an independent study to assess the economic impact of Hawaii's coffee labeling laws on local coffee farmers and the local coffee industry. It is our understanding Governor Green recently released those funds and HDOA is in the process of developing an RFP for this study, which will be due to the Legislature prior to the convening of the 2024 legislative session. We believe it is prudent to wait for the study to be completed before taking any action.

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, well over 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, HB 259 HD1, which on its face, purports to prohibit the use of federally registered trademarks that incorporate geographic designations of origin (such as Hawaii, Kona, or Ka'u) in conjunction with coffee products that contains some but not a given percentage of coffee from the designated regions would be preempted and rendered unenforceable by the Lanham Act.

A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of goods or services. 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. To the extent that the proposed legislation purports to require alteration of one of Hawaii Coffee Company’s federal registered marks, federal trademark law would preempt the Hawaii law.

Second, 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.

Third, 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 affordability and their own budget. This also ensures that consumers can continue to support our local economy.

Fourth, 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.

Fifth, HB 259 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.

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

Amendments highlighted in yellow to:

(1) clarify that the labeling requirements exclude roasted or instant coffee produced in whole or in part from Hawaii-grown green coffee beans which are not offered for retail sale directly to consumers, consistent with the purpose of HB 259 HD1;

(2) postpone the effective dates of the phasing in of new labeling/advertising requirements by one (1) year to allow for commercially reasonable period to sell-off existing, costly packaging inventory and to secure new packaging in compliance with new requirements; and

(3) allow a commercially reasonable sell off period of 6 months for retailers who purchase by June 30, 2024 roasted or instant coffee blends which use a geographic origin in labeling or advertising containing less than 20% Hawaii grown coffee by weight, which complies with 486-120.6(a)(2) (i.e., discloses the percentage of one of the Hawaii-grown coffees used in the blend, followed by the geographic origin of the weight-specified coffee and the term "Coffee Blend"). For example, a 10% Kona Coffee blend which meets the current labeling law can be sold off by retailers through December 31, 2024.

§486-120.6 Hawaii-grown roasted or instant coffee; labeling

requirements. (a) In addition to all other labeling requirements, the identity statement used for labeling or advertising roasted or instant coffee produced in whole or in part from Hawaii-grown green coffee beans shall meet the following requirements:

- (1) For roasted or instant coffee that contains one hundred per cent Hawaii-grown coffee by weight the identity statement shall consist of either:
 - (A) The geographic origin of the Hawaii-grown coffee, in coffee consisting of beans from only one geographic origin, followed by the word "Coffee"; provided that the geographic origin may be immediately preceded by the term "100%"; or
 - (B) The per cent coffee by weight of one of the Hawaii-grown coffees, used in coffee consisting of beans from several geographic origins, followed by the geographic origin of the weight-specified coffee and the terms "Coffee" and "All Hawaiian";
- (2) For roasted or instant coffee consisting of a blend of one or more Hawaii-grown coffees and coffee not grown in Hawaii, the per cent coffee by weight of one of the Hawaii-grown coffees used in the blend,

followed by the geographic origin of the weight-specified coffee and the term "Coffee Blend"; and

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

(b) A listing of the geographic origins of the various Hawaii-grown coffees and the regional origins of the various coffees not grown in Hawaii that are included in a blend ~~[may]~~ shall be shown on the label. ~~[If used, this]~~ In place of separate listings of regional origins of coffee not grown in Hawaii in the blend, the list may include the words "Foreign-Grown Coffee" followed by the per cent of the coffee by weight in the blend. This list shall consist of the term "Contains:", followed by, in descending order of per cent by weight and separated by commas, the respective geographic origin or regional origin of the various coffees in the blend ~~[that the manufacturer chooses to list]~~. Each geographic origin or regional origin ~~[may]~~ shall be preceded by the per cent of coffee by weight represented by that geographic origin or regional origin, expressed as a number followed by the per cent sign. The type size used for this list shall not ~~[exceed]~~ be less than half that of the identity statement. This list shall appear below the identity statement~~[, if included]~~ on the front panel of the label.

(c) The requirements of this section shall not apply to labeling of or advertising for roasted or instant coffee produced in whole or in part from Hawaii-grown green coffee beans which is not offered for retail sale directly to consumers.

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

- (1) Use the identity statement specified in subsection (a)(1)(A) or similar terms in labeling or advertising unless the package of roasted or instant coffee contains one hundred per cent coffee from that one geographic origin;
- (2) Use a geographic origin in labeling or advertising, including in conjunction with a coffee style or in any other manner, if ~~[the roasted or instant coffee contains less than ten per cent coffee by weight from that geographic origin;]~~

(A) During the period from July 1, ~~2023~~2024, through June 30, ~~2024~~2025, the roasted or instant coffee contains less than twenty per cent coffee by weight from that geographic origin;

(B) During the period from July 1, ~~2024~~2025, through June 30, ~~2025~~2026, the roasted or instant coffee contains less than thirty per cent coffee by weight from that geographic origin; and

(C) On or after July 1, ~~2025~~2026, the roasted or instant coffee contains less than fifty-one per cent coffee by weight from that geographic origin;

- (3) Use a geographic origin in labeling or advertising roasted or instant coffee, including advertising in conjunction with a coffee style or in any other manner, without disclosing the percentage of coffee used from that geographic origin as described in subsection (a)(1)(B) and (a)(2);
- (4) Use a geographic origin in labeling or advertising roasted or instant coffee, including in conjunction with a coffee style or in any other manner, if the green coffee beans used in that roasted or instant coffee do not meet the grade standard requirements of rules adopted under chapter 147;
- (5) Misrepresent, on a label or in advertising of a roasted or instant coffee, the per cent coffee by weight of any coffee from a geographic origin or regional origin;
- (6) Use the term "All Hawaiian" on a label or in advertising of a roasted or instant coffee if the roasted or instant coffee is not produced entirely from green coffee beans ~~[produced in geographic origins defined in this chapter;]~~ grown and processed in the State;
- (7) Use a geographic origin on the front label panel of a package of roasted or instant coffee other than in the trademark or in the identity statement as authorized in subsection (a)(1) and (2) unless one hundred per cent of the roasted or instant coffee contained in the package is from that geographic origin;
- (8) Use more than one trademark on a package of roasted or instant coffee unless one hundred per cent of the roasted or instant coffee contained in the package is from that geographic origin specified by the trademark;
- (9) Use a trademark that begins with the name of a geographic origin on a package of roasted or instant coffee unless one hundred per cent of the roasted or instant coffee contained in the package comes from that geographic origin or the trademark ends with words that indicate a business entity; or
- (10) Print the identity statement required by subsection (a) in a smaller font than that used for a trademark that includes the name of a

geographic origin pursuant to paragraph (7) and in a location other than the front label panel of a package of roasted or instant coffee.

(e) It shall not be a violation of this section for retailers that purchase by June 30, 2024 roasted or instant coffee, which uses a geographic origin in labeling or advertising, contains less than twenty per cent Hawaii grown coffee by weight, and complies with the labeling requirements of subsection (a)(2), but does not comply with the labeling requirements of subsections (b) and (c), to sell-off such inventory through and including December 31, 2024:

~~(d)~~(f) Roasters, manufacturers, or other persons who package roasted or instant coffee covered by this section shall maintain, for a period of two years, records on the volume and geographic origin or regional origin of coffees purchased and sold and any other records required by the department for the purpose of enforcing this section. Authorized employees of the department shall have access to these records during normal business hours.

~~(e)~~(g) For the purpose of this section:

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

"Per cent coffee by weight" means the percentage calculated by dividing the weight in pounds of roasted green coffee beans of one geographic or regional origin used in a production run of roasted or instant coffee, by the total weight in pounds of the roasted green coffee beans used in that production run of roasted or instant coffee, and multiplying the quotient by one hundred.

HB-259-HD-1

Submitted on: 3/20/2023 5:11:42 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert ZUckerman	Individual	Support	Written Testimony Only

Comments:

I am in strong support of HB259 as it will bring necessary transparency to the consumer.

HB-259-HD-1

Submitted on: 3/18/2023 6:41:47 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Bob Smith	Individual	Support	Written Testimony Only

Comments:

This is an issue that needs to be resolved! We Kona Coffee farmers have been trying for decades to change the blend law which damages our reputation.

HB-259-HD-1

Submitted on: 3/18/2023 8:04:07 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Jim Monk	Individual	Support	Written Testimony Only

Comments:

Hi Folks! Please pass HB259. It has been far too many years that the Hawaiian government has done nothing to protect its brand names. Get on the wagon and get us 51% protection for now -- it should be 100% protection. Please pass this bill. Jim Monk, a Kona Coffee Farmer

HB-259-HD-1

Submitted on: 3/19/2023 8:36:57 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter Goulding	Individual	Support	Written Testimony Only

Comments:

I am a small kona coffee farmer living in Kona. I support this bill to increase the required percentage of coffee to 51% to be fairly labeled kona coffee. Big coffee company blenders are unfairly using the kona brand to sell 10% kona coffee as kona coffee on their label. This both devalues the brand and reduces the price 100% kona coffee farmers can sell their coffee. Big coffee company blenders are stealing money from true kona coffee farmers by blending a smaller percentage and selling at a cheaper price claiming equivalence to 100% kona coffee without properly labeling it as only 10% kona coffee in easily readable font on the front of the package. Approving this bill will support all kona coffee farmers by requiring blenders to more accurately label their product or include a minimum of 51% Kona coffee in their blend. Mahalo.

HB-259-HD-1

Submitted on: 3/19/2023 8:52:26 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Culbertson	Individual	Support	Written Testimony Only

Comments:

Aloha Representatives,

I, and fellow neighbors of the Hamakua region, on the Big Island support our fellow Kona coffee farmers, and urge your passage of this very plain and fair-minded legislation providing Truth-in Labeling for Hawaii coffee blends.

Mahalo nui loa!

R A Culbertson

Honokaa

HB-259-HD-1

Submitted on: 3/19/2023 9:49:58 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Barry	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support this Bill.

Mahalo,

HB-259-HD-1

Submitted on: 3/19/2023 10:12:26 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Stover	Individual	Support	Written Testimony Only

Comments:

[HB259](#) is an important Truth-in-Labeling measure providing for a phased-in 51% minimum of Hawaii-grown content, and label identification of the % of foreign-grown coffee, for all Hawaii coffee “blends”. If 49% is foreign-grown coffee, the label should clearly disclose that to consumers.

HB-259-HD-1

Submitted on: 3/19/2023 10:36:02 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Helmut Klauer	Individual	Support	Written Testimony Only

Comments:

I strongly support.

HB-259-HD-1

Submitted on: 3/19/2023 10:46:34 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Nick Azari	Individual	Support	Written Testimony Only

Comments:

As a farmer, I support this bill strongly.

HB-259-HD-1

Submitted on: 3/19/2023 10:50:59 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
James Crum	Individual	Support	Written Testimony Only

Comments:

Hawaii agriculture, and the coffee industry especially, has spent a great deal of time and resources to carve out a respected and elevated name for itself. We need to ensure that "made in Hawaii" has political and regulatory teeth to ensure that consumers clearly understand what products, or percentages of products, do indeed come from Hawaii. This is critical in all our locally made products, our local agriculture products especially, and Hawaii-produced coffee in particular, because of the important efforts and expense invested to educate our local and worldwide consumers about the importance of supporting local Hawaii agriculture. Thank you for your support of this bill.

HB-259-HD-1

Submitted on: 3/19/2023 11:03:03 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Raphiell Nolin	Individual	Support	Written Testimony Only

Comments:

I strongly support hb259

HB-259-HD-1

Submitted on: 3/19/2023 10:59:46 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
randal merrick	Individual	Support	Written Testimony Only

Comments:

Aloha

My wife, Cheryl, and I are small time coffee farmers in Captain Cook. Please, please do not let this practice continue of allowing coffee blenders to import 90% of non Kona Coffee to blend with a mere 10% Real Kona Coffee and then market it as Kona Coffee. 51% is a bare minimum! Let's push for more % next session.

mahalo, randy & cheryl

HB-259-HD-1

Submitted on: 3/19/2023 11:44:32 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Motte Anne Snell	Individual	Support	Written Testimony Only

Comments:

I support HB 259. I own a small coffee farm in Holualoa, BI. Thank you

HB-259-HD-1

Submitted on: 3/19/2023 11:47:54 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

I read labels. I purchase products based on the ingredients. I want to know the true amount of Hawaii grown coffee in the coffee I buy. I buy 100% Kona coffee, priced at a premium and well worth every kala. Please pass this bill. Every year something along these lines is introduced and every year it dies. 2023 should be the year of truth in advertising for Hawaii coffee.

Please note I live in Honolulu and I strongly support growers on all the islands.

HB-259-HD-1

Submitted on: 3/19/2023 12:31:06 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaipo Kekona	Individual	Support	Written Testimony Only

Comments:

As we strive to solve our food security crisis and struggle to prioritize diversified economic stability. Truth in Labeling is an instrumental piece to accomplishing both goals. It is no secret that the biggest selling point for our state is its name, culture, and language. Securing product labels to be truly produced by Hawaii products is going to be key in moving forward. It's like real-estate. Selling property in Hawaii will fetch you more than selling property in Texas. Please be apart of the positive progress and support HB259.

HB-259-HD-1

Submitted on: 3/19/2023 1:07:09 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Howard Hill	Individual	Support	Written Testimony Only

Comments:

Once again I, as a coffee farmer and member of the Kona Coffee Farmers Association ask that the committee and legislature pass this measure. It is unfair that American corporations are falsely labeling a product as Kona when it only contains a small percentage of Kona coffee. Pass the 51% requirement NOW!

HB-259-HD-1

Submitted on: 3/19/2023 4:53:40 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
B Anderson	Individual	Support	Written Testimony Only

Comments:

Aloha Senate Commerce and Consumer Protection Committee:

I am a coffee grower and Kona coffee farmers have been seeking these changes for more than 30 years. Consumers deserve full and clear disclosure of what is in the package. I am a Kona Coffee Farmers Association member and I believe protecting Hawaii origin products is important. The 10% Hawaiian blends take money from growers by promoting 90% foreign-grown coffee under a Hawaii label. To be labeled Kona, our beans should rightly take the top percentage on the bag. KCFA would prefer to see 100%, but 51% is a reasonable compromise *moving forward*.

Mahalo,

Barbara Anderson

HB-259-HD-1

Submitted on: 3/20/2023 8:48:22 AM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

Ashamed of all of the legislators who have blocked hard working Hawai'i farmers from passing this bill for 30 years. Shame on you!

HB-259-HD-1

Submitted on: 3/19/2023 5:10:39 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Leila Atkin	Individual	Support	Written Testimony Only

Comments:

It is very important to protect Hawaii origin products and 10% blends take money from local growers by promoting 90% foreign-grown coffee under a Hawaii label. At least 51% Kona Coffee gives our growers more protection. Thank you for increasing the percentage to 51% or higher of local Kona Coffee beans and green beans.



March 20, 2023

Committee on Consumer Protection

Representative Mark M. Nakashima, Chair

Representative Jackson D. Sayama, Vice Chair

Re: Support for HB259 Relating to Consumer Protection

Hearing: March 21, at 9:00 a.m.

Aloha Representatives,

I am in full support of HB-259.

As a grower, processor, roaster and retailer of 100% Kau Coffee, I find it deplorable that the State of Hawaii has time and time again bowed down to the Hotel and Hospitality industries in regards to this issue.

As the signature agricultural product produced in this state, why don't the coffee farmers and our product have the same protection from the State of Hawaii as ei. Idaho potatoes, Vermont Maple Syrup, California Almonds? I don't think I could taste 10% of Vermont Maple Syrup and I certainly would not buy a watered down version of any product. If I was duped into buying such a product under false labeling practices I would never buy or trust any product coming out of that geographical region again...

At the end of the day, it is the blood, sweat and tears of the coffee farmer that has built the Hawaii coffee industry, not the blender or the hotels that push 10% blends on unsuspecting visitors. Who is reaping the economic benefit of such practices? I assure you it is not the hard-working farmers who produce some of the world's finest coffee.

Sincerely,

Louis V. Daniele III

General Manager, Kau Coffee Mill

REBECCA VILLEGAS

*Council Member
District 7, Central Kona*



Phone: (808) 323-4267

Fax: (808) 329-4786

Email: Rebecca.villegas@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*

TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER,
HAWAI'I COUNTY COUNCIL
ON HB 259, RELATING TO CONSUMER PROTECTION; COFFEE LABELING
Committee on Consumer Protection and Commerce
Tuesday, March 21, 2023 at 9:55 a.m.

Chairperson Keohokalole and Members of the Committee:

Thank you for the opportunity to testify in support of HB 259. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council.

The purpose of this measure is to support Hawai'i's coffee growers by requiring disclosure on the label of coffee blends by regional origins and percentage by weight of blended coffees, making it a violation of coffee labelling law to use geographic origin in labeling or advertising for roasted or instant coffee blends that contain less than fifty-one percent by weight from that geographic origin. More than ninety percent of Hawai'i's coffee farms are located on the island of Hawai'i. Existing labeling requirements for Kona coffee causes consumer fraud and degrades the "Kona Coffee" name. The label on the package of ten percent Hawai'i coffee blend does not advise consumers that ninety percent of the coffee is imported, foreign grown, or may be a mixture of multiple Hawaiian regions and foreign grown coffee. Legislative action is necessary to protect the reputation of Hawai'i grown coffee, as the ten percent requirement directly damages and degrades the economic interest of Hawai'i coffee framers.

For these reasons stated above, I urge the Committee on Consumer Protection and Commerce to support this measure. 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'. The signature is stylized and cursive.

Rebecca Villegas
Council Member, Hawai'i County Council

LATE

HB-259-HD-1

Submitted on: 3/20/2023 1:38:57 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Maryanoff	Testifying for KCFA	Support	Written Testimony Only

Comments:

Testimony in strong support of HB259 51% percent Kona

I submit this written testimony **in STRONG SUPPORT of HB259.**

Our entire family are members of **Kona Coffee Farmers Association** .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 of December 2021. **WE NEED YOUR SUPPORT of HB259 now more than ever! Our 2022 coffee yield was much 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 as Kona Typica is Arabica!

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 HB259:**

1. **Misleading labeling is fraudulent** – consumers should be able to know what they are actually paying for. That **Misleading labeling is fraudulent** has already been proven in at least one class action lawsuit [Corker, et al. v *COSTCO WHOLESALE CORPORATION* [case no.2:19-cv-00290-RSL] in the United States District Court for the Western District of Washington as settlement benefits have been received.

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 [THANKYOU VERY MUCH] and Coffee Leaf Rust [THANKYOU VERY MUCH] so please move forward with support of HB259.**

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 **HB259**

Sincerely,

Sincerely,

Bruce Maryanoff

bmaryano@comcast.net

Co-CEOs, and CSO, Absolute Palate LLC

20 Mar 2023

LATE

HB-259-HD-1

Submitted on: 3/20/2023 1:58:14 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Joanie Wynn	Testifying for Kona Earth, LLC	Support	Written Testimony Only

Comments:

Please support Kona Coffee farmers with this important measure.

As a member of Kona Coffee Farmer's Association and as owner/operators of a family-run farm, we strongly support this measure which moves toward protecting the origin of Hawaii-grown products.

Currently, 10% blends are allowed and, in effect, take money from local growers by promoting 90% foreign-grown coffee under a Kona coffee label! At a minimum, Kona coffee should contain at least 51%, or the majority, of beans from the region it claims. Anything less is a disservice to growers and consumers who are duped into thinking they are getting the "real thing" with misleading labeling. These lesser quality, cheaper "blends" tarnish Kona coffee's excellent reputation as a world-class specialty coffee and dilute the marketing potential for Hawaii agriculture overall.

As an important economic driver and local specialty crop that can only be grown in Kona, the Kona coffee name should enjoy protected status, just as Idaho potatoes and Florida orange juice do. This injustice has gone on for far too long and this measure is at least a step in the right direction.

Please pass HB259.

LATE

HB-259-HD-1

Submitted on: 3/20/2023 2:34:39 PM

Testimony for CPN on 3/21/2023 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Maureen Datta	Testifying for Adaptations Inc	Support	Written Testimony Only

Comments:

I strongly support this bill as an important Truth-in-Labeling measure providing for a phased-in 51% minimum of Hawaii-grown content, and label identification of the % of foreign-grown coffee, for all Hawaii coffee “blends”. If 49% is foreign-grown coffee, the label should clearly disclose that to consumers.

Origin labeling is crucial for supporting regionally-identified ag products of all kinds and especially coffee.

Thanks,

Maureen



Ryan Tanaka, Chairman – Giovanni Pastrami **Ave Kwok, Incoming Chair**- Jade Dynasty

Andy Huang, Vice Chair - L&L Hawaiian Barbeque **Tambara Garrick, Secretary** – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace **Greg Maples, Past Chair** – Polynesian Cultural Center

Sheryl Matsuoka, Executive Director **Ginny Wright**, Operations Associate **Holly Kessler**, Director of Membership Relations

TO: Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce and Consumer Protection

FR: Hawaii Restaurant Association

RE: **HB 259 HD1 - Relating to Consumer Protection – In Opposition**
Tuesday, March 21, 2023; 9:55 a.m.; Conference Room 229

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee:

The Hawaii Restaurant Association representing 3,400+ restaurants stand in opposition to HB 259 HD1, that will change the 10% Kona Bean requirement moving up to 51% after 7/1/25 for the Kona Blend.

Many of our local restaurants have been using the Kona Blend 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 by buying from our local coffee processors.

We all know that Kona coffee commands a premium price and has a stronger distinctive taste. Requiring a higher percentage will change the taste profile that many of our current restaurant customers enjoy. Another consequence will be that our cost of buying locally blended coffee will significantly increase, which will add to the unprecedented food cost increases our industry is currently facing.

Eliminating the 10% blends will be forcing ours and many commercial users' hand to eventually move away to less expensive national brands, causing a loss of business for our local processors.

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

A handwritten signature in black ink that reads "Sheryl Matsuoka".

Executive Director
Hawaii Restaurant Association

