H.B. NO. <sup>2298</sup> H.D. 1 S.D. 1

## A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 The legislature finds that coffee is an SECTION 1. 2 important agricultural crop of the State and a highly valued commodity in Hawaii. Despite the premium value of Hawaii-grown 3 4 coffee, the State has not protected the integrity of the names of coffee origin regions, such as "Kona", "Kau", or "Kauai". 5 6 Instead, existing law allows coffee blends that contain only 7 very small amounts of coffee beans from these distinctive regions to use the name of those regions on product packaging, a 8 9 practice that deceives consumers and harms coffee growers. The legislature further finds that Hawaii law requires 10 that, for coffee products, only ten per cent of the coffee must 11 12 originate in the geographic area indicated for that product to 13 use the geographic origin name on its label. Other 14 jurisdictions typically require that one hundred per cent of the coffee originate in the geographic area to protect the value, 15 integrity, and reputation of that product and its associated 16 17 geographic origin name.





1 The legislature notes that a 2018 publication entitled 2 "Strengthening Sustainable Food Systems Through Geographical 3 Indications: An Analysis of Economic Impacts" by the Food and 4 Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development concluded, among other 5 6 things, that Kona coffee "does not enjoy any strong protection 7 of its name" from the State and, as a result, downstream 8 stakeholders, rather than farmers, "reap the economic benefits 9 of the fame of Kona".

10 The legislature additionally finds that despite existing 11 labeling laws that include specific requirements for font sizes 12 and disclosure of blend percentages, the simple inclusion of a 13 geographic origin name on a product effectively misleads 14 consumers into believing that the product is representative of 15 the specialty product of that region, even though, for example, 16 in a coffee blend that is ten per cent Kona coffee, the flavor 17 of the Kona coffee is often undetectable at such low 18 concentrations. Consumers are then deceived into paying a 19 premium for a "Hawaii" product that does not represent the name 20 on its label. Therefore, a change to the law is needed to 21 protect consumers by ensuring that minimum blend amounts allowed

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1 for coffee products that bear geographic origin names constitute 2 a majority of the product from that geographic origin and are 3 sufficient to ensure that the product reflects the quality and 4 character of the region.

5 The purpose of this Act is to:

6 (1) Make it a violation of the coffee labeling law to use 7 a geographic origin in labeling or advertising for 8 roasted coffee, instant coffee, or ready-to-drink 9 coffee beverage blends that contain less than a 10 certain percentage of coffee by weight from that 11 geographic origin, phased in to one hundred per cent; 12 and

13 (2) Exempt retailers that do not package roasted coffee,
14 instant coffee, or ready-to-drink coffee beverage from
15 liability for the sale of roasted coffee, instant
16 coffee, or ready-to-drink coffee beverage that use a
17 label or advertisement in violation of the coffee
18 labeling law.
19 SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is

**20** amended to read as follows:

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1	1 "§486-120.6 Hawaii-grown and	Hawaii-processed coffee;		
2	2 labeling or advertising requirement	<b>s.</b> (a) In addition to all		
3	<b>3</b> other labeling requirements, the id	lentity statement used for		
4	4 labeling or advertising roasted cof	labeling or advertising roasted coffee, instant coffee, or		
5	ready-to-drink coffee beverages produced in whole or in part			
6	from Hawaii-grown and Hawaii-processed green coffee beans shall			
7	meet the following requirements:			
8	8 (1) For roasted coffee, insta	nt coffee, or ready-to-drink		
9	9 coffee beverages that con	tain one hundred per cent		
10	Hawaii-grown and Hawaii-p	processed coffee by weight,		
11	1 the identity statement sh	all consist of either:		
12	(A) The geographic origi	n of the Hawaii-grown and		
13	3 Hawaii-processed cof	fee, in coffee consisting of		
14	4 beans from only one	geographic origin, followed		
15	5 by the word "Coffee"	; provided that the		
16	6 geographic origin ma	y be immediately preceded by		
17	7 the term "100%"; or			
18	(B) The per cent coffee	by weight of one of the		
19	9 Hawaii-grown and Haw	aii-processed coffees, used		
20	20 in coffee consisting	g of beans from several		
21	geographic origins,	followed by the geographic		

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1		origin of the weight-specified coffee and the
2		terms "Coffee" and "All Hawaiian";
3	(2)	For roasted coffee, instant coffee, or ready-to-drink
4		coffee beverages consisting of a blend of one or more
5		Hawaii-grown and Hawaii-processed coffees and coffee
6		not grown or processed in Hawaii, the per cent coffee
7		by weight of one of the Hawaii-grown and Hawaii-
8		processed coffees used in the blend, followed by the
9		geographic origin of the weight-specified coffee and
10		the term "Coffee Blend"; and
11	(3)	Each word or character in the identity statement shall
12		be of the same type size and shall be contiguous. The
13		smallest letter or character of the identity statement
14		on packages of sixteen ounces or less net weight shall
15		be at least one and one-half times the type size
16		required under federal law for the statement of net
17		weight or three-sixteenths of an inch in height,
18		whichever is smaller. The smallest letter or
19		character of the identity statement on packages of
20		greater than sixteen ounces net weight shall be at
21		least one and one-half times the type size required

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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.

7 (b) A listing of the geographic origins of the various 8 Hawaii-grown and Hawaii-processed coffees and the regional 9 origins of the various coffees not grown or processed in Hawaii that are included in a blend shall be shown on the label. This 10 11 list shall consist of the term "Contains:", followed by, in 12 descending order of per cent coffee by weight and separated by 13 commas, the respective geographic origin or regional origin of 14 the various coffees in the blend. Each geographic origin or 15 regional origin shall be preceded by the per cent coffee by 16 weight represented by that geographic origin or regional origin, 17 expressed as a number followed by the per cent sign. In place 18 of separate listings of regional origins of coffee not grown or 19 processed in Hawaii in the blend, the list may include the words 20 "Foreign-grown Coffee", preceded by the per cent coffee by 21 weight in the blend. The type size used for this list shall be

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(d)

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no less than half that of the identity statement. This list
 shall appear below the identity statement on the front panel of
 the label.

4 (c) The requirements of subsections (a) and (b) shall 5 apply to the labeling of any inner package or inner wrapping of 6 the roasted coffee, instant coffee, or ready-to-drink coffee 7 beverages that includes any geographic origin of Hawaii-grown 8 and Hawaii-processed coffee, regardless of whether the inner 9 package or inner wrapping is intended to be individually sold.

(1) Use the identity statement specified in subsection
(a) (1) (A) or similar terms in labeling or advertising
unless the package of roasted coffee, instant coffee,
or ready-to-drink coffee beverage contains one hundred
per cent coffee by weight from that one geographic
origin;

It shall be a violation of this section to:

17 (2) Use a geographic origin in labeling or advertising,
18 including in conjunction with a coffee style or in any
19 other manner, if [the roasted coffee, instant-coffee,
20 or ready to drink coffee beverage contains less than

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1	ten per cent coffee by weight from that geographic		
2	origin;]:		
3	(A)	During the period from July 1, 2024, through	
4		June 30, 2025, the roasted coffee, instant	
5		coffee, or ready-to-drink coffee beverage	
6		contains less than twenty-five per cent coffee by	
7		weight from that geographic origin;	
8	<u>(B)</u>	During the period from July 1, 2025, through	
9		June 30, 2026, the roasted coffee, instant	
10		coffee, or ready-to-drink coffee beverage	
11		contains less than fifty per cent coffee by	
12		weight from that geographic origin;	
13	<u>(C)</u>	During the period from July 1, 2026, through	
14		June 30, 2027, the roasted coffee, instant	
15		coffee, or ready-to-drink coffee beverage	
16		contains less than seventy-five per cent coffee	
17		by weight from that geographic origin; and	
18	<u>(D)</u>	On or after July 1, 2027, roasted coffee, instant	
19		coffee, or ready-to-drink coffee beverage less	
20		than one hundred per cent coffee by weight from	
21		that geographic origin;	





(3) Use a geographic origin in labeling or advertising
roasted coffee, instant coffee, or ready-to-drink
coffee beverages, including advertising in conjunction
with a coffee style or in any other manner, without
disclosing the per cent coffee by weight used from
that geographic origin as described in subsection
(a) (1) (B) and (a) (2);

8 Use a geographic origin in labeling or advertising (4) 9 roasted coffee, instant coffee, or ready-to-drink 10 coffee beverages, including in conjunction with a 11 coffee style or in any other manner, if the green 12 coffee beans used in that roasted coffee, instant 13 coffee, or ready-to-drink coffee beverage do not meet 14 the grade standard requirements of rules adopted under 15 chapter 147;

16 (5) Misrepresent, on a label or in advertising of a
17 roasted coffee, instant coffee, or ready-to-drink
18 coffee beverage, the per cent coffee by weight of any
19 coffee from a geographic origin or regional origin;
20 (6) Use the term "All Hawaiian" on a label or in

advertising of a roasted coffee, instant coffee, or



21



1 ready-to-drink coffee beverage if that roasted coffee, 2 instant coffee, or ready-to-drink coffee beverage is 3 not produced entirely from green coffee beans grown 4 and processed in Hawaii;

(7) Use a geographic origin on the front label panel of a 5 package of roasted coffee, instant coffee, or ready-6 7 to-drink coffee beverage other than in the trademark 8 or in the identity statement as authorized in 9 subsection (a) (1) and (2) unless the roasted coffee, 10 instant coffee, or ready-to-drink coffee beverage 11 contains one hundred per cent coffee by weight from 12 that geographic origin;

13 (8) Use more than one trademark on a package of roasted
14 coffee, instant coffee, or ready-to-drink coffee
15 beverage unless the roasted coffee, instant coffee, or
16 ready-to-drink coffee beverage contains one hundred
17 per cent coffee by weight from that geographic origin
18 specified by the trademark;

19 (9) Use a trademark that begins with the name of a
20 geographic origin on a package of roasted coffee,
21 instant coffee, or ready-to-drink coffee beverage



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unless the roasted coffee, instant coffee, or readyto-drink coffee beverage contains one hundred per cent coffee by weight from that geographic origin or the trademark ends with words that indicate a business entity; or

Print the identity statement required by subsection 6 (10) 7 (a) in a smaller font than that used for a trademark that includes the name of a geographic origin pursuant 8 to paragraph (7) and in a location other than the 9 10 front label panel of a package of roasted coffee, instant coffee, or ready-to-drink coffee beverage. 11 12 (e) Retailers that do not package roasted coffee, instant 13 coffee, or ready-to-drink coffee beverages shall not be liable 14 for the sale of roasted coffee, instant coffee, or ready-todrink coffee beverages that use a label or advertisement in 15 16 violation of this section.

17 [(e)] (f) Roasters, manufacturers, or other persons who 18 package roasted coffee, instant coffee, or ready-to-drink coffee 19 beverages covered by this section shall maintain, for a period 20 of two years, records on the volume and geographic origin or 21 regional origin of coffees purchased, sold, and used and any



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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.
 [(f)] (g) As used in this section:

5 "Geographic origin" means the geographic regions in which 6 Hawaii-grown green coffee beans are produced, as defined in 7 rules adopted under chapter 147; provided that the term 8 "Hawaiian" may be substituted for the geographic origin 9 "Hawaii".

10 "Per cent coffee by weight" means the percentage calculated 11 by dividing the weight in pounds of roasted green coffee beans of one geographic or regional origin used in a production run of 12 roasted coffee, instant coffee, or ready-to-drink coffee 13 14 beverages by the total weight in pounds of the roasted green 15 coffee beans used in that production run of roasted coffee, instant coffee, or ready-to-drink coffee beverages, and 16 17 multiplying the quotient by one hundred.

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

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"Ready-to-drink coffee beverage" does not include made-to-order
 beverages."
 SECTION 3. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.
 SECTION 4. This Act shall take effect on July 1, 3000.





#### Report Title:

Consumer Protection; Coffee Labeling; Geographic Origins; Prohibitions

#### Description:

Establishes a timeline by which roasted coffee, instant coffee, and ready-to-drink coffee beverages that use a geographic origin in labeling or advertising are required to contain a certain per cent coffee by weight from that geographic origin. Exempts retailers that do not package roasted coffee, instant coffee, or ready-to-drink coffee beverages from liability for the sale of roasted coffee, instant coffee, or ready-to-drink coffee beverages that use a label or advertisement in violation of the coffee labeling law. Takes effect 7/1/3000. (SD1)

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