A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

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

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1 The legislature notes that a 2018 publication entitled 2 "Strengthening Sustainable Food Systems Through Geographical Indications: An Analysis of Economic Impacts" by the Food and 3 Agriculture Organization of the United Nations and the European 4 Bank for Reconstruction and Development concluded, among other 5 6 things, that Kona coffee "does not enjoy any strong protection of its name" from the State and, as a result, downstream 7 stakeholders, rather than farmers, "reap the economic benefits 8 9 of the fame of Kona". 10 The legislature additionally finds that despite existing labeling laws that include specific requirements for font sizes 11 and disclosure of blend percentages, the simple inclusion of a 12 geographic origin name on a product effectively misleads 13 14 consumers into believing that the product is representative of the specialty product of that region, even though, for example, 15 in a coffee blend that is ten per cent Kona coffee, the flavor 16 17 of the Kona coffee is often undetectable at such low concentrations. Consumers are then deceived into paying a 18 premium for a "Hawaii" product that does not represent the name 19 on its label. Therefore, a change to the law is needed to 20 21 protect consumers by ensuring that minimum blend amounts allowed

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1	for	coffee	products	that	bear	geographic	origin	names	constitute
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- 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
- geographic origin, phased in to one hundred per cent;
- 12 and
- 13 (2) Exempt retailers that do not package roasted coffee,
- 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:

1	"§486-120.6 Hawall-grown and Hawall-processed coffee;
2	labeling or advertising requirements. (a) In addition to all
3	other labeling requirements, the identity statement used for
4	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	(1) For roasted coffee, instant coffee, or ready-to-drink
9	coffee beverages that contain one hundred per cent
10	Hawaii-grown and Hawaii-processed coffee by weight,
11	the identity statement shall consist of either:
12	(A) The geographic origin of the Hawaii-grown and
13	Hawaii-processed coffee, in coffee consisting of
14	beans from only one geographic origin, followed
15	by the word "Coffee"; provided that the
16	geographic origin may be immediately preceded by
17	the term "100%"; or
18	(B) The per cent coffee by weight of one of the
19	Hawaii-grown and Hawaii-processed coffees, used
20	in coffee consisting of beans from several
21	geographic origins, followed by the geographic

1	origin	of the	weight-spe	ecified	coffee	and	the
2	terms '	'Coffee'	" and "All	Hawaiia	an";		

- (2) For roasted coffee, instant coffee, or ready-to-drink coffee beverages consisting of a blend of one or more Hawaii-grown and Hawaii-processed coffees and coffee not grown or processed in Hawaii, the per cent coffee by weight of one of the Hawaii-grown and Hawaii-processed 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

1 under federal law for the statement of net weight. 2 The identity statement shall be conspicuously 3 displayed without any intervening material in a 4 position above the statement of net weight. Upper and 5 lower case letters may be used interchangeably in the 6 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 10 that are included in a blend shall be shown on the label. 11 list shall consist of the term "Contains:", followed by, in descending order of per cent coffee by weight and separated by 12 13 commas, the respective geographic origin or regional origin of the various coffees in the blend. Each geographic origin or 14 15 regional origin shall be preceded by the per cent coffee by weight represented by that geographic origin or regional origin, 16 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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1	no less t	nan half that of the identity statement. This list
2	shall app	ear below the identity statement on the front panel of
3	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 roast	ed coffee, instant coffee, or ready-to-drink coffee
7	beverages	that includes any geographic origin of Hawaii-grown
8	and Hawai	i-processed coffee, regardless of whether the inner
9	package o	r inner wrapping is intended to be individually sold.
10	(d)	It shall be a violation of this section to:
11	(1)	Use the identity statement specified in subsection
12		(a)(1)(A) or similar terms in labeling or advertising
13		unless the package of roasted coffee, instant coffee,
14		or ready-to-drink coffee beverage contains one hundred
15		per cent coffee by weight from that one geographic
16		origin;
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 reasted coffee, instant coffee,

or ready-to-drink coffee beverage contains less than

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1	ten	ten per cent coffee by weight from that geographic					
2	orig	in;] <u>:</u>					
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, the roasted coffee,					
19		instant coffee, or ready-to-drink coffee beverage					
20		contains less than one hundred per cent coffee by					
21		weight from that geographic origin:					

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

- (4) Use a geographic origin in labeling or advertising roasted coffee, instant coffee, or ready-to-drink coffee beverages, including in conjunction with a coffee style or in any other manner, if the green coffee beans used in that roasted coffee, instant coffee, or ready-to-drink coffee beverage do not meet the grade standard requirements of rules adopted under chapter 147;
- (5) Misrepresent, on a label or in advertising of a roasted coffee, instant coffee, or ready-to-drink coffee beverage, the per cent coffee by weight of any coffee from a geographic origin or regional origin;
- 20 (6) Use the term "All Hawaiian" on a label or in21 advertising of a roasted coffee, instant coffee, or

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2		instant coffee, or ready-to-drink coffee beverage is
3		not produced entirely from green coffee beans grown
4		and processed in Hawaii;
5	(7)	Use a geographic origin on the front label panel of a
6		package of roasted coffee, instant coffee, or ready-
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;

(9) Use a trademark that begins with the name of a

geographic origin on a package of roasted coffee,

instant coffee, or ready-to-drink coffee beverage

ready-to-drink coffee beverage if that roasted coffee,

1		uniess the loasted collee, instant collee, of leady-
2		to-drink coffee beverage contains one hundred per cent
3		coffee by weight from that geographic origin or the
4		trademark ends with words that indicate a business
5		entity; or
6	(10)	Print the identity statement required by subsection
7		(a) in a smaller font than that used for a trademark
8		that includes the name of a geographic origin pursuant
9		to paragraph (7) and in a location other than the
10		front label panel of a package of roasted coffee,
11		instant coffee, or ready-to-drink coffee beverage.
12	(e)	Retailers that do not package roasted coffee, instant
13	coffee, o	r ready-to-drink coffee beverages shall not be liable
14	for the s	ale of roasted coffee, instant coffee, or ready-to-
15	drink cof	fee beverages that use a label or advertisement in
16	violation	of this section.
17	[(e)] <u>(f)</u> Roasters, manufacturers, or other persons who
18	package r	oasted coffee, instant coffee, or ready-to-drink coffee
19	beverages	covered by this section shall maintain, for a period
20	of two ye	ars, records on the volume and geographic origin or
21	regional	origin of coffees purchased, sold, and used and any

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- 1 other records required by the department for the purpose of
- 2 enforcing this section. Authorized employees of the department
- 3 shall have access to these records during normal business hours.
- 4 $\left[\frac{f}{g}\right]$ (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".
- "Per cent coffee by weight" means the percentage calculated
- 11 by dividing the weight in pounds of roasted green coffee beans
- 12 of one geographic or regional origin used in a production run of
- 13 roasted coffee, instant coffee, or ready-to-drink coffee
- 14 beverages by the total weight in pounds of the roasted green
- 15 coffee beans used in that production run of roasted coffee,
- 16 instant coffee, or ready-to-drink coffee beverages, and
- 17 multiplying the quotient by one hundred.
- "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.

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

H.B. NO. 42298 H.D. 1 S.D. 2

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. (SD2)

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