

STAND. COM. REP. NO. **3336**

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2298
H.D. 1
S.D. 1

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2298, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish 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 percent coffee by weight from that geographic origin;
- (2) Require wholesalers to sell off their inventory of roasted coffee, instant coffee, or ready-to-drink coffee beverages in anticipation of the phased-in labeling requirements taking effect; and
- (3) Exempt 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.



Your Committee received testimony in support of this measure from the Department of Agriculture; one member of the Hawai'i County Council; Guard Well Farm; Kanalani Ohana Farm; Kona Coffee Farmer's Association; A Coffee Farm; Morning Glory Farms; RC Farm LLC; Bea's Knees Farm; Mo Snell's Kona Coffee Farm; Hawaii Coffee Growers Association; Island Harvest Inc.; Synergistic Hawaii Agriculture Council; Mai Mahealani Farm LLC; The Buna Coffee Company; LavaRock Farm; Hawai'i Farm Bureau; Kona Coffee Farmers Association; Ka'awaloa Trail Farm; Cyanotech Corporation; Ka'u Coffee Mill; Greenwell Farms; Hawaii Coffee Association; Hawai'i Farmers Union United; Mountain Thunder Coffee Plantation; Chamber of Sustainable Commerce; Kona Amor; Olakino Coffee Farm; Greenwell Farms, Inc.; and twenty-three individuals.

Your Committee received testimony in opposition to this measure from the Kona Coffee Council, Hawaii Coffee Company, Makapueo Farms, Menehune Coffee Company, Genesis Properties LLC, Coffea Consulting, Hawaii's Thousand Friends, and fifteen individuals.

Your Committee received comments on this measure from the Hawaii Food Industry Association, 'Apapane Coffee Farm, Kona Sunset Coffee LLC, Domain Kona, and nine individuals.

Your Committee finds that the State has not adequately protected the integrity of premium, high-value names of local coffee origin regions, such as "Kona", "Kau", or "Kauai", by continuing to allow coffee blends that contain only very small amounts of coffee beans from these distinctive regions to use the name of those regions on product packaging. Your Committee believes that this practice deceives consumers and harms the integrity and economy of local coffee growers. Accordingly, this measure amends the coffee labeling laws to increase transparency, protect consumers and local coffee producers, and preserve the high-quality reputation of Hawaii-grown coffee.

Your Committee has amended this measure by:

- (1) Restoring language from the original version of this measure that established a timeline that makes it a violation to use a geographic origin in labeling or advertising of roasted coffee, instant coffee, and ready-to-drink coffee beverages if:



- (A) Beginning July 1, 2024, less than twenty-five percent coffee by weight is from that geographic origin;
 - (B) Beginning July 1, 2025, less than fifty percent coffee by weight is from that geographic origin;
 - (C) Beginning July 1, 2026, less than seventy-five percent coffee by weight is from that geographic origin; and
 - (D) Beginning July 1, 2027, less than one hundred percent coffee by weight is from that geographic origin;
- (2) Deleting language that would have required wholesalers to sell off their inventory of roasted coffee, instant coffee, or ready-to-drink coffee beverages in anticipation of the phased-in labeling requirements taking effect;
 - (3) Amending section 1 to reflect its amended purpose; and
 - (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2298, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2298, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

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



JARRETT KEOHOKALOLE, Chair



