

STAND. COM. REP. NO. 1990

Honolulu, Hawaii

APR 04 , 2023

RE: S.B. No. 516
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 516, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose of this measure is to require a producer of any hemp product to include the following in the identity statement used for labeling or advertising any hemp product:

- (1) The percentage of Hawaii-grown hemp in the hemp product;
and
- (2) For any hemp product not from Hawaii, the origin of the hemp and percentage of the hemp from the origin outside Hawaii.

Your Committee received testimony in support of this measure from the Department of Agriculture, Kanalani Ohana Farm, Hawai'i Farmers Union United, Hawai'i Farm Bureau, Hawai'i Sustainable Farms, 'Ai Pohaku-The Stone Eaters, Hawai'i Hemp Farmers Association, and ten individuals. Your Committee received comments on this measure from the Department of Health.



Your Committee finds that fraudulent representations as to a product's geographic origin produces a two-fold harm. First, the fraudulent representation injures the consumer by undermining the consumer's choice, including the consumer's loyalty to or perceived quality of the geographic origin. Second, the fraudulent representation harms the producers by diminishing the value of that geographic identifier and harming its reputation. Your Committee further finds that hemp is a versatile agricultural product with potential to diversify the State's economy and, as such, is deserving of protection as to any geographic identifier. This measure protects consumers and producers by ensuring that hemp grown in the State is labeled as such and hemp grown outside the State is labeled with an appropriate origin.

Your Committee has amended this measure by:

- (1) Clarifying that the requirements on an identity statement used for labeling or advertising hemp products apply to Hawaii-grown and Hawaii-processed hemp;
- (2) Clarifying that for purposes of identifying an origin other than the State, that the identity statement must identify the country or state of origin;
- (3) Specifying that, for a hemp product in which one hundred percent of the hemp is grown and processed in the State, the identity statement for labeling or advertising may contain the term "All Hawaiian"; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that while this measure provides for the use of "All Hawaiian" for hemp products in which one hundred percent of the hemp is grown and processed in the State, hemp products that do not meet this criteria continue to be eligible for the "Made in Hawaii" designation under section 486-119, Hawaii Revised Statutes, as long as those products meet the requirements for that designation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, S.D. 1, H.D. 1, as amended herein, and



recommends that it pass Third Reading in the form attached hereto as S.B. No. 516, S.D. 1, H.D. 2.

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



MARK M. NAKASHIMA, Chair



