

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

**WEDNESDAY, MARCH 20, 2024
9:30 AM
CONFERENCE ROOM 229 & VIDEOCONFERENCE**

**HOUSE BILL NO. 2298, HD1
RELATING TO CONSUMER PROTECTION**

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

Thank you for the opportunity to testify on House Bill No. 2298, HD1. This bill 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. Requires 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.

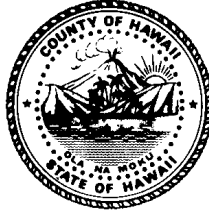
The Hawaii Department of Agriculture supports the intent of this bill and offers comments. We support any measure that the legislature deems will be best for increasing the overall value, quality, and brand protection of the local Hawaii coffee industry. We believe that the fewer changes over time in this version of the bill will be more practical, so the industry will have time to adjust and comply with the law. It will also allow the Department of Agriculture to prepare for each change in labeling and be better able to enforce the changes.



There is no appropriation in this bill for inspection and enforcement personnel that would be needed to increase inspections necessary to make sure of compliance at local roasters and distributors and retailers. We would respectfully ask you to support funding a dedicated inspector position at the SR-22 level, beginning salary of \$63,000 to enforce this law which will help rebuild the Department of Agriculture packaging and labeling enforcement capability that was eliminated in 2010.

Thank you for the opportunity to testify on this important measure.

Dr. Holeka Goro Inaba
Council Member, District 8, N. Kona



Office: (808) 323-4280
Email: holeka.inaba@hawaiicounty.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

March 18, 2024

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Re: Support for HB2298 HD1, Relating to Consumer Protection
Hearing: March 20, 2024 at 9:30 a.m.

Aloha,

Thank you for allowing me to express strong support for this measure that would provide a phase-in to a 100% minimum for use of Hawai'i place names on the labeling of Hawai'i grown coffee; and

This bill also 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.

Defending the integrity of Kona's premier origin product is crucial.

I urge you to please pass HB2298, HD1.

Sincerely,

A handwritten signature in black ink, appearing to read "Holeka Goro Inaba". The signature is written in a cursive style.

DR. HOLEKA GORO INABA, Council Member
District 8, North Kona



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

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Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Commerce and Consumer Protection

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 20, 2024
TIME: 9:30am
PLACE: Room 229

RE: HB2298 HD1 Relating to Consumer Protection

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

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

HFIA has some concerns about this measure. Our main area of concern is that if passed this measure would leave Hawaii retailers that sell local coffee with just six months to work with their suppliers and distributors across the state to make the change, and sell off all existing coffee products. Many coffee products have a fairly long shelf life and this is a very rapid time frame to mandate an industry wide change.

We're also concerned at the lack of specificity in section (1) of the measure. It does not say what the newly mandated percentage will be. It also does not give details about the "phase in" to 100%. What will the time frame for that be? How many phases will it entail and will there be new and specific labeling requirements for each phase?

It is our position that the current labeling mandates are sufficient, and that this measure as written raises a range of unanswered questions and has the potential to have unintended negative consequences for local businesses. Thank you for the opportunity to testify.

HB-2298-HD-1

Submitted on: 3/18/2024 2:26:44 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roger Kaiwi	Testifying for Kona Coffee Council	Oppose	In Person

Comments:

Im writing in to Stongly oppose HB 2298! This is a bad bill for several reasons. The study that was done was rushed , inconclusive , poorly done , and doesnt offer any conclusive evidence to suppot any change. Kona Coffee farm gate prices have risen steadily for the last three decades. We have suffered losses recently due to the Major Lawsuit to our mainland customers as well as the Maui Fire! Many large farms and processors are still sitting on severel hundred bags of unsold Kona due to the reasons I have listed. Passing the bill would be another devistating blow to our Industry.

Roger Kaiwi

HAWAII COFFEE COMPANY™

1555 Kalani Street
Honolulu, Hawaii 96817
Ph: 808-847-3600
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 2298 HD1 - Relating to Consumer Protection – Concerns, Request Amendments**
Wednesday, March 20, 2024; 9:30 a.m.
Conference Room 229 & Videoconference

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

Hawaii Coffee Company has concerns with HB 2298 HD1, which among other things, 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 percent coffee by weight from that geographic origin.

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. We believe it is important to offer consumers a range of coffee products so they have options to choose based on taste preferences and affordability. This bill will force consumers to either select another affordable alternative roasted on the mainland or abroad, by a mainland or international company, or to pay a much higher price for a 100% Kona coffee product. Additionally, this bill will reduce the volume of coffee purchased, roasted and packaged 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.

The recent coffee labeling law study recognized that the limited availability of data and the constrained project timeline significantly impacted the precision of the study's conclusion. Collecting and analyzing more data will allow for a better understanding of the impacts on the market.

We appreciate the amendments made by the House Consumer Protection & Commerce Committee to amend the 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 and to address retailer concerns.

While we would prefer this bill be deferred, if the Committee is inclined to pass this measure, we ask for your consideration of the following amendments:

- Page 7, line 1; replace the word “foreign” (“Foreign-grown Coffee”) with “international.” The word “international” does not change the intent of HRS § 486-120.6; and
- Pages 10-11; delete subsections (d)(7), (d)(8), and (d)(9) as they are unnecessary and conflicts with new language proposing the minimum per cent by weight requirements in subsection (d)(2).

HB 2298 HD1 also prohibits the use of or require alteration of federally registered trademarks that incorporate geographic designations of origin (such as Hawai‘i, Kona, or Ka‘u) with coffee products that contain some, but less than the proposed minimum blend requirement. In that regard, it may be preempted and rendered unenforceable to the extent it conflicts with the Lanham Act, and potentially lead to lawsuits challenging the validity of HB 2298 HD1.¹

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 may preempt the Hawaii law.

Thank you for the opportunity to express our concerns.

¹ 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. 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.



COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Conference Room 229 & Videoconference
State Capitol
415 South Beretania Street
Honolulu, Hawaii

To the Honorable Members of the Senate,

Subject: Urgent Support for HB 2298 - Advocacy for 100% Kona and Hawaiian Coffee

Our elected officials are always promising to support local agriculture, increasing food security and local food production. Here is your opportunity to deliver on those promises.

And it's easy. Just make sure that when the package on the label says "Kona Coffee" is it full of 100% Kona Coffee.

I am writing to you on behalf of Guard Well Farm, a proud cultivator of Kona coffee, to express our unwavering support for House Bill 2298 (HB 2298) and to advocate for its return to the original language that mandates the sale of only 100% Kona and other Hawaiian coffees within the state.

The recent amendments made to HB 2298, specifically House Draft 1 (HD1), have significantly diluted the bill's intention by allowing coffee blends to contain as little as 50% Kona or Hawaiian coffee, extending compliance to an unreasonable period of 10 years. We strongly urge the Senate to reconsider and revert HB 2298 to its original language, ensuring the sale of solely 100% Hawaiian coffee, and propose a more practical phase-in timeline of 3 years, contrary to the proposed stretch to 2033.

There are compelling reasons for the Senate to support this bill in its original form:

Economic Justification: The Act 222 Economic Study clearly outlines the economic benefits of increasing the minimum content requirement for Kona coffee. Allowing the continuation of 50% blends not only undermines the quality and reputation of Hawaiian coffee but is also

economically harmful to us, the growers. We need the legislation to reflect a quicker adaptation to 100% Kona coffee, ensuring that the economic benefits are felt sooner rather than later.

Consumer Willingness to Pay: The same study illustrates consumer readiness to pay higher prices for authentic Kona coffee. This is a testament to the value and distinctiveness of our product. The demand for genuine Kona coffee is clear, and by enforcing stricter labeling laws, we can ensure that consumers are getting what they pay for, thereby increasing income for farmers and the state through General Excise Taxes.

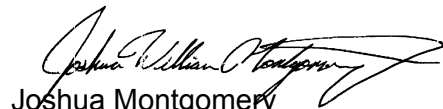
Authenticity and Transparency: Moving to 100% Kona and Hawaiian coffee ensures that consumers are not misled by ambiguous labeling and that they fully understand the value of the product they are purchasing. This transparency is crucial for maintaining the integrity of Kona coffee on the global stage.

In conclusion, reverting HB 2298 to its original language and adopting a more reasonable three year timeline for compliance will not only safeguard the economic interests of Kona coffee growers but also ensure that consumers are receiving a product that is truly reflective of the premium they are willing to pay.

We appreciate your consideration of our perspective and earnestly request your support in reinstating the original language of HB 2298. Our collective action in this matter will significantly contribute to the preservation and growth of Hawaii's coffee industry.

Thank you for your attention to this urgent matter.

Mahalo nui loa,



Joshua Montgomery
Guard Well Farm
75-1097 Keopu Mauka Dr.
Holualoa, HI 96725
ph: +1 (785) 840 6155
joshua.montgomery@guardwellfarm.com
<http://guardwellfarm.com>

HB-2298-HD-1

Submitted on: 3/18/2024 1:41:46 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

Aloha Chair and Committee Members:

Many thanks for hearing this important piece of legislation.

Please accept this as strong encouragement for your support of HB2298 regarding consumer protection in Hawai‘i coffee labelling.

As a long-time and committed diversified farmer who includes Kona coffee in our crops (for over 22 years), it is consumer deception which has been of the most significant concern for our farms' marketing.

Consumers trust labels in the USA, and in Hawai‘i has allowed deceptive labels on coffee products for decades. The costs of such allowances have been born by the coffee farmers. Hawai‘i must look out for Hawai‘i farmers.

As a farmer, I have long been involved with efforts at the local (farmer groups, County and State legislative actions) to protect the name uses of place of origin for coffee. This has been hard, especially since at the Hawai‘i legislative level, the voices most listened to are those who speak for coffee industry groups. Such groups and companies are looking out for their own economic interest and/or the interests of coffee processors well before the needs and interests of coffee farmers.

Small-scale Kona coffee farmers have little chance to be heard when we cannot always send a lobbyist to guide or sway decision making in Honolulu. My time has long been used as one of the primary founders and members of the Kona Coffee Farmers Association (KCFA) who has served as group President. Service as President has been as long as any other individual.

While this work has yielded little benefit for farmers through work at the local level, efforts have been put forth to affect the constructs at the national level for which I have served over the years as the President and Board member of the American Origin Products Association (presently not active); working with other leaders from entities such as Idaho Potatoes, Napa Valley Vintners, New Mexico Chiles, and Vermont Maple Syrup. We have long sought to have better ways for protection to be achieved. All of these products require a minimum of a majority to be able to carry the name of geographical designation. That can and should be the minimum, even in a compromise conversation.

Separately, as a lead plaintiff in a lawsuit about deceptive marketing, it has been wonderful to see Kona coffee farmers receive reimbursement for the mis-use of product name through product testing, which has resulted in proof that labels are not accurate. This effort is supported by the Lanham Act, which essentially comes down to truth-in-labelling.

Further, the efforts of the largest and best recognized product protection group, oriGIn (<https://www.origin-gi.com/>), based in Geneva, Switzerland, are to be recognized as vital for international protection. The group is based in Geneva to work directly and effectively with international law and the United Nations to establish rules and laws which can ensure that local and national regulations are followed and enforced through trade and marketing worldwide (remember that coffee is a much moved product around the world). We can and must recognize and work with oriGIn to be sure that products like Kona coffee (and other Hawai'i coffees) are provided their due protection around the world.

While national and international efforts are important, and we can and should seek to protect our products at those levels and in those ways, we must start at home. Hawai'i must look out for Hawai'i farmers. The means to do so is to enact legislation which requires that what is stated on packaging is indeed what is in the product. In the case of coffee, that means that if a place of geographical identity (such as Kona, Hawai'i) is marked as what is in the bag of coffee, that the content matches.

It is deceptive for consumers, and degrades the perception when a product which bears a designated name is tasted and associated with the place of origin, when a majority of the product is not what is contained in the product tasted. We can and should work together so that this deception does not happen in Hawai'i or with products which carry the names of Hawai'i geographical districts or regions.

This piece of legislation follows many years of effort and attempts to protect the farmers of Kona and other Hawai'i coffees. During the last legislative session, it was requested that a study be commissioned by HDOA to look at economic impact of changes in coffee blend label requirements in Hawai'i. This now completed effort had many of the short-comings (including limited budget and time constraints) of the 2010 piece of work done by economist Dr. Feldman, in, "Economic Effect of Blending Kona Coffee", however reached the same conclusions. Farmers are suffering economically as the result of existing rules, and changes would mean that farmers are better supported, and consumer deception would wane as a result.

At the end of the day, products such as Kona coffee, produced by many hundreds of farmers, would still sell out, with the profit margins shifting from coffee processing companies to coffee farmers, who better deserve their share and would thereby better support Hawai'i economy which consumers worldwide would then more truly understand what products with labels that include, "Kona Coffee" for example, actually mean...

For this historical reasoning, it is very important that we do not allow this legislation to be postponed over more than the original Bill language of a three-year phase-in of enforcement. Please put that back into the language.

Thank you for your serious consideration for this important piece of legislation. Again a compromise of less than 100% from original language would be tolerable, but it must be ensured that nothing lower than a majority is permitted in order to be able to use names of Hawaii geographical origin in marketed products by anyone at any level, for which there should be no exceptions.

Please contact me upon any need to do so.

Colehour Bondera

KANALANI OHANA FARM

colemel2@gmail.com

HB-2298-HD-1

Submitted on: 3/17/2024 3:43:49 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Darrell S Chun, DDS	Testifying for Kona Coffee Farmer's Association/KCFA	Support	Written Testimony Only

Comments:

Aloha, I am in support of HB2298 in it's original language and intent. I do not, however, support the current language that is seen in HD1. Although, my coffee farm is small in comparison to other members of my association the positive response that customers, friends and 'Ohana give to me about the excellent taste of the 100% Kona coffee that I grow cannot be beat. If you allow less than 100% Kona coffee to be labeled as Kona coffee then it is deceptive to our consumers and hurts the perception and quality of Kona and other Hawaiian coffees.

Hawaii spreads it's Aloha throughout the world through it's people, language, beauty of the islands and it's food. I strongly urge you to keep the original language of 100% pure Kona coffee and reduce the transition from the proposed 10 years to a more equitable time of 3 years or less.

These needed changes to HD1 will surely help protect the Hawaii coffee growers like myself, the worldwide lovers of Hawaiian coffee and the Aloha spirit of Hawaii.

Mahalo nui,

Darrell S Chun, DDS

HB-2298-HD-1

Submitted on: 3/17/2024 1:35:04 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alla Kostenko	Testifying for A Coffee Farm	Support	Written Testimony Only

Comments:

I would like to see:

- The bill reverted to its original language of 100% Kona and Hawaiian coffee, not the amended HD1 language of 50% blends.
- A reasonable phase-in timeline of 3 years, not HD1's stretch to 2033.

HB-2298-HD-1

Submitted on: 3/17/2024 4:04:29 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Allen	Testifying for Morning Glory Farms	Support	Written Testimony Only

Comments:

Supporting HB2298 HD1 - Only 100% Hawaiian Coffee, 3 year phase in.

We operate a small family coffee and fruit farm in Holualoa and produce very high quality speciality grade coffee. For so many years coffee farmers have been ignored by our legislators; we really need your help before most of us are force to give up growing coffee. Without a fair price for our top grade coffee we can't afford to invest in replanting and maintain our orchards from all the new diseases.

I hope this year you will finally support the 800+ local coffee farmers and not the lobbyists lies. End the deceptive labeling of blending in none Hawaiian coffee in bags labeled with our origin and support 100% Kona / Hawaiian coffee. The 10% or 51% blenders have eroded our reputation and the flavor of our unique Kona coffee for greed and profit at the expense of us farmers who produce it for litterallly no profit.

We can sell 100% of our crops every year and the demand out strips the supply, but we are limited on price because we are competing with cheap blenders holding the price value down through deceptive marketing and Hawaiian graphic packaging. The Blenders' strategy is to deceive customers thinking they are going to taste the Kona coffee when they are really tasting coffee of some unknown origin. The blenders never brag on their bag labels that their coffee is 90% Vietnamese coffee that can be produced for just a fraction of the price they sell to unsuspecting tourists. Hawaii is better than this, lets stop ripping off our visitors with cheap imports and give them real Hawaiian coffee!

Hawaiian coffee farmers are suffering from crop failures and are being forced either give up growing coffee or go into debt to replant new disease resistant varieties with hope that coffee prices will increase in the future. We can't wait 10 years, 1 to 3 years is enough to transition.

CLR coffee Leaf Rust was introduced in 2020 and is killing hundreds of tree on our farm and lowering coffee yields more each year as the trees become weak. Also the CBB Coffee Bore Beatles brought in 2010 from the importation of contaminated green coffee from Central America that was used by roasters to make Kona coffee blends. We are faced with high costs for fungicides, high cost of labor, fertilizer and production. Farmers work thousands of hours each year for free to keep their farm going and its time to stop cheating them out of making a living.

Mahalo for supporting Hawaii Farmers and enjoying the food we produce.

Morning Glory Farms / Holualoa Hawaii

HB-2298-HD-1

Submitted on: 3/17/2024 4:30:14 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronalee A Ashbach, RC Farm LLC	Testifying for RC Farm LLC	Support	Written Testimony Only

Comments:

As a small Kona coffee farmer it is very important the bill is reverted to its original 100% Kona and Hawaiian coffee, not the amended HD! language of 50% blends. Reasons to support this bill is delaying to 2033 will only prolong the Kona coffee economy as all farmers struggle with higher operating cost, weather conditions and new diseases making it harder to support our farms. The Economic Study shows it is time to support our local growers along with income to them and the state through GE taxes.

Please vote for 100%!

Respectively,

Ronalee Ashbach, RC Farm LLC.

HB-2298-HD-1

Submitted on: 3/17/2024 4:10:40 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharlene Gee	Testifying for Bea's Knees Farm	Support	Written Testimony Only

Comments:

I am a Kona coffee farmer and a Kona Coffee Farmers Association member testifying in strong support of HB2298, pertaining to coffee labeling. Our farm is small, under five acres. My great-grandparents on down have been involved with growing Kona coffee.

Please revert the bill to its original language of **100%** Kona and Hawaiian coffee, not the amended HD1 language of 50% blends. Have this **phase-in over three years**, not watered out. This would demonstrate state support of the state’s coffee farmers!!

We need the extra income this could translate to, as soon as possible. With coffee berry borer beetle, coffee leaf rust, and climate change, it is becoming increasingly difficult to survive in this business. We are seriously considering quitting, necessitating removing our 85-year old trees (so as to not harbor beetle or rust that could impact other farms) if we can’t make the economics work.

The Hawai’i-related designations are names used because of their high reputations. Using those geographic names when only a portion of coffee is from that geographic origin is misleading. There should be truth and transparency in labeling. The current requirements result in product that’s confusing to consumers and cheapens and damages our brand of 100% Kona, Ka’u, other single geographic origins, and Hawaiian. Act 222 Economic Study on Kona blending supports this.

Let’s address this correctly now.

Hawai’i must protect the integrity of its premier coffee brands grown throughout the islands. Thank you for your positive consideration and passage of **HB2298**.

HB-2298-HD-1

Submitted on: 3/17/2024 8:21:40 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Motte Anne Snell	Testifying for Mo Snell's Kona Coffee Farm	Support	Written Testimony Only

Comments:

Please support the bill. Need truth in advertising and support small farmers.

HB-2298-HD-1

Submitted on: 3/18/2024 8:44:55 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Testifying for Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

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

On behalf of the Hawaii Coffee Growers Association, I wish to ask for your support in moving this measure forward. Hawaiian Grown Coffee has long been known world-wide as some of the highest quality arabica coffees. We have multiple coffee origins that further highlight this distinction within our State's borders. It is therefore understood that the use of those origins within a label will boost customer appeal, or why else would one use the word "Kona", "Maui" or any other of our well known growing areas to falsely describe the contents that draws away the attention from the other lesser quality and cheaper coffees you "Blend" your product with?

In using the term "Blend" on the label of your coffee, one is essentially saying "We understand this origin is known for its excellent flavor and quality, but why pay the higher price when we offer you a knock-off very similar and cheaper, and you don't really need to know what the bulk of this product is mixed with". This attitude is an abuse to the quality and reputation of our industry. The riding on the coat-tails of our outstanding Hawaii product gives these blenders the profit and leaves the farmers who produce it barely scraping by.

Act 222, the economic study passed in last years session has shown to support the potential to improve the value of this industry by supporting a more pure product and control the rampant and unchecked abuse to dilute that value in the market place.

Thank you for the opportunity to testify today.

Kimo Falconer, President, Hawaii Coffee Growers Association



Testimony of Andrew Trump

Island Harvest Inc.

March 20, 2024

RE: HB2298 RELATING TO CONSUMER PROTECTION

Aloha Chair Keohokalole and Members of the Senate Committee on Commerce and Consumer Protection,

My name is Andrew Trump and I am a second-generation farmer writing on behalf of Island Harvest Inc. to **support** House Bill 2298 relating to consumer protection. Island Harvest manages over 500-acres of organic macadamia nuts in Kapa'au on the Island of Hawai'i. In addition to macadamia nuts, we grow breadfruit, limes, and raise sheep. As a farming company, we employ agricultural and business practices that contribute positively to our environment and community while ensuring that our farming team can work in a safe environment.

It is vital that Hawaii-grown crops, like coffee and macadamias, can be clearly identified by consumers. Too many products are sold that mislead or confuse consumers as to where the ingredients were grown. Hawaiian-grown coffee needs strong labeling laws for consumers to be properly informed.

Thank you for taking the time to consider this bill and my testimony.

Mahalo,

Andrew Trump

Vice President

Island Harvest Inc.

HB-2298-HD-1

Submitted on: 3/18/2024 10:54:09 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Bottorff	Testifying for 'Apapane Coffee Farm	Comments	Written Testimony Only

Comments:

We hear that a 10 year phase-in of labeling of a higher percentage to use the term "Kona Coffee" is being proposed. This is absolutely ridiculous. The law needs to mandate disclosure of at least 51% Kona Coffee content in all coffee sold with Kona Coffee in it. A 100% Kona requirement is preferred, and it should be implemented immediately. 10% blends masquerading as Hawaii-grown coffee is unfair. Kona Coffee's ethical growers and retailers competing with 10% blends in the market is unfair. Hawaii coffee products containing 90% foreign-grown coffee, yet carrying the names of Hawaii's growing regions push prices down, and result in less tax revenue for the State of Hawaii. We are tired of foreign-grown blends deceiving consumers. Substandard blends undermine Hawaii's reputation for high-quality coffee. Unscrupulous blenders are capitalizing on the hard work and sacrifice of growers of Hawaiian coffee by usurping the name "Kona."

HB-2298-HD-1

Submitted on: 3/18/2024 2:59:46 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
DANIEL SHEEN	Testifying for Makapueo Farms	Oppose	Written Testimony Only

Comments:

Aloha

I strongly urge you to oppose the 2298 Bill. As a Kona coffee farmer, I represent as a grower, coffee producer, and seller. I sell Kona coffee as a green bean, and roasted beans online and in our store locally in Kona.

I currently have 100 acres of my own coffee farm that I maintain, and we also purchase raw coffee cherry from local growers. We mill about 250,000lbs of raw cherry, which converts to about 38,000lbs of green coffee or 30,000lbs of Roasted coffee.

75% of my coffee is sold as green, and the other 25% is roasted for our store or online. I am selling my green blenders here in Hawaii. They purchase Kona green coffee for about \$27/lb. Green. And I sell Kona green coffee to our distributors in the states, my price is \$23/lb, due to the market. It's hard for a small retailer and roasters to spend \$2,300 for 100lbs of green Kona coffee.

Kona coffee growers that are NOT vertically integrated will be directly affected by this bill as coffee producers currently purchasing their coffee cherry, will not have demand for Kona coffee. I personally will not need to purchase coffee from my farmers because I can maintain coffee for less than what I buy it for, and I will sell less quantity.

This bill is only going to benefit the small 1–3-acre coffee farms that are vertically integrated and selling their roasted coffee online or at a farmers' market.

These small 1–3-acre integrated farmers will not have the demand to supply large retailers such as Walmart, and Target and we will lose the market that we currently hold with them

At 100% the demand for coffee will go down and we will all suffer from the small farmers to the large ones and soon the coffee industry will not be here in Hawai'i. I don't know about other farmers, but I am a proud American coffee farmer.

HB-2298-HD-1

Submitted on: 3/18/2024 3:57:35 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Naneki Astronomo	Testifying for Menehune Coffee Company	Oppose	Written Testimony Only

Comments:

Aloha

I strongly urge you to oppose the 2298 Bill. As a Kona coffee farmer I sell Kona coffee roasted beans online and in our coffee shop in Kona.

We currently buy coffee from a local coffee producer, we used to sell only 100% Kona in our shops. But when covid hit and all our prices when up I decided to import green and blend our Kona so we could keep our prices down. The price of Kona green coffee went from being \$18/lb to \$26/lbs dollars and that was a big jump for me.

Blending our coffee allows us Kona coffee to compete in the market by selling pound of coffee for similar price as Starbucks, Peets, and other retailers.

In my store locally in Kona Hawaii, I sell my 11b of 100% Kona for \$55. Which sells okay but they will lean towards the blend because of the price. We have tasting for our products and we compare the blend vs 100% , our customers are well aware of what product they are buying.

Blending currently keeps our coffee sales here in the state. For example we offer a 2oz 100% Kona and 2oz Kona blend for vacation rentals, hotels, B&B. They buy more of the 2oz Kona blend but these accounts we are buying coffee online that did not have any Kona or Hawaii coffee at all, now they buy from a local company and product they can afford.

Soo what does the current market in Hawai'i look like at 100%. Selling coffee on our **websites**, or **farmers market**. Did you know that most farmers markets will only allow one coffee vendor? I know I've been on the list for thirteen years. **Retail shops**? The rent in Oahu is ten thousand dollars a month for a 3000sft space, and now labor has gone up to \$14 an hour. Overhead for a small retail shop is too expensive.

Large Retailers currently such as walmart or target have large blending companies such Royal coffee or Hawaiian Paradise beacase they have both 100% and blend products. These companies have the ability to stock the amount required by these retailers. As a small farmer I do not have the demand they are asking for. I might have the price but I dont have the quantity. If I buy coffee from local famers the I will not have the price.

I feel that we share enough information with our customers and they know what product they are buying from us and we should not change the blending law.



RE: SUPPORT for HB2298

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 with a **request to return to the HB2298 original language**. Our consortium represents 1,500 coffee macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

The HD1 forces a 9-year phase in which is only advantageous to blenders, and continues the economic hardship on growers. The Act 222 Economic Study states "Transitioning from a 10% blend to 100% Kona coffee "redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers" (p7). Growers should not have to wait 9 years for their money.

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. As the Act 222 Economic Study made clear, demand for Kona, in particular, is inelastic and increasing the blend ratio will have little effect on the quantity demanded or supplied.

Raising the bar to 100% Hawaii origin aligns with the recommendations of the Act 222 Economic Study just completed under the HDOA.

The growers and all legitimate coffee organizations, who understand their market better than anyone else, are requesting this change. It will raise their income, protect their brand, and be beneficial for the State's tax revenue (p7).

Mahalo nui loa for supporting this bill!

Suzanne Shriner
Administrator

*An Equal Opportunity Cooperator
Hawai'i Coffee Association • Hawai'i Floriculture and Nursery Association
Hawai'i Macadamia Nut Association • Hawai'i Papaya Industry Association
190 Keawe Street Suite 25, Hilo, Hawai'i 96720
info@SHACHawai'i.org*

HB-2298-HD-1

Submitted on: 3/18/2024 5:09:54 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

Aloha Chair, Co-chair and Committee Members

As the President of a multi-generational coffee farm, with over 30 years in the business, I fully support the increase to 100% Hawaiian origin.

Please return the language to the original bill, with a 100% Hawaiian product as well as a three-year phase-in. The original bill as written protects and strengthens our farming communities and our coffee brands.

Act 222's Economic Study, funded by your Legislature, makes it clear that increasing the ratio will benefit those who work so hard to grow Hawaiian coffee. And also benefit consumers who buy Hawaiian products. This is a win-win situation.

Thank you
Jacqueline Wikum

HB-2298-HD-1

Submitted on: 3/18/2024 9:24:27 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Mastin	Testifying for The Buna Coffee Company	Support	In Person

Comments:

Support this bill at the 100% level with a 3-year phase in.

1. The Act 222 Economic Study states “There is clear economic justification to increase the minimum content requirement for Kona coffee” (p.6)
2. **Delaying the implementation of this bill to 2033 is economically harmful to growers.** The Economic Study stated that “Transitioning to a 51% blend or 100% Kona coffee redistributes the economic surplus (or “rents”) from downstream intermediaries (e.g.blenders and roasters) to growers and consumers.” (p.7). Growers need that income now, *not in 2033*.
3. The Study illustrates a consumer readiness to pay higher prices for Kona coffee (p.5). This willingness signals a need for clear and truthful labeling to reflect the product’s authenticity. Higher prices increase income to farmers, and to the State through GE taxes.

Protect the heritage and history of Hawaiian coffee in our state!

HB-2298-HD-1

Submitted on: 3/18/2024 10:47:44 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

While I endorse the fundamental premise of the bill, I am dismayed to discover its significant dilution, reducing the allocation of Kona to a mere 50%. Furthermore, a more pragmatic timeframe of three years is imperative.

It is crucial to acknowledge that these 'BLENDS' have provided an avenue for unscrupulous entities to adulterate our coffee, deceiving consumers. Permitting 50% blends and extending the timeframe to a decade is utterly unacceptable.

Past legislative efforts have either been thwarted or diluted under pressure from blending interests. I have encountered every conceivable rationale used to defend these blends, and companies have had ample time, spanning decades, to rectify their practices and labeling, prolonging this issue to their advantage and to the detriment of farmers.

There is no justifiable rationale for the watering down of this bill. It must adhere to its original intent with a concise timeframe and revert to the stipulated 100% composition.



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 20, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TESTIMONY ON HB 2298, HD1
RELATING TO CONSUMER PROTECTION

Conference Room 229 & Videoconference
9:30 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 2298, HD1, which 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, requires 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 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.

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, making 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. It ranked coffee fifth among 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.

Thank you for the opportunity to testify on this measure.



IN SUPPORT OF HB2298
RELATING TO CONSUMER PROTECTION
Stricter Kona Coffee Labeling Laws

Aloha Chair, and Esteemed Committee Members,

The **Kona Coffee Farmers Association (KCFA)** backs **HB2298** while KCFA strongly supports the original bill submitted that would mandate all coffee labeled as Kona to be 100% Kona coffee beans with a shorter transition period from 10% blends to 100% authentic Kona Coffee. This bill would safeguard the quality and prestige of Hawaiian and Kona coffees, as well as enhance the local economy, environment sustainability and state revenue as indicated by the 2023 Hawai'i Legislature's funded analysis "Economic Report on Changes in Hawaii's Coffee Labeling Law" (December 29, 2023).

This report, directed in Act 222 Economic Study reveals that "growers almost unanimously, see a chance for improvement and greater authenticity in the market" with 100% Kona. The study also predicts a net gain in return for the main stakeholders, local growers in the coffee supply chain, as well as a rise in demand, price, and tax revenue for the state.

The existing law permitting a minimum of 10% Kona content in blends while using the Kona name is deceptive and unjust to consumers. It lowers the quality and taste of our world reputation coffee and devalues our efforts to produce coffee with the highest standards and sustainable practices. It also puts us at a competitive disadvantage in the global market where other regions have stricter regulations and labeling requirements that preserve product integrity and quality of regionally identified coffees. This law does not restrict blenders from using 10% Kona coffee in their blends but just cannot label it Kona.

By approving this bill, you would not only respect the heritage and tradition of Kona coffee but ensure its future sustainability, land stewardship and family farm success. You would also convey a clear message that Hawaii values honest labels for consumers, its unique agricultural products and support for local farmers.

Kona Coffee Farmers appreciate your consideration and attention to this vital issue.

Mahalo nui loa!

A handwritten signature in black ink that reads "Mark Petersen". The signature is fluid and cursive.

Mark Petersen
President

We grow, process, and sell Kona coffee and macadamia nuts from our farm near Holualoa. We fully support HB2298 as it was originally proposed to the House. HB 2298 was originally proposed to deal with the recommendation by the Kona coffee growers and other regional Hawaiian coffee growers to change the law that permits the sale of Kona coffee with only 10% Kona coffee content. HB 2298 requested a 100% Kona content with a phased 3 year implementation. The HB 2298 which was passed out of committee supports 50% Kona coffee content with implementation over a 10 year period. The House passage acknowledges the integrity of the issue but fails to protect the established Kona brand and bring a meaningful difference to growers and consumers.

The Act 222 Economic Study for the HDOA requested by the Senate in 2021 provides an exhaustive analysis of Kona coffee growers, Kona coffee consumers both in Hawaii and in the continental US, the value of geographical integrity and trademark, the economic relationship between 10%, 51% and 100% content, the interrelationship of other island location coffee growers with Kona coffee and the economic interest of growers, blenders, roasters, marketers, institutional consumers and individual consumers. The Act 222 study states there is a clear economic justification to increase the minimum content requirement for Kona coffee to 100%. Geographical integrity of the Kona name has a well established price premium in relation to other coffees. It is confirmed with specialty coffee awards dating to 1893 and lives on in current marketing surveys for its distinctive quality and taste. Within these surveys there is confirmation that the average consumer is unclear about the labeling distinction between 10% and 100% content and believes in the quality and taste attributed to the Kona name but is using price as a buying determinant. Long term phasing in with various content percentages will do little to clear consumer confusion. Thus mandating 100% Kona content enhances and assures the quality of the product. With 100% content the study concludes the consumer will pay a higher price that will compensate for the decrease in sales volume and will result in an overall revenue increase benefitting growers and will provide an increase in tax revenue to the state. What about the blenders? They will innovate with services, pricing, terms and packaging that will serve their individual and institutional clients. Rest assured there will still be Kona coffee served in resorts and restaurants and available at supermarkets for local consumption and at ABC stores for gift giving and mementos. The blenders currently have an economic niche provided by the 10% content law. Labeling 10% content as Kona diminishes the Kona brand with an inferior quality and taste product. Blenders should occupy this economic niche with 100% content products. Hawaii should be proud that it produces one of the finest agricultural commodities in the world. It's time for the legislature to upgrade the law to reflect Hawaii's pride of place.

HB-2298-HD-1

Submitted on: 3/18/2024 9:19:03 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Mastin	Testifying for The Buna Coffee Company	Support	In Person

Comments:

Written testimony previously provided. This registration is to allow for in person testimony. Previous testimony and "written only" selection could not be amended to reflect in person testimony.

HB-2298-HD-1

Submitted on: 3/19/2024 7:54:50 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

It is imperative that the Hawaii State government promote and protect the Kona name by requiring that any coffee labelled Kona be 100% Kona coffee. Please reinstate the 100% requirement in this bill and ensure a timely progression to reaching the one hundred percent threshold. It is time to put farmers and the interests of the Hawaiian people first. Thank you!

HB-2298-HD-1

Submitted on: 3/19/2024 8:15:05 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Johansen	Testifying for Cyanotech Corporation	Support	Written Testimony Only

Comments:

Aloha Senate Commerce and Consumer Protection Committee & Chair Keohokalole,

I'm writing today on behalf of Cyanotech Corporation, microalgae aquaculture farmers on the Kona coast, and producers of Hawaiian Spirulina and BioAstin Hawaiian Astaxanthin microalgae based Dietary Supplements. These Hawaii grown products are the number one brands in the natural products market. A vast majority of our success comes from the consumer's care for and appreciation of the product's origin, Hawaii. We relate to the coffee farmers of Hawaii and understand the importance of protecting Hawaii grown products and consumer's expectation of Hawaii origin when purchasing products labeled as such.

We respectfully request that HB 2298 be returned to the original draft presented by Rep. Nicole Lowen and the 24 co-sponsors. We do not think that a 9-year phase in to a minimum of 50% adequately protects consumers and the Hawaii coffee farmers. We believe this amendment defeats the purpose of fair labeling. We strongly support the original intent of HB 2298 to protect premium Hawaii brands and consumer's right to know.

Thank you for your time and consideration.

Testimony of Jeffrey Clark

Ka'u Coffee Mill

March 20, 2024

HB2298 Relating to Consumer Protection

Aloha Chair, Vice-Chair and members of the Commerce and Consumer Protection committee,

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 HB2298.

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 labelled 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 bill was changed in the House of Representatives to change the percentage that is allowed from 100% down to 50% Hawaii-grown and it extended the time to implement the law to 9 years. I would like to propose that the bill be amended back to its original form. I understand that the original bill allows for a gradual implementation from 10% to 25% to 50% to 75% to 100%. The argument against this approach is that packaging is difficult to procure and manage for each of these levels. The reality is that the law only states the minimum allowed. Companies that blend do not have to only put the minimum amount of Hawaii-grown coffee into their packages. Perhaps they would go to either 50% or 100% in order to minimize their packaging switching costs. This would be a rational and realistic approach.

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

HB-2298-HD-1

Submitted on: 3/19/2024 8:30:21 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Matt Carter	Testifying for Greenwell Farms	Support	Written Testimony Only

Comments:

It is time! The coffee industry needs legal protection to maintain its gourmet status just as is done in Champagne, France and Napa, CA.

The economic impact studies are clear, the benefit to local farmers and all supporting industries are clear, and as a 100% Kona Coffee Retail store manager I can attest to the fact that when properly explained the price of 100% Kona coffee is justified and visitors can see it and will pay it.

Additionally, re-order through coffee subscription programs and online sales are very much in line with the State's goals of keeping Hawaii in the mind of our guests even when they are not here.

Also:

We'd like to see the bill reverted to its original language of 100% Kona and Hawaiian coffee and not the amended HDI's 50% blends.

We also need a reasonable phase-in timeline of 3 years, not HD1's stretch to 2033.



PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

March 20, 2024

9:30 AM

RE: STRONG SUPPORT for HB2298; Relating to Consumer Protection

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

I am Chris Manfredi, testifying on behalf of Hawaii Coffee Association.

The HCA stands in STRONG SUPPORT of HB2298 IN ITS ORIGINAL FORM.

Hawaii's legislature and Governor enacted Act 222, that directed Hawaii's Dept. of Agriculture to "conduct an independent study to assess the economic impact on local coffee farmers and the local coffee industry from potential changes to coffee labeling requirements...".

Its conclusions and recommendations are clear:

"Transitioning from a 10% blend to a 51% blend or 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g. blenders and roasters) to growers and consumers. This shift, detailed in Figure 4, suggests a net gain for the primary stakeholders in the coffee supply chain."

"There is clear economic justification to increase the minimum content requirement for Kona coffee."

Foreign-grown blended coffee imported to the state and labeled with Hawaii's growing regions artificially floods the market with supply. This drives down price potential for growers and processors as they struggle to compete with clever fakes.

Blenders commonly buy their foreign-grown coffee wholesale at around \$2/lb. They blend it at a ratio of 9:1, below the point where consumers can taste the 10% actual Hawaii-grown coffee it may contain. They then sell at a huge markup, but below the price of the genuine article, deceiving consumers that their product is Hawaii-grown. This hurts growers in the following ways:

1. It drives down the overall price of genuine Hawaii-grown coffee.
2. It undermines Hawaii's reputation for high quality coffee. The HCA has analyzed blends for defects. We have often found past crop and severe insect damage in these blends. Foreign-grown coffee is not required to meet Hawaii's strict grade standards as Hawaii's producers are. This is unfair competition.
3. Adding insult to injury, the imported beans may contain invasive pests and disease that the farmer and the state must battle for decades, further driving the cost of production higher.

In light of this study, and the facts outlined above, the Hawaii Coffee Association implores the legislature to support the growers who have built the industry, and end the profiteering on the part of a handful of blenders. We also ask this committee to revert to the original form of the bill that calls for a 3-year phase-in and a move to 100% Hawaii-grown coffee contained in packages that carry the names of Hawaii's growing regions.

Thank you for your support of agriculture and commerce in Hawaii.

HB-2298-HD-1

Submitted on: 3/19/2024 8:45:03 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sammi Piasecki	Testifying for Kona Sunset Coffee LLC	Comments	Written Testimony Only

Comments:

I am disappointed to see that 'you' are again bowing to big business and ignoring your own economic study, the safety of consumers and allowing small farmers, the backbone of this country's growth, to suffer.

The Act 222 Economic summary clearly illustrated the benefits (and damage) of instituting strict labeling laws. Why did you order the study only to ignore it this session thereby wasting taxpayer's dollars?

I, as a taxpayer, consumer and Kona coffee farmer, urge you to go back and:

- **revert the bill to its original language of 100% Kona and Hawaiian coffee, not the amended HD1 language of 50% blends.**
- **Institute a reasonable phase-in timeline of 3 years, not HD1's stretch to 2033.**

It is in the majority's best interests to do this, not let big business dictate our labeling laws and deceive consumers into thinking they are getting something they clearly are not. It devalues our principles and the efforts of hardworking farmers like me.

Sammi Piasecki

Kona Sunset Coffee LLC



Officers

Kaipo Kekona
State President

Anabella Bruch
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Chapter Presidents

Clarence Baber
Kohala, Hawaii

Odysseus Yacalis
East Hawaii

Puna, Hawaii

Andrea Drayer
Ka'u, Hawaii

Kona, Hawaii

Fawn Helekahi-Burns
Hana, Maui

Mason Scharer
Haleakala, Maui

Kaiea Medeiros
Mauna Kahalawai,
Maui

Kaipo Kekona
Lahaina, Maui

Rufina Kaaui
Molokai

Negus Manna
Lana'i

India Clark
North Shore, O'ahu

Christian Zuckerman
Wai'anae, O'ahu

Ted Radovich
Waimanalo, O'ahu

Vincent Kimura
Honolulu, O'ahu

Natalie Urminska
Kauai

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Senate Commerce and Consumer Protection Committee,

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports HB2298.**

Support for HB2298 stems not only from the desire to protect consumers but also to safeguard Hawaii's coffee farmers from the inequitable distribution of value within the coffee supply chain. Studies commissioned by the state in both 2010 and 2023 have indicated that consumers are willing to pay premium prices for Hawaii coffee products. These studies underscore the potential for increasing the minimum required percentage of locally sourced coffee in products labeled with Hawaiian geographic origins, suggesting that doing so could still meet consumer demand without negative impact on sales. This change aims to ensure that a larger share of the coffee product's value remains within Hawaii, directly benefiting local farmers who are currently not receiving a fair portion of the profits generated from their labor and resources.

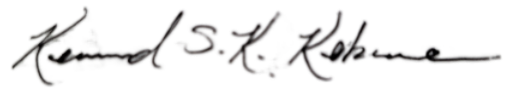
The current legislation, by setting a phased approach for the implementation of these new labeling requirements, attempts to balance the transition for wholesalers and retailers. In pursuit of more equitable compromise, **we seek to increase the minimum percentage of Hawaiian coffee required in these products from the proposed 50% to 75% and to shorten the timeline for the implementation of these changes from the current nine-year plan to five-years.** This adjustment is seen as a way to more quickly redirect a larger portion of the coffee value chain's benefits back to local farmers and the state's economy through increased collection of General Excise Tax (GET).

A significant challenge identified in the enforcement of this legislation is the exemption of retailers from liability for non-compliant products and the lack of clarity on which entity is responsible for monitoring and enforcing these new standards. **For the legislation to be effective, it's critical that a clear mechanism for enforcement is established,** ensuring that all stakeholders in the coffee supply chain adhere to the new regulations designed to protect both consumers and producers.

HB2298 is fundamentally about ensuring economic justice within the coffee value chain, promoting consumer transparency, and supporting the sustainability of Hawaii's cherished coffee industry. By adjusting the proposed measures to reflect a more ambitious approach, Hawaii can take a significant step a more equitable and prosperous future for its coffee farmers, while also enhancing the state's revenue through the coffee sector's growth.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF

A handwritten signature in black ink that reads "Kaipo S.K. Kekona". The signature is written in a cursive style with a prominent initial "K" and a long, sweeping underline.

HB-2298-HD-1

Submitted on: 3/19/2024 9:26:38 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Trowbridge	Testifying for Mountain Thunder Coffee Plantation	Support	Written Testimony Only

Comments:

I support the original bill protecting the Kona and Hawaiian coffee names 100% with a phase in period of three years. Our coffee company sells to blenders. It has been my experience that the blenders purchase very low-grade Kona to include in their blends. They purchase beans of such low quality that it is my opinion that the Department of Ag grading standards would require this coffee, although grown in Kona, to be designated to be "off grade" based on the Department of Ag standards and would not be considered "Kona Coffee" because of its very low quality. Thus, even the representation that a blend contains 10% "Kona" is misleading and not up to "Kona" standards. To protect the standards of the industry and the unique flavor profile of our coffee, blends should not be able to use the "Kona" name or the "Hawaiian" Coffee name unless the bag contains 100% "Kona" or truly 100% "Hawaiian" coffee. I urge you to reinstate the language of the original bill and protect Hawaiian coffees 100% with a three-year phase-in. Allowing even a 50% blend just means that there's more substandard "Kona" coffee in the blended bag.

Respectfully,

John Trowbridge

Mountain Thunder Coffee Plantation

Kailua-Kona, Hawaii



LATE

PO Box 280 Pahala, HI 96777

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 27, 2024

2:00PM

RE: STRONG SUPPORT for HB2298; Relating to Consumer protection

Aloha Chair Nakashima, Vice Chair Sayama and members of the committee,
Ka'u Coffee Mill stands in strong support of HB2298.

It is paramount that this bill at this time be passed. For far too long the coffee farmers of Hawaii have been economic slaves to the big blenders of Hawaii coffee. I see this firsthand in Ka'u. How can a farmer with all the expenses of growing premium Hawaii coffee compete with inferior imported coffee? Well, the answer is they cannot. It's about time that the state legislature stops pandering to a select few, who do nothing, but pervert not only a Hawaii coffee, but also a made in America coffee.

We respectfully ask you to pass HB229

Louis Daniele

G.M. Ka'u Coffee Mill LLC

**Hawaii
Legislative
Council
Members**

Joell Edwards
Wainiha Country
Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family
Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Na Mea Hawaii
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life
Natural Foods
Hilo

Kim Coco Iwamoto
Enlightened Energy
Honolulu

Chamber of
Sustainable
Commerce
P.O. Box 22394
Honolulu, HI
96823

LATE

Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice-Chair
Comm. on Commerce & Consumer Protection



Tuesday, March 20, 2024
9:30 AM in Room 229

RE: **HB2298 HD1** Consumer Protections-Coffee -**Support w/Amendments**

Dear Chair Keohokalole, Vice Chair Fukunaga & Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State of Hawaii that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment.

We support **HB2298, in its original form**, which makes it a violation of the coffee labeling law to use a geographic origin in labeling or advertising for roasted coffee, instant coffee, or ready-to-drink coffee beverage blends that contain less than a certain percentage of coffee by weight from that geographic origin, phased in to one hundred per cent; and authorize retailers who, by June 30, 2024, purchase roasted coffee, instant coffee, or ready-to-drink coffee beverage blends that use a geographic origin in labeling or advertising containing less than twenty per cent Hawaii-grown coffee by weight, to sell-off their coffee inventory that does not comply with labeling requirements until December 31, 2024.

This is about protecting consumers and Hawaii's coffee farmers from product dilution and brand degradation. It is absurd that legislators have allocated more than \$80M/year of taxpayer money building the "Hawaii" brand identity and marketing "Hawaii" to the world; then turn around and allow Hawaii's locally grown coffee to be diluted by lesser, cheaper, imported coffee and passed off to consumers as "Hawaii-grown".

It is time to require clear and factual labeling regarding the percentage of Hawaii-grown coffee being sold for all consumer products containing coffee labeled as Hawaii-grown. **The HD1 version aims at "half-truth" (50%). We urge this committee to strive for absolute truth in labeling - which should always be 100% true, and return HB2298 to its original version.**

LATE

HB-2298-HD-1

Submitted on: 3/19/2024 11:22:47 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Melissa Sobkowicz	Testifying for Kona Amor	Support	Written Testimony Only

Comments:

We are in full support!

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii



Testimony Regarding H.B. No. 2298 (Companion S.B. 2481) entitled:

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

As a small coffee farmer, we appreciate the Committee's recognition that Hawaii's coffee agricultural crop is a highly valued commodity. **The State's current coffee labeling law is harmful to the local farmers, economy and Hawaiian coffee's reputation** when the high quality and unique flavor profile is diluted by blends containing as much as 90% of non-Hawaiian coffee. Blended coffees can not possibly provide the consumer with the proper taste profile of 100% Hawaiian coffees, thus misleading the consumer about our region's specific flavor qualities. Blended coffees advertised as "Hawaiian" or "Kona" coffee place downward pressure on the price of 100% Hawaii-grown coffees. Consequently, this reduces the profitability of large coffee growers and increases the challenges for smaller coffee operations and small farms to sustain a viable business. These businesses are already faced with growing expenses associated with labor and products needed to manage pests like coffee leaf rust (CLR), coffee berry borer (CBB), black twig borer (BTB) and coffee root-knot nematode (CRKN).

To protect the value, integrity, and reputation of their product and its associated geographic origin name, other jurisdictions require that 100% of the coffee must originate in the geographic area specified on its label. **H.B. 2298 provides a mechanism by which the State's coffee industry can ensure the authenticity of its products and the consumer can rely upon the veracity of labels** and advertising identifying the origin of coffee found in roasted coffee, instant coffee, or ready-to-drink coffee beverage blends.

Your Committee has already received testimony in support of this measure from numerous Hawaii coffee farmers, retailers, organizations and individuals. As a small Kona coffee farmer and processor, I also urge you to **APPROVE H.B. 2298.**

Mahalo,

Linda Styrk
Olakino Coffee Farm
Holualoa, HI

LATE

HB-2298-HD-1

Submitted on: 3/19/2024 12:33:12 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Piel	Testifying for Genesis Properties LLC	Oppose	Written Testimony Only

Comments:

I am a resident consumer and provider of Kona coffee in my short term rental.

100% Kona coffee sold at retailers is currently very expensive and not affordable for me as a resident nor to be able to provide in our short term rental.

100% Kona coffee is a specialty coffee to me and I only drink it on special occasions like when friends visit or on a holiday.

If a Kona coffee blend is not available I will personally need to switch to a mainland coffee which will likely be Starbucks.

As a Certified Public Accountant with a degree in Economics its my experience when you try to control a market, it hurts all parties. Blends allow small local farmers (which some are clients of mine) to be able to sell their products to a number of roasters/wholesalers that blend. This market will be significantly reduced if not be eliminated for them, hurting their livelihood and thus the local economy.

Old beans are junk beans.They are bitter because the oils are not stable and tend to decompose. A quick adoption timeline will leave many local businesses with overstock of blends that they will not be able to sell and will also contribute to hurting the local economy.

I personally believe you can't taste Kona coffee in a blend where the other 90% are *unidentified* beans, but that is the consumers choice. Consumers like what they like and not all consumers are fans of 100% Kona Coffee. That is likely because ALL Kona coffee is not the SAME product. Even some of the 100% ones can be inferior as processing is a huge part of the qualify of ANY coffee. Coffee is an art. Not all coffee growers are good processors. And not all processors make the best farmers/growers.

I can see that the bill is heavily favored by large local integrated companies that are likely trying to create a monopoly and eliminate competition.

Please consider how this bill could affect the entire island and all of our local farmers.

HB-2298-HD-1

Submitted on: 3/18/2024 2:54:59 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
cary black	Individual	Oppose	In Person

Comments:

I oppose this bill for a number of reasons. First and foremost is I believe this hurts more than helps the industry by limiting the markets for our products. There is a market for both 100% and the blends. Sales prove this. The blends provide an entry level to the specialty coffee market for consumers. If the market was strong enough for only 50% or higher blends sales would prove that. I worry that if our customers cannot meet the needs of their customers they will source specialty coffee elsewhere .

HB-2298-HD-1

Submitted on: 3/16/2024 3:06:25 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

As a loyal drinker of 100 Kona coffee who believes our coffee growers are being ripped off, I strongly support this bill and hope it does not die in conference committee. It is time to stop playing games with the livelihoods of those who are involved in agriculture and pass this measure.

HB-2298-HD-1

Submitted on: 3/17/2024 10:57:48 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Miles Mayne	Individual	Comments	Written Testimony Only

Comments:

Testimony by Miles Mayne, Kau Coffee Farmer

1. Preserving Reputation and Integrity:

- Delaying the implementation of the bill undermines the original intent of protecting the value, integrity, and reputation associated with the geographic origin name of Hawaiian coffee.
- Hawaiian coffee, especially Kona coffee, has a global reputation for quality and uniqueness. Ensuring accurate labeling maintains consumer trust and confidence in the product.
- By enforcing stricter labeling requirements, the state can safeguard the reputation of its coffee industry and prevent misleading practices.

2. Economic Benefits for Farmers:

- Hawaiian coffee growers face significant challenges due to the coffee berry borer (CBB) pest, which affects yield and quality.
- Implementing the bill immediately would enhance the economic benefits for farmers by ensuring that coffee blends accurately represent their geographic origin.
- When consumers purchase coffee labeled as “Kona” or from other Hawaiian regions, they should receive a product that genuinely contains a substantial percentage of coffee from that location. This transparency benefits local coffee producers.

3. Tourism and Brand Value:

- Hawaiian coffee contributes to the state’s tourism industry. Visitors seek out authentic Kona coffee experiences during their stay.
- Accurate labeling enhances the brand value of Hawaiian coffee, attracting tourists and supporting local businesses.
- Immediate implementation ensures that the Kona Coffee Festival and similar events can showcase genuine Hawaiian coffee, benefiting both farmers and the tourism sector.

4. Consumer Protection:

- Consumers deserve accurate information about the products they purchase. Misleading labeling harms consumer trust and can lead to dissatisfaction.

- By enforcing the bill promptly, consumers can confidently choose coffee labeled with specific geographic origins, knowing they are getting what they expect.
- Protecting consumers from deceptive practices ultimately benefits the entire coffee industry.

5. Economic Impact Study Findings:

- The economic impact study conducted by the FAO and European Bank of Reconstruction and Development highlighted that Hawaiian coffee lacks sufficient protection of its name from the state.
- Delaying implementation perpetuates this vulnerability, allowing downstream stakeholders (such as roasters and packagers) to benefit economically without adequately compensating farmers.
- Immediate action aligns with the study's recommendations to strengthen labeling standards and protect the economic interests of coffee growers.

In summary, implementing the bill without delay ensures fairness, transparency, and economic benefits for Hawaiian coffee farmers.

HB-2298-HD-1

Submitted on: 3/17/2024 11:53:05 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lawrence Ford	Individual	Support	Written Testimony Only

Comments:

The Kona Coffee brand must not be allowed to be continually diminished by diluting the coffee that helps make Kona and Hawaii so warmly known. Kona coffee farmers need decent prices to stay in business and help agriculture be viable here. Of course, money spent for foreign coffee is not being spent here, either.

HB-2298-HD-1

Submitted on: 3/17/2024 11:00:14 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

We 100% Kona farmers urge you to SUPPORT HB2298 **now**, please! Delaying the implementation of HB2298 until 2033 is totally unacceptable. omg. Reinstate the original language now, please. Mahalo plenty. with aloha from Honaunau mauka.

HB-2298-HD-1

Submitted on: 3/18/2024 8:58:01 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT TO PROTECT OUR COFFEE INDUSTRY.

LONG OVERDUE.

MAHALO!

HB-2298-HD-1

Submitted on: 3/18/2024 9:28:38 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Cynthia Maryanoff	Individual	Support	Written Testimony Only

Comments:

Dear Senators:

I submit this written testimony in **STRONG SUPPORT** of **HB 2298 HD1!** However, change it back to original language please!

Reverting to its original language of 100% Kona and Hawaiian coffee, not the amended HD1 language of 50% blends.

And A reasonable phase-in timeline of 3 years, not HD1's stretch to 2033.

The reasons senators should support original language bill:

The Act 222 Economic Study states "There is clear economic justification to increase the minimum content requirement for Kona coffee" (p.6)

Delaying the implementation of this bill to 2033 is economically harmful to growers. The Economic Study stated that "Transitioning to a 51% blend or 100% Kona coffee redistributes the economic surplus (or "rents") from downstream intermediaries (e.g.blenders and roasters) to growers and consumers." (p.7). Growers need that income now, *not in 2033*.

The Study illustrates a consumer readiness to pay higher prices for Kona coffee (p.5). This willingness signals a need for clear and truthful labeling to reflect the product's authenticity. Higher prices increase income to farmers, and to the State through GE taxes.

We produce KONA typica coffee, an heirloom variety of *Coffea arabica*, a long-established and traditional coffee of Hawai'i. We are trying to recover from the "Kona LOW cyclone" damage of December 2021. We are fighting Coffee Borer Beetle [CBB, thankyou for your support], Coffee Leaf Rust [CLR, thankyou for your support] **2022 yields of KONA coffee were extremely diminished due to CLR and weather damage so we need this passed now please! 2023 was a much better year. But we NEED your support of HB2298 original version please!**

The new law does require more information but does not make blenders specify that it is *Arabica* so the remaining could be inexpensive **Robusta coffee**, from the plant *Coffea canephora* estimated to account for more than 40% of the world supply of coffee.

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.ent start. Requiring % to be identified as *Arabica* or much less expensive *Robusta* would make it even stronger as Kona Typica is Arabica!

Sincerely,

Cynthia and Bruce Maryanoff

Co-CEOs, Absolute Palate LLC

18 March 2024

HB-2298-HD-1

Submitted on: 3/18/2024 9:36:06 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nathan Trump	Individual	Support	Written Testimony Only

Comments:

I support HB 2298 and the clarification of labeling for coffee sold in Hawaii. This is an important step towards truth in labeling and is in the best interest of both farmers and consumers.

March 17, 2024

Senator Jarrett Keohokalole, Chair
Committee on Commerce and Consumer Protection
415 South Beretania Street
Honolulu, Hawaii

Aloha Senators,

I'm writing from Holualoa, where we grow real Kona coffee. We're asking for your help HB2298. This law is supposed to make sure that when people buy Kona coffee, they're getting the real deal, not just a little bit mixed with other stuff. But there's been a mix-up, and now the law isn't as strong as it should be.

Right now, the proposed law says you can mix Kona coffee with other kinds and still call it Kona coffee, as long as there's at least 50% Kona in there. And companies have 10 whole years to even do that much. We think this isn't right. We want the law to go back to saying if it's called Kona coffee, it needs to be 100% Kona coffee, no mixing. And we think companies should be able to make this change in just 3 years, not 10.

Here's why this is super important:

It's Better for Everyone: A study the legislature commissioned says that making sure coffee is 100% Kona is good for everyone, including us farmers and you, the people who drink our coffee. It means farmers get a fairer share for their hard work, and when you buy a cup of coffee, you know you're getting the good stuff.

People Want Real Kona Coffee: People are happy to pay more for coffee they know is real Kona because it's special. If we make sure all Kona coffee is 100% real, everyone wins. Farmers make more, and the state gets more money from taxes.

Keeping It Real: We want you to be sure that when you buy Kona coffee, you're getting what you paid for. No tricks, no fake stuff. Just real, delicious coffee.

We really hope you'll help us make this change. It's important for keeping Kona coffee special and making sure when you choose Kona, you're getting the best.

Thanks for listening. We really appreciate your time and hope you can help us keep Kona coffee real and awesome.

Mahalo,

Kristie Adair

Kris Adair

Kona Kaiju Coffee

75-1097 Keopu Mauka Dr.

Holualoa, HI 96725

HB-2298-HD-1

Submitted on: 3/18/2024 10:14:12 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Harold M Hoogasian	Individual	Support	Written Testimony Only

Comments:

As a farmer, my story is compelling.

When I first came to own my coffee farm in Holualoa, I had only tasted Kona Blends. I thought Kona Coffee was indistinguishable from other coffee. I went to a UH CTAHR workshop on coffee and each day, a grower brought their coffee. Wow! What a difference. Pure Kona is magnificent: smooth and sweet. No question 10% blends hurt Kona's rep.

Let's pass this legislation!

HB-2298-HD-1

Submitted on: 3/18/2024 11:01:01 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Sechrist	Individual	Comments	Written Testimony Only

Comments:

Aloha:

I am tired of seeing 10% blends masquerading as Hawaii-grown coffee. Farmers producing a 100% product having to compete with 10% blends in the market is unfair to both the farmer and to the consumer.

Hawaii coffee products containing 90% foreign-grown coffee, yet carrying the names of Hawaii's growing regions, push prices down for Farmers and leave consumers with a terrible impression of Hawaiian coffee. These substandard blends undermine Hawaii's reputation for high-quality coffee.

Please revert to the bill's original form requiring Hawaii's coffee products to contain 100% Hawaii-grown coffee with a phase-in over three years. The watered-down, triple-timeframe, current version is not suitable.

Respectfully submitted,

Jonathan Sechrist

Former Kona Coffee farmer

HB-2298-HD-1

Submitted on: 3/18/2024 11:57:13 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Janelle Gomes	Individual	Support	Written Testimony Only

Comments:

I support HB2298

HB-2298-HD-1

Submitted on: 3/18/2024 12:46:19 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcus Young	Individual	Comments	Written Testimony Only

Comments:

I request that you revert to the bill's original form requiring Hawaii's coffee products contain 100% Hawaii-grown coffee. Anything less than 100% Hawaii grown coffee deceives consumers and hurts Hawaiian growers.

These substandard blends undermine Hawaii's reputation for high-quality coffee.

HB-2298-HD-1

Submitted on: 3/18/2024 12:56:49 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Thaddeus lilly	Individual	Support	Written Testimony Only

Comments:

I support 100% Hawai'i coffee!

Before the Senate Committee on Commerce and Consumer Protection

Bruce Silverglade— HB 2298 HB1

March 18, 2024

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 restoring the original provisions of HB 2298 as introduced in the House by Rep. Nicole Lowen, **not the bill as amended by HD 1 by the House Consumer Protection Committee.**¹

The original version of HB 2298 would require coffee labeled as “Kona” to be 100% Kona coffee and is an essential consumer protection measure.

Its requirements are supported by the findings and conclusions in the *Economic Study on Changes in Coffee Labeling Law*, prepared for the HDOA pursuant to Act 222.²

The study states, “There is clear economic justification to increase the minimum content requirement for Kona coffee.”³ Furthermore, the report

¹ 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 federal 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 provisions regarding maple syrup.

² <https://hdoa.hawaii.gov/wp-content/uploads/2023/11/Act-222-SLH-2022-FINAL-Report-on-Econ-Study-on-Changes-in-Coffee-Labeling-Law.pdf>

³ Ibid, page 3.

makes the unequivocal conclusion that “increasing Kona coffee content requirements is likely to result in net economic benefit.”⁴

Thus, while farmers would benefit from the 100% Kona requirement in HB 2298, consumers would as well.

The general public deserves honest labeling, and consumers deserve to get what they expect they are buying when shopping in the grocery store. Calling a product “Kona 10% blend” is like calling a beverage “orange juice blend” when 90% of the juice is cheaper apple juice. Other states have taken action to protect their unique brands. “Idaho potatoes” are by law 100% from Idaho.

Such measures with regard to Kona coffee are essential to protect consumers ranging from permanent Hawaii residents to unsuspecting visitors.

I note that some blenders have claimed that federal trademark law preempts the State. That assertion is incorrect; see *When Your Trademark Is a False Advertisement* at https://katten.com/files/391153_kattwalk_spring_issue_16.pdf.

The passage of HB 2298, as originally introduced in the House, represents a vital step to protect the public from being misled and ensure a competitive level playing field in the industry.

I urge the committee to ensure that this bill as originally introduced in the House is enacted. Thank you for considering my views.

Bruce Silverglade

⁴ Ibid, page 4.

HB-2298-HD-1

Submitted on: 3/18/2024 1:07:34 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Frink	Individual	Support	Written Testimony Only

Comments:

Please help the small farmers in Hawaii as we will cease to exist if we cannot possess and promote the unique qualities of our coffees.

HB-2298-HD-1

Submitted on: 3/18/2024 1:40:41 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Shirley David	Individual	Comments	Written Testimony Only

Comments:

Chair and Committee members,

As a consumer who cares about the the economic livelihood of our local farmers, I am asking that you restore the original language of HB2298. The original language gives the wholesalers plenty of time to reduce their inventory.

I am a 20 year resident of Kailua Kona who knows the difference between 100% Kona Coffee and 10% Kona Coffee blend that is offered at grocery stores. I know many of the local coffee farmers and have seen first hand how they struggle to survive.

When my mainland friends and family come to visit, they always comment on the quality of the coffee I serve them. They often say they want Kona coffee to bring home as gifts from Hawaii and they don't want to pay the price of 100% Kona coffee. I tell them to buy 100% Kona coffee for themselves and buy some less expensive authentic Hawaii product as gifts.

Buying a 10% blend is a disservice to our coffee industry because those who drink the blends do not know where the other 90% is from. With a 10% Kona coffee blend there is no way they could discern the Kona grown flavor of the coffee.

Why do we continue to allow this disservice to continue? HB2298 does correct that the region where coffee is grown is identified . But by the recent amendment to delay the dates of when the coffee wholesalers must identify the amount of blending just delays what should already be required.

HB-2298-HD-1

Submitted on: 3/18/2024 2:10:28 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David S. Case	Individual	Oppose	Written Testimony Only

Comments:

I am a 12-year resident of Hawai'i Island and a long-time supporter of its farmers and a consumer of its Origin coffee products. I am writing in SUPPORT OF HB2298 AS ORIGINALLY WRITTEN but OPPOSE HD1 as adopted by the House Consumer Protection Committee.

Two years ago the Legislature passed and the governor signed Act 222, requiring the Department of Agriculture to evaluate the economic effects of three different coffee labeling regimes on Kona and Ka'u Origin coffees: 1) Those containing 10% Origin coffee, 2) Those containing 51% Origin coffee and 3) Those containing 100% Origin coffee. The study concluded that the higher the percentage of Origin coffee in a bag, the more consumers would willingly pay for the coffee. The higher prices in turn economically benefit the farmers producing the coffee, leading to a more viable farming economy.

As noted in the HB2298, HD1 "Findings" for more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its Origin names on packages of one of its specialty crops with only 10% genuine content. The Act 222 Study confirmed what farmers (and the supporters of HB2298) have been saying for all that time. HB2298, HD1 itself recites the long-running criticism Hawai'i has endured from what amounts to legalized fraud in its coffee labeling laws. Then the Bill incredibly allows another SIX (6) YEARS to correct it, and requires that NOTHING TO BE DONE for the FIRST THREE (3).

The original version of HB2298 is consistent with the recommendations of the Legislature's required study—HD1 is not. By extending the period for use of misleading blend labeling, HD1 allows this incredible fraud on consumers to continue. How in Heaven's Name can a Committee of the Legislature with the words "Consumer Protection" on its door allow this to continue?!!! Please, STOP this insanity.

Finally, if extending the time to correct this fraud is not enough, exempting retailers from the requirements of HB2298 creates a loophole that will enable it to go on forever. If the Committee does not think that is so, ask the Kona coffee farmers who recovered some \$40 million last year for just such deceptive labeling on a truly massive scale. In a free-market economy, retailers are the first line of defense against deceptive labeling. They are the ones who in the first instance can ensure that the products they sell are genuine. Hawaii needs to support its farmers - and the consumers who buy the products of their labor. The processors and retailers that sell

those products should not be aided and abetted by the Legislature to exaserbate this loathsome, running sore on Hawaii's body politic.

Yours Respectfully,

David S. Case

HB-2298-HD-1

Submitted on: 3/18/2024 3:58:41 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Butler	Individual	Support	Written Testimony Only

Comments:

I support HB2298 because 50% is better than a 10% mix to label coffee as Kona blend. I oppose a 10 year compliance as unnecessary. A 3 year changeover is more than enough time to comply. I speak as a Kona coffee farmer for 40 years, a business owner and a Kona Coffee Farmer Association member and past president.

Respectively,

Thomas Butler

Paradise Found Hawaii Estate Coffee

HB-2298-HD-1

Submitted on: 3/18/2024 4:02:58 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kalea	Individual	Oppose	Written Testimony Only

Comments:

I oppose this because we should be able to blend our Hawai'i 100% coffee with others such as Columbian coffee. 100% is too expensive by itself. The market for roasted coffee is priced at \$70-\$95 per pound. Unfortunately, most humans (blue collar) cannot afford to drop that much money. To keep our livelihoods in the state of Hawai'i stable, we need to keep things more affordable for the locals. I currently work at a coffee shop that makes a tasty cup of Kona blend coffee that I can afford. If our local coffee shop is forced to stop blending, I will not be able to afford it, as well as my friends and family that support me at my job. We will be supporting a coffee shop like starbucks because a \$2.00 cup of coffee is more reasonable they the local coffee shop selling 100% at \$6.00 a cup.

HB-2298-HD-1

Submitted on: 3/18/2024 4:17:04 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Dustin Jose	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

As someone that works in the coffee industry, I strongly oppose the bill Hb2298. Removing the blend market in Hawai‘i will limit our creativity. I love to taste coffee. I taste coffees from all over the world and I will say coffee in Hawai‘i is not a superior flavor profile in the coffee industry it is too acidic. We have an active volcano, and we will not be able to get away from how acidic our flavors are here, It’s in the water, the soil, and the air. Being able to blend our coffees with others around the world allows us to complement our acidic Kona coffee with one that is sweeter with tones of fruits and chocolate. It’s like wine, and chocolate, some of the best products are blends from different origins all over the world. If we are going to move forward in this market, we need to be creative and allow blending. If we want to keep our coffee agriculture thriving in the state of Hawai‘i we need to keep blending here.

I ask if this bill is allowed to change the blend percentage to a 20% blend. This allows us to keep the coffee industry as creative as it is and keep our blenders in business. Our blenders sell coffee statewide, when our small coffee farmers do not and will not.

Testimony - HB2298

As the director of marketing for a Kona Coffee company, I hope that you heed my words on the matter and take into account the perspective of marketing opportunities only available by means of offering a Kona coffee blend.

As a lifelong coffee enthusiast and advocate for the Kona Coffee niche, I strongly oppose the proposed law to prohibit blending Hawaiian origin coffee. It is important to note that enacting laws which go against the ability for coffee farms in the state of Hawaii to blend Hawaiian origin coffee will have a direct and drastic effect on each and every one of our economies which have a backbone in the coffee industry by means of agriculture, processing, distribution, and more.

Pricing

Blending Kona Coffee with other varieties allows for the creation of more affordable options without sacrificing quality. This is not only beneficial to the farmer/producer, but for the consumers as well, because, as we know, not everyone can afford a \$60 bag of coffee to last them 2 weeks. Restricting local companies with this law will enable consumers to opt for cheaper options. If the price of our coffee raises \$2 in-house, consumers will likely choose more financially convenient alternatives such as chain companies, driving local companies such as ourselves out of business. Please take note of this as this affects the lives of each and every individual on my staff as well as their families.

Cumulative Feedback

As someone deeply rooted in this industry niche, I can attest to the invaluable contributions of blending in enhancing the flavor profile and richness of Kona blends by subduing the acidity which comes from Kona Coffee and its notorious growing conditions. I've been in this niche for 7 years now and this feedback has become extremely common over my time in the industry with a positive outlook on these blends. Banning the blending of Kona coffee would not only stifle innovation and creativity in this industry of coffee experts and those alike, but also disregard the rich and harmonious profiles that a Kona blend has to offer.

Market Analysis

Blending provides economic opportunities for local farmers and roasters, allowing them to attain the market by bypassing the niche of high-end specialty coffee and hit the broader market. This would unjustly limit consumer access to a wider range of Hawaiian origin coffee products. Therefore, without the ability to blend, local coffee companies such as ourselves working towards that broader market would fail to obtain it and would lose our opportunity to scale and further provide for our local communities.

Instead of implementing restrictive measures, efforts should be focused on promoting transparency and authenticity in labeling, ensuring consumers have access to accurate information about the origin and composition of their coffee blends. More specifically, there should be strict regulations in place to ensure that these blends are honest and true to their

packaging. This way, we can celebrate the unique flavors of Kona origin coffee while also embracing the creative potential of blending to elevate the coffee experience worldwide.

HB-2298-HD-1

Submitted on: 3/18/2024 4:52:50 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Otto Wicklander Sr	Individual	Oppose	Written Testimony Only

Comments:

This bill narrows the market we can sell to. A large part of the Kona coffee sales go to blenders and by eliminating this market seriously evaporates kona coffee to sell it's crop. There are existing laws that cover the labeling of the coffee blending. Enforce the existing laws would solve this worry.

HB-2298-HD-1

Submitted on: 3/18/2024 5:04:09 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherri Johns	Individual	Support	Written Testimony Only

Comments:

Buyers of the beans need to know, have a right to know, what exactly is in their cup. I support the original bill to require coffee labeled as Hawaii to be 100% Hawaii grown. Hawaii coffee is a national treasure representing growers to roasters to baristas as ambassadors of the state. The island needs to protect itself and represent Hawaii coffee as a specific denomination of origin.

Maintaining the trust and confidence of the consumer and the remarkable flavor nuances of 100% Hawaii grown coffee is what is sustainable. Not blending for cost cutting measures which denote going for quantity rather than quality. A consumer will pay a high price once for what they believe is a very special coffee. If the taste does not support it, they will not buy again which reflects negativity on all growers of Hawaii coffee.

I represent myself in this testimony. However, as the former Head Judge of the Kona Coffee Cupping Competition, volunteer for the HCA in barista jams, someone who launched the World Barista Championship, past head judge of Cup of Excellence and currently working with an NGO supporting tribal coffee farmers in Araku Valley India, and a Kona condo owner, I believe in authenticity of taste of place. Please consider the requests of all supporters. We really wish the visitors and all consumers have the opportunity to enjoy 100% pure Hawaii grown coffee and celebrate it's taste and heritage. Thank you.

Respectfully submitted by Sherri Johns

HB-2298-HD-1

Submitted on: 3/18/2024 5:38:37 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Larisa Botanova	Individual	Oppose	Written Testimony Only

Comments:

As a young person in the Hawaii coffee industry, it is very clear to me that the only way the industry can survive for a long time is if the coffee is accurately represented, and as soon as possible! I am in support of **reverting to the bill's original form** requiring Hawaii's coffee products contain **100% Hawaii-grown coffee** with a phase-in over three years. Going to 50% over 9 years makes no sense, because **THERE IS DEMAND** for Hawaiian coffee! I am in support of the original form of Bill HB 2298, 100% Hawaiian coffee only, represented honestly, and that is what I want to see in three years time!

HB-2298-HD-1

Submitted on: 3/18/2024 5:53:13 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Tostberg	Individual	Comments	Written Testimony Only

Comments:

Good day,

I am a coffee roaster in Corvallis Oregon and follow with interest the branding and use of Hawaii Grown Coffee as a marketing selling point. The legitimacy of branding and marketing claims relating to Hawaii Grown Coffee should absolutely matter to the Senate committee. Senators, if you are comfortable with allowing predatory competition with your local growers we are calling you out. Do the right thing and support your local producers -

Best regards,

Paul Tostberg

Holderness Coffee Roasters

Corvallis, Oregon

HB-2298-HD-1

Submitted on: 3/18/2024 7:35:20 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roberta Kay Wicklander	Individual	Oppose	Written Testimony Only

Comments:

Use and enforce the current laws. So many consumers are grateful that they can buy a blend that gives them a little of the Kona coffee.

HB-2298-HD-1

Submitted on: 3/18/2024 8:55:26 PM

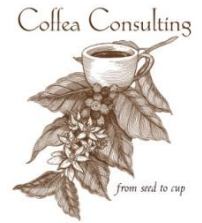
Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Russell Silva	Individual	Oppose	Written Testimony Only

Comments:

People can't afford to pay for 100% pure Kona, but they can afford a Kona blend which taste as good as the pure. The Hawaii coffee industry will be slowly ignored because of the high prices in which eventually we will diminish like sugar cane and pineapple. If people can't afford to buy Hawaii coffee they will purchase something else.
At least blends will have Hawaii coffee in it and keep jobs in the Hawaii coffee industry.

Testimony for HB2298 HD1 – **Oppose**



March 18, 2024

To:
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Aloha e CPN,

The intent of HB2298 HD1 is honorable and ethical. It aims to support the numerous and myriad farmers who grow one of Hawai'i's most important crops: coffee. It aims to bring transparency and integrity to all of Hawai'i's coffee origins, but primarily to the Kona coffee brand, while eliminating ambiguity as to the contents of a coffee package purchased within the state. It wants to align our marketing strategy with that of many other global food products by making the package contain entirely Hawai'i-grown coffee or no Hawai'i-grown coffee at all.

It is hard not to embrace this bill and revel in the glory of our spectacular coffee industry. Unquestionably, this bill has the best of intentions and I support those intentions. Unfortunately, if this bill passes, the realization of those intentions will take years to materialize, if ever they do. More importantly, many, if not all, of the farmers this bill wants to support will be harmed significantly.

The Kona coffee farming community, generally, is composed of two types of farmers: estate farmers who grow coffee and sell it as green or roasted coffee and cherry farmers who grow coffee and sell it as cherry. Much of the coffee from the cherry farmers likely ends up in 10% Kona Coffee Blends. Unfortunately, there are no published or reliable values for how many farmers fall in each category or how much of the Kona coffee crop ends up in 10% Kona Blends. I estimate that 30-60% of Kona coffee ends up in blends; one of Kona's most respected farmers recently gave me an estimate of 40%.

There's a reason consumers purchase 10% Kona Coffee Blends. While no survey has asked consumers why they choose blends over a pure product, I speculate that price is the biggest reason. After all, often, if not always, a 100% Kona Coffee option is sold on the same shelf as the blends, yet many consumers choose the blends. What will happen when the content of those bags changes to 50% Kona Coffee Blends or 100% Kona Coffee? Will consumers still buy these much more expensive coffees? If they don't, what will happen?

Fortunately, the recently published study, [Economic Report on Changes in Hawai'i's Coffee Labeling Law](#), by GUILD Consulting and Forecasting & Business Analytics, LLC, 2024, helps us answer this question. The answer is that consumers won't shift to the more expensive, higher Kona content options.

In consumer surveys, the authors asked consumers what they'd be willing to spend on 51% Kona (or Ka'ū) Coffee Blends and 100% Kona (or Ka'ū) Coffee. How helpful! One can then go to today's marketplace and compare actual prices of Kona coffee with what consumers said they would be willing to spend. As visiting stores across the islands was not feasible, I created a list of prices to enable the comparison. The data discussed below can be seen on [these Google Sheets](#).

51% Kona scenario = minimum blend content allowed

I visited 9 websites of Hawai'i roasters and listed one of their cheaper international coffee options and their cheapest 100% Kona coffee option. I averaged the 9 coffees within both lists, multiplied them by 50%, and added those numbers together. This affords a reasonable estimate of what these roasters would likely charge for a 50% Kona Coffee Blend. Also, using data from the Honolulu Coffee Company website, I made a regression line using an international coffee blend, a 25% Kona Coffee Blend, and their cheapest 100% Kona Coffee (to the best of my knowledge, they are the only local company that offers a Kona blend that contains more than 10% Kona coffee). I used the regression equation to calculate their likely price for a 50% Kona Blend.

The average price/lb from the 9 roasters was \$50.03/lb. The Honolulu Coffee Company price was \$55.78/lb. From the survey, 2.69% (mainland residents) and 1.02% (Hawai'i residents) of respondents would spend more than \$46/lb and \$42/lb, respectively, for a 51% Kona Coffee Blend. Written another way: hardly anyone, *today*, would buy a 50% Kona Coffee Blend.

100% Kona scenario = no blends allowed

I searched for the cheapest Kona coffees I could find along with some mid-range and pricier options. I ended up with 23 100% Kona Coffee bags from different companies. The average price/lb was \$63.52 with the median price being \$61.69. From the survey, 73% (mainland residents) and 76% (Hawai'i residents) of respondents would *not* spend more than \$53.99/lb for 100% Kona coffee. Written another way: most respondents, *today*, would not buy 100% Kona Coffee at today's prices. It is a bleaker story when K-cups were considered.

Based on the survey from the economic study, 50% Kona Coffee Blends are clearly a terrible choice; they won't sell. Moving entirely to 100% Kona Coffee is bad but not nearly as bad as the 50% Kona Coffee Blends.

If 10% Kona Coffee Blends are eliminated and the content of Kona coffee increases to either of these levels, much less Kona coffee is going to be sold. Retailers will then stop offering the languishing products and all that coffee that went into the blends, a huge supply (remember, 40% of the Kona coffee crop may go to blends), will flood the market. This supply increase will decrease prices throughout the supply chain, hitting farmers the hardest, as they, ultimately, are stuck with the coffee.

Critically, the cherry farmers whose coffee primarily ends up in blends will have no outlet for their coffee. They will suffer, immensely, for several years while the market corrects itself and they learn to manage the new reality. If they manage it. What will happen to those farmers in those early years?

It is not just the cherry farmers who will suffer. What will happen to the estate farmers, who are currently struggling to produce a profitable product, when Kona coffee prices drop for several years? Do the estate farmers have sufficient cash reserves or crop diversity to weather a meaningful drop in coffee prices for multiple years?

I think eliminating blends will significantly harm our farmers in the short term, not help them. I foresee short-term disaster. Yes, the market will correct itself but how long will it take and how many farmers and businesses will be hurt in the process? This bill, having the best of intentions, will hurt those it aims to help.

Eliminating the 10% Kona Coffee Blends is noble, wholesome, and honest. I support it, in principle. However, the consequences may be too dire for us to do it this way, as this bill plans—even with the overly generous, gradual increase to 50% Kona coffee content over the next 9 years.

Unfortunately, our industry heavily relies on these blends; we can't simply stop using them without preparing for the consequences. Before we make these changes, we need to reduce our reliance on blends. We need more outlets for our coffee. We need exceptional quality to support higher prices. We need to prepare.

Mahalo for your time,



Shawn Steiman, PhD.

Author, *The Hawai'i Coffee Book: A Gourmet's Guide From Kona to Kaua'i*

Owner, Coffea Consulting

Owner, Grok Coffee

HB-2298-HD-1

Submitted on: 3/18/2024 11:52:58 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
DOUGLAS DREW	Individual	Support	Written Testimony Only

Comments:

As a producer, it's reasonable that coffee sold with "Hawaii" in the label should contain a minimum of 51% Hawaii produced coffee beans and introduced within the next 3 years showing the %age of Hawaii grown coffee.

That is certainly ample time for any respectable roaster to fully utilize old labels and prepare new labels and sourcing of Hawaii coffee.

If roasters prefer higher %ages - like 100% Hawaii Coffee then that becomes their business decision to possibly attract buyers for coffee at a premium price.

HB-2298-HD-1

Submitted on: 3/19/2024 4:01:50 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael L. Last	Individual	Comments	Written Testimony Only

Comments:

As a coffee drinker, I think that there should NOT be any percentage of Hawaii coffee EXCEPT 100% Hawaii coffee. Anything less than 100% is a disservice to Hawaii coffee growers.

HB-2298-HD-1

Submitted on: 3/19/2024 4:22:27 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Hawk	Individual	Support	Written Testimony Only

Comments:

As someone working on the retail and roasting side of the coffee industry for 15 years, it has always been an exhausting mission to properly inform consumers of the practices around coffee being labeled from Hawaii. True Hawaiian coffee, from the wonderful producers of the islands, is a real gift to the culinary world deserving of the praise and recognition it maintains in the cultural zeitgeist. The most passive coffee consumer knows that to be a Hawaiian coffee is to be one of the best in the world.

Why then do we have an overwhelming market share given to 10% Hawaii blends? I warn consumers almost daily about purchasing these so-called Hawaii beans and when I tell them about the rules requiring such an incredibly small amount of beans to be legitimate Hawaiian grown, they are shocked and disappointed. The practice is deceptive and harmful to the growers working so hard to maintain such a tradition of quality from Hawaii.

In today's specialty coffee market, consumers are well versed and desire the quality Hawaii can offer and deserve to be able to do so without sifting through trash blends infused with coffee from subpar regions. There is no question about it, adding questionable grown beans from areas like Vietnam dilutes the Hawaii name to the point of seriously damaging the reputation and respect earned by growers across the islands. At some point, consumers will move on from Hawaii to regions that have far better earned their trust, damaging local growers to the point of extinction.

This bill must pass in its original form to protect the legacy and future of Hawaiian grown coffee beans. The producers need this to ensure their future and the future of their farms. Thank you for your time.

HB2298 Testimony in SUPPORT

As a coffee aficionado, I am a consumer of Hawaiian Kona coffee. I have educated myself about the quality and uniqueness of the product. I CHOOSE to buy 100% Kona coffee for reasons of taste, sustainability, and quality. I also am proud to support fellow American farmers.

It is VERY difficult, with the current labeling laws, to find 100% Kona coffee when you want it. The current marketing of Kona and Hawaiian coffee by some wholesalers and retailers is DECEPTIVE. It is intentionally confusing, costing consumers like me, by overpaying for blends that have very little Kona coffee in them, and likely contain inferior, cheap beans from areas that have been deforested and not farmed sustainably. By labelling a coffee Kona or Hawaiian, all of that is implied.

Champagne comes from one region in France. Everyone else sells sparkling wine. Parmigiano reggiano comes from one region in Italy. Everyone else sells parmasan or parmazan cheese.

So, other regions with very special products have provided the consumer ways to determine if they are getting the real product. Wholesalers or retailers who try and trick the consumers for their own profit are punished with strict fines.

I am in support of the very special, terroir specific, Kona coffee having this type of protection.

I fully understand and accept this will likely increase the cost of the 100% Kona coffee that I buy. I'll definitely sleep better knowing that I am much more likely getting exactly what I believe I am paying a premium for.

You needed to do this years ago. Don't delay it any longer. If wholesalers have already mixed their "blends" and will "lose" money by enacting this change swiftly, then they should pay back all the consumers they have profited from by overcharging for cheap, inferior grade coffee from who knows where, and calling it Kona, all of these years. Don't extend their gravy train any longer at my expense. Please.

Sincerely,

Paul J Jones

Paul.jones.4126@gmail.com

HB-2298-HD-1

Submitted on: 3/19/2024 6:47:52 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas King	Individual	Support	Written Testimony Only

Comments:

I have read that SB2298 has been altered to allow the bogus coffee sellers more time to rape the Hawaii coffee farmers. Respectfully I submit my opinion that SB2298 be reverted back to the original form and intent to PROTECT Hawaii coffee famers as soon as possible from the dishonorable practice of blending and exploiting the Hawaii name in labeling foriegn coffee as Hawaiian coffee. I support passing SB2298 in its original form. Thank you.

Sincerely,

Thomas King/ Na‘alehu

HB-2298-HD-1

Submitted on: 3/19/2024 8:21:11 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Magana	Individual	Oppose	In Person

Comments:

I am extremely opposed to this bill.

HB-2298-HD-1

Submitted on: 3/19/2024 8:39:53 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Spencer Oneil	Individual	Oppose	Written Testimony Only

Comments:

To me it seems this will keep a lot of lower income people completely away from the kona coffee name. The more that the kona name can get around in its current form brings a lot of attention to the business. A 10% kona blend can make a person who cant afford 100% feel the same speical kona feeling. The bigger farms will probably all go out of business and it'll be the small farmers who benefit and will have the market cornered. That would lead to more expensive coffee and less reach of the kona name. I think this bill is a bad idea for those of us living in south kona

HB-2298-HD-1

Submitted on: 3/19/2024 8:57:42 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Mitts	Individual	Comments	Written Testimony Only

Comments:

I've worked in the international fair trade coffee industry and it's interesting to see the similarities on the evolution of labeling. There is a multi-ingredient product label and a 100% ingredient product label, and they have reputable organizations that have been certifying and upholding the integrity of the standards and the physical tracing to farms. The labels are what this industry has trained consumers to trust, just like organic. Anyone who wants to buy these ingredients to make a quality product can do so - if they use the right label and there is some type of oversight.

<https://www.fairtrade.net/act/mark-use-guidelines>

In my perception of being involved in this industry with farmers over the last 25 years, and supported storytelling of 100% farms - the only trusting "label" I could find was the 100% Kona Coffee Council seal. These are the industry members who have been holding down this industry and are largely responsible for it's growth and global reach - which has impacted everyone's sales. They share information, pass on knowledge and support the growth of this industry. And to some extent we can't grow the industry without reach - so let's support the 100% guys whose back this industry has been built on - and just create better labels and supply chain tracking to uphold the integrity of this premium coffee to then help the customer know the difference. Right now the customer is confused because of the labeling. We use labels to help us trust.

The issue has been in the label - this industry does not have a label, they have titles of products. I support a multi-ingredient product label and a 100% product label - you can do both. So then this is about getting a body of leaders, and labeling standards, to work collaboratively with farmers to build the story and integrity of this premium product. And that takes brand ambassadors and leaders and lovers of this industry. I'll sign up! Because this coffee is just too good - and the culture of this land and community! In the end it's about heritage.



March 15, 2024

My wife & I own a coffee farm in Captain Cook, Hawaii and we sell only 100% Kona coffee direct to consumers throughout the United States. I strongly urge the Hawaii legislature to pass HB2298 in its original form and protect the integrity of Hawaii's coffee industry. Protecting the name and meaning of "Kona coffee" is critical to ensuring not only my success as a Kona coffee farmer, but the success of all the Kona coffee farms and farmers around me. Allowing coffee suppliers to label Kona blends with only 10% Kona coffee as "KONA" in large, bold print and "blend" in much smaller print is deceptive! It not only misleads the consumer, but it undervalues our product and what the name "Kona coffee" should mean.

By protecting the integrity of the name Kona, HI, you will be not only protecting your constituents, and their livelihoods, you will also be protecting the land and our ability to continue using the best farming practices (which are labor intensive here). Forcing us to compete with products that consumers believe to be Hawaiian due to their packaging, but are actually primarily South American (Brazilian) makes it difficult for us to invest in our land and pay our skilled and very hard-working help a fair wage—which they deserve. Kona "blends", being typically 90% South American coffee in origin are often sold for less than it takes to even PRODUCE the same amount of Kona coffee. Kona coffee should be valued at a higher premium than that given that it accounts for a miniscule 0.00015% of the world's coffee (Kona yields around 2.5 million lbs of green coffee per year while the top ten coffee-producing countries produce over 16 BILLION lbs per year). Beyond just being one of the rarest coffees in the world, Kona coffee farmers have also developed a long history of high farming standards and best practices that deserve to be protected by the law and are worthy of the market rate of 100% Kona coffee.

Even though you've heard this before, it is worth reiterating...this type of misleading practice is not allowed anywhere else in the world. You do not see bottles of sparkling wine that announce "Champagne" in big bold flashy letters with the word "blend" beside it in a much smaller unobtrusive font. Nor do you see "Waterford {blend}" announced proudly on crystal knockoff. You don't see this because it is unfair to the consumer, it's unfair to the producer, and it doesn't make good fiscal sense for the region.

Again, I strongly urge you to revert to HB2298's original form requiring Hawaii's coffee products contain 100% Hawaii-grown coffee with a phase-in over three years.

The current regulation that allows blends containing as little as 10% Kona coffee to be sold in Hawaii as *Kona Blend* and require that all Kona coffee sold in Hawaii be 100% Kona because it is the right and best thing to do for the state of Hawaii.



Mark Wessels

83-5614 Rabbit Hill Rd

www.domainkona.com



Lelia Zenner

Captain Cook HI 96704

info@domainkona.com

HB-2298-HD-1

Submitted on: 3/19/2024 9:14:41 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

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

Comments:

Aloha My wife, Cheryl, and I are small time but very committed and proud Kona Coffee farmers. Please support all farmers by making coffee sold as Kona to be all Kona Coffee!

Mahalo, randy

HB-2298-HD-1

Submitted on: 3/19/2024 9:21:07 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricio Medina	Individual	Oppose	In Person

Comments:

i stropngly oppose HB2298 for many reasons!

HB-2298-HD-1

Submitted on: 3/19/2024 9:25:13 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

I hope you will support our local coffee farmers by passing this bill in its original form.

Thank you.

HB-2298-HD-1

Submitted on: 3/19/2024 9:27:35 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Santiago magana	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB2298 for many reasons!

HB-2298-HD-1

Submitted on: 3/19/2024 9:27:47 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Donald	Individual	Comments	Written Testimony Only

Comments:

Aloha,

My name is David Donald and I'm the founder and owner of Waimea Coffee farm home of award winning Hawaiian Blue volcanic coffee® specialty coffee.

There is a serious problem with this bill in it's latest form. Someone on the House CPC Committee changed the original bill's wording from a 3 year phase-in to 100% Hawaiian grown coffee, to a 9 year phase-in to only 50% Hawaiian grown coffee. This is unacceptable.

Whomever this individual is or these folks are on the CPC committee, they have demonstrated incredibly poor judgement, a complete lack of due diligence and total disdain for Hawai'i coffee farmers and the Hawai'i coffee industry.

Why would individuals on the CPC Committee do such a harmful thing to Hawai'i coffee farmers, the Hawai'i Coffee Industry and the agricultural portion of the State of Hawai'i's GDP? To not protect one of the State's most valuable agricultural assets with a global reputation is complete negligence.

One becomes suspicious of what unknown entities might be behind such an obviously ludicrous reversal. Could it possibly be a continental-based mega corporation trying to suppress Hawai'i coffee prices and ride on their global reputation of Hawai'i's specialty coffee? None of us have forgotten the shenanigans of the infamous cesspool bill and the resulting federal charges and imprisonment of two Hawai'i State politicians.

The reversal of this important bill, a **consensus** carefully created (and widely supported) by Rep. Lowen, is highly irregular. I and every other Hawai'i coffee farmer I know want this bill to go back to the original wording of a 3 year phase-in to 100% Hawaiian grown coffee. I repeat, this was a **consensus** bill. Now someone has tampered with it to favor out-of-State blenders who account for a miniscule amount of business.

It's well known the large blenders regularly testify in front of the Hawai'i Legislature stating this is going to somehow cause the price of coffee to drop and Hawai'i coffee farmers to suffer. **BALDERDASH!!!** The State Legislature is being sold a bill of goods!

I was 1 of 3 coffee farmers representing Hawai'i at Gulfood 2023 in Dubai. One farm was offering their 100% Kona grown Gesha coffee for \$452 @ lb, wholesale, another Kona coffee farm was offering 100% Kona grown Kona Typica for \$35 @ lb, wholesale. Upon being asked what I was selling my 100% Waimea grown coffee for by various buyers, I said \$100 @ lb. or \$220 @ kg. Their reply was ... "How many TONS can I get?"

As an example of the demand for 100% Hawaiian grown coffee, I've subsequently received written requests to purchase my coffee for distribution in Japan, Korea and the Middle East. In particular, I received a written request to purchase my entire harvest!

There is zero lack of demand for Hawai'i coffee. The price will not fall. The exact opposite is true.

Blenders are permanently damaging the Hawai'i coffee industry and our global reputation by taking low cost, poor quality coffee, mixing it with a few beans from Hawai'i and calling it Hawaiian coffee. You can't possibly taste the Hawaiian coffee in such a blend. Instead you're tasting bad coffee which is called Hawaiian by blenders. This is intolerable. This is reprehensible.

Whomever is telling you that a 3 year phase in to 100% Hawaiian grown coffee will hurt Hawaiian coffee farmers is most probably committing the act of prevarication. Put more simply... it's a con.

Reverse the language of the bill back to a 3 year phase-in up to 100% Hawaiian grown coffee and please remind some of the members of the CPC Committee that they are elected politicians and can always be unelected, if they fail to represent their constituents properly, transparently, and fairly. Please remember, there are at least 1200 Hawai'i coffee farms, and some of us know how to organize.

Thank you,

Aloha

HB-2298-HD-1

Submitted on: 3/19/2024 9:30:07 AM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jose ibarra	Individual	Oppose	Written Testimony Only

Comments:

I extremely oppose hb2298! It is minimizando the amount of coffee jobs and opportunities in kona!

LATE

HB-2298-HD-1

Submitted on: 3/19/2024 10:01:08 AM
Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
RODNEY PUOU	Individual	Oppose	Written Testimony Only

Comments:

Aloha: I am the owner of Ruelle Farms. I have been a coffee and avocado farmer as have my grandparents, and parents. In those days farming was not so prosperous. If businesses want to use the coffee of Hawaii Island as Kona Coffee it should be 100% Kona Coffee, not blended coffee. My three brothers and I all work hard in the coffee lands since childhood and proud of our work producing one of the best coffees around. More and more families are giving up on their coffee lands and I believe blending the coffee will hasten this trend. Keep it pure as it has always been. Thank you for your support.

LATE



Hawaii's Thousand Friends

335 Hahani Street #342132 * Kailua, HI 96734 * Phone/Fax (808) 262-0682 E-Mail: htf3000@gmail.com

March 20, 2024

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee Members

HB 2298 HD1
RELATING TO CONSUMER PROTECTION

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization dedicated to protecting the environment, human health, and cultural and natural resources **opposes HB 2298 HD1.**

We **support the goals of HB 2298**, which are consistent with the recommendations of the Legislature mandated study released by the Hawaii Department of Agriculture in January.

It is unclear why legislators do not support the recommendations of the legislative mandated 2022 study which concluded that the most beneficial effect would come from adoption of a phased in 100% minimum.

For more than 30 years Hawaii has been the only region anywhere in the world to authorize the use of its origin names on packages of one of its specialty crops with only 10% genuine content.

By extending the period for use of misleading blend labeling, HD1 shows disrespect for Hawaii's farmers and risks continued damage to Hawaii's reputation.

Hawaii's farmers, who produce high-quality coffee 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 as stated in HB 2298.

Hawaii's Thousand Friends urges the committee to join us in appreciating and supporting Hawaii's coffee farmers by passing the original HB 2298 out of committee.

LATE

March 19, 2024

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

RE: In support of HB2298

Dear Chair and Committee Members,

Greenwell Farm, Inc. strongly supports and recommends the adoption of HB2298. Our company has been in the coffee business since the early 1980's and in agriculture here on the Big Island for five generations.

We believe it is time to raise the percentage of our Hawaiian coffees in blends using Hawaiian origin names.

Please pass HB2298

Thank you for your consideration.

A handwritten signature in black ink that reads "Steve Hicks". The signature is written in a cursive, flowing style.

Steve Hicks, CFO

Greenwell Farms, Inc.
P.O. Box 248
Kealahou, Hawaii 96750

LATE

HB-2298-HD-1

Submitted on: 3/19/2024 7:48:40 PM
Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gaylynne Rivera	Individual	Support	Written Testimony Only

Comments:

I would like to revert to the bill's original form requiring Hawaii's coffee products contain 100% Hawaii-grown coffee with a phase-in over three years

LATE

HB-2298-HD-1

Submitted on: 3/19/2024 11:26:02 PM

Testimony for CPN on 3/20/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Joachim Oster	Individual	Support	Written Testimony Only

Comments:

I have grown Kona coffee and retailed all as 100% Kona coffee for a total of 17 years. I purchased Kona coffee from my neighboring farms for most of this time as well. When my supply ran short I simply raised the retail price but never felt demand dropping. An educated consumer appreciates a transparent pricing system and responds with loyalty.

100% Kona coffee is an expensive product to grow, and can NEVER be a cheap, everyday product. However, selling a foreign-grown food with a wrongly declared or hard-to-decipher label is a federal crime under US Labeling Law and the US Lanham Act. It is not a 'democratic' act or pity towards folks who can't afford a high price item. All who participate knowingly in such a criminal action can be held accountable under Federal Law.

Please revert the bill to its original language of 100% Kona and Hawaiian coffee. Do NOT apply the amended HD1 language of 50% blends.

Please use the more than reasonable phase-in timeline of 3 years. Do NOT use the amended unreasonable stretch to 2033!

Teamsters are against this bill? In all my years I have NEVER seen a teamster on my own or on any of my neighbors' farms in Kona. Their voice is used as a political tool to pressure politicians, nothing else.

Always the same retailers and beverage manufacturers oppose changes to the current illegal practice of mislabeling foreign products. That they had criminally profited already for decades by abusing good US-Hawai'ian names is not an argument to further delay the passing and enforcing this bill.

A few Hawai'ian coffee companies are opposing this bill. Yet none of my fellow farmers had ever sold green coffee or coffee cherry to them, nor do they have their own plantation. Yet they always list the cheapest 100% Kona coffee on websites or in local stores. The planned agricultural inspectors to test and control these coffees are therefore needed urgently.

Agriculture in Hawai'i is difficult for many reasons. To a substantial part, it is undermined by some of our Hawaiian politicians permitting cheap foreign-grown foods to be sold for an inflated price under the valuable Hawai'ian names.

Mahalo nui loa for making Hawai'ians farm more, farm better, farm honest.