

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND
COMMERCE

THURSDAY, FEBRUARY 20, 2025
2:00 p.m.
CONFERENCE ROOM 325 & VIDEOCONFERENCE

HOUSE BILL NO. 1291, HD2
RELATING TO AGRICULTURE

Chair Tarnas, Vice Chair Poepoe and Members of the Committee:

Thank you for the opportunity to testify to House Bill No.1291, HD2. This bill extends the offense of false labeling of Hawaii-grown coffee to include roasted coffee.

The Department of Agriculture supports this bill and respectfully requests that funds be added to this bill to support Measurement Standards Inspector V SR-19 \$65,000, to support and restore enforcement capability for labeling regulations for Hawaii products such as coffee, macadamia nuts and mamaki tea. The inspector will inspect and enforce the new laws.

Thank you for the opportunity to testify on this measure.



REBECCA VILLEGAS

*Council Member
District 7, Central Kona*



Phone: (808) 323-4267

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Email: Rebecca.villegas@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*

TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER,

HAWAI'I COUNTY COUNCIL

ON HB1291 HD2, RELATING TO Hawaii – Grown Coffee; False Labeling

House Committee on Consumer Protection and Commerce

February 20, 2025

Chairperson Matayoshi and Members of the Committee:

Thank you for the opportunity to testify in **support** HB1291 HD2, relating to Hawaii-Grown Coffee: False Labeling. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council.

The purpose of this measure extends the offense of false labeling in Hawaii-grown coffee to include roasted coffee and impose a mandatory \$10,000 fine for each separate offense of false labeling of Hawaii-grown roasted coffee. This measure will ensure truthful representation of coffee produce geographically origin, which will protect consumers from fraud and deception in coffee labeling and advertising and will protect the integrity and reputation of Hawai'i grown coffees specifically including the heritage coffee grown in the Kona region.

For these reasons stated above, I urge Committee on Consumer Protection and Commerce to support this measure. Should you have any questions, please feel free to contact me at, (808) 323-4267

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council



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February 20, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

TESTIMONY ON HB 1291, HD2
RELATING TO AGRICULTURE

Conference Room 325 & Videoconference
2:00 PM

Aloha Chair Tarnas, Vice-Chair Poepoe, 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 1291, HD2, which extends the offense of false labeling of Hawai'i-grown coffee to include roasted coffee.

Hawai'i-grown coffee is recognized for its high quality and aromatic flavor. It is held to a set of quality standards, making it one of the most expensive coffees in the world. Hawai'i-grown coffee is one of Hawai'i's signature crops. The Hawai'i Department of Agriculture estimated the 2023-2024 production value of Hawai'i-grown coffee at \$48.2 million. It ranked third among the state's top fifteen agricultural commodities produced in 2023.

To protect the Hawai'i coffee from counterfeiting, the Legislature enacted Act 211 in 2023. This law requires all coffee products carrying a Hawai'i geographical reference to disclose the location where the coffee was grown and indicate the percentage by weight of locally grown coffee and coffee grown elsewhere. It also specifies that coffee products claiming to be 100% Hawai'ian must be grown and processed entirely in Hawai'i.

The current law focuses on green (unroasted) coffee, leaving a loophole allowing misleading labeling of roasted coffee containing little or no genuine Hawai'i-grown beans. HB 1291, HD1 closes this gap and strengthens consumer protections by ensuring that roasted coffee labeled as Hawai'i-grown truly originates from Hawai'i farms.

Thank you for this opportunity to provide comments on this measure.

HB-1291-HD-2

Submitted on: 2/19/2025 9:01:18 AM

Testimony for JHA on 2/20/2025 2:00:00 PM

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

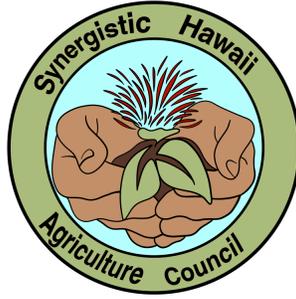
Comments:

Aloha Chair Tarnas, Vice Chair Poepoe and members of the House Judiciary and Hawaiian Affairs Committee,

I write to you in strong support of HB 1291 HD2, and humbly ask you to consider the language in this bill that adds roasted coffee to the current law to protect our high quality coffees from those who wish to prey upon our farmers by pretending their product is a Hawaii coffee origin when it is not. The legislature has found it a valid point to address this in past sessions with measures such as Act 198 where green coffee became more protected. This measure adds the "roasted" componet. The technology exists to prove any falseness in any given blend if need be.

Global demand for our Hawaiian origin coffees surpasses the actual production within the State, therefore making our coffees highly vulnerable to this type of fraud.

Mahalo for taking the time to review this matter and for giving me the opportunity to testify.



RE: SUPPORT for HB1291 HD2 with comments
RELATING TO AGRICULTURE
Roasted Coffee; False Labeling; Fines

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in support of this Bill. Our consortium represents 1,500 agribusinesses, from growers to processors and shippers, stretching across the State.

We would request the committee to restore the original bill's financial penalties removed in the HD2 version. Counterfeiting is a serious crime, and the industry is aware of bad actors that specifically circumvent the rules on roasted coffee. False labeling is never accidental. Penalties are a clear deterrence for those who are exploiting our industry.

SHAC receives Federal marketing funds to promote 100% Hawaiian origin products around the world, including coffee, papaya, floriculture and macadamia nuts. Frequently we find that the demand for 100% Hawaiian products far exceeds available supply. **Quite simply, there is not enough Kona, Ka'u or Maui coffee to meet the global desire for Hawaiian coffee. This makes our roasted coffees highly vulnerable to counterfeiting.** Counterfeiting is detrimental to consumer confidence, and lowers the value that growers receive for their real Hawaiian-grown products. **Granting HDOA the authority to inspect roasted coffee is a necessary step to protect Hawaiian coffees from counterfeiting.**

We appreciate the Legislature working with the coffee industry through protection of origin products from cherry all the way through roasted coffee. Enforcement of this bill is expected to be on an as-needed basis, such as a consumer complaint.

Mahalo nui loa for supporting this bill!

Suzanne Shiner
Administrator

HB-1291-HD-2

Submitted on: 2/19/2025 3:37:24 PM

Testimony for JHA on 2/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Bateman	Heavenly Hawaiian Farms	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas, Vice Chair PoePoe and JHA Committee Members,

Heavenly Hawaiian Farms **strongly supports** HB1291 HD2.

Most of the ongoing fraud, mislabeling and misrepresentation of coffee occurs at the roasted stage. It is critical that the existing statute be amended to include roasted coffee.

We **strongly support** HB1291 HD2 and respectfully urge the JHA committee to vote favorably on this measure and move this bill forward out of committee.

Mahalo nui,

David Bateman, President

Heavenly Hawaiian Farms

Holualoa HI



IN SUPPORT OF HB1291
RELATING TO AGRICULTURE
Roasted Coffee, False Labeling, Fines

Aloha Chair, Vice Chair, and Esteemed Committee Members,

The Kona Coffee Farmers Association stands in support of HB1291, alongside other industry associations. The KCFA represent over 170 farms and agribusinesses in the Kona districts and our mission is to protect the economic interests of our growers.

As you may be aware, a counterfeiting lawsuit by Kona growers was recently settled for over \$42 million dollars. The allegations against certain mainland and Hawaiian companies were for roasting foreign coffee and labeling it as “Kona”. **It is time that the State establishes protocols to regulate bad actors in the roasting community.**

This Bill closes an important loophole where counterfeiters have been escaping oversight. By granting HDOA the ability to verify the authenticity of a roasted coffee’s origin, it opens the door for better enforcement and higher profits to farmers. The less counterfeit coffee in the marketplace, the greater the demand for real Hawaiian coffee.

Currently under this statute, the state regulates the three raw stages of coffee: green coffee, parchment and cherry. It only makes sense to include roasted coffee. **Granting HDOA the authority to inspect roasted coffee is a necessary step to protect Hawaiian coffees from counterfeiting.**

The industry expects that this change will not incur added FTE requirements. HDOA staff who oversee the current statute do so on a complaint-driven basis and this should continue.

Mahalo nui loa!

A handwritten signature in black ink that reads "Mark Petersen". The signature is written in a cursive style with a long horizontal line extending to the right.

Mark Petersen
President



RE: STRONG SUPPORT for HB 1291; Relating to Agriculture

Aloha Chair, Vice Chair and members of the committee,

I am Fred Cowell, testifying as Vice-President of the Hawaii Coffee Association.

The HCA stands in **STRONG SUPPORT** of this measure. HB1291 improves the existing law by applying it to the point in the supply chain where coffee counterfeiting occurs, and stiffens penalties for violators. This is landmark legislation for our industry.

HB1291 adds roasted coffee to the existing false-labeling statute HRS 708-871.5. When this statute was originally enacted in 2011 it was limited to green coffee, cherry coffee, and parchment coffee. Since the egregious fraud known as "false labeling" or counterfeiting overwhelmingly occurs in roasted coffee, the law had little impact. Moreover, the current statutory penalties are inadequate to produce their intended deterrent effect.

Counterfeit coffee introduced into the marketplace undermines Hawaii's growers and legitimate producers, who are forced to compete with fake products. These fakes are often priced below the cost of production of genuine Hawaii-grown coffee. This creates downward price pressure at a time when costs are increasing for producers. Labor, fertilizer, pest control, and transportation costs have all risen sharply.

Hawaii's growers produce some of the finest coffee grown anywhere. Exceptionally high quality is vital so producers can earn high prices for their products - to stay in business, pay their employees and feed their families. Our members are outraged that counterfeit Hawaii-grown coffee is offered on the same shelves as their own at a price less than their cost of production.

Unethical sellers introduce foreign grown coffee into the market to defraud consumers by representing these fakes as Hawaii-grown products. Hawaii's coffee growers are squeezed between a high cost of production and unfair competition.

Moreover, these inferior fakes do not share the same quality attributes of the genuine product, further undermining Hawaii's reputation and brands. Shockingly, they are not required to comply with Hawaii's minimum grade standards, as Hawaii's producers are.

We respectfully ask you to pass HB 1291.

Please accept our thanks on behalf of Hawaii's legitimate coffee producers.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry. Our members are located throughout the State of Hawaii and positioned throughout the supply chain.


Fred Cowell

Vice-President

Hawaii Coffee Association

HB-1291-HD-2

Submitted on: 2/19/2025 10:00:56 AM

Testimony for JHA on 2/20/2025 2:00:00 PM

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

Comments:

Yes, please pass this BILL!

with aloha

HB-1291-HD-2

Submitted on: 2/19/2025 3:29:37 PM

Testimony for JHA on 2/20/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alla Kostenko	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.