

## ACT 222

H.B. NO. 1517

A Bill for an Act Relating to Coffee.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that, for over thirty years, Hawaii has been the only region in the world that statutorily regulates the uses of its geographic names, such as “Kona”, “Maui”, and “Kau”, on labels of its specialty agricultural products but requires that only ten per cent of the product originate in the geographic area indicated. The low ten per cent requirement directly damages and degrades the reputation of world-famous Hawaii-grown coffees and inhibits the economic interests of Hawaii coffee farmers. The legislature notes that a 2018 publication entitled “Strengthening sustainable food systems through geographical indications: An analysis of economic impacts” by the Food and Agriculture Organization of the United Nations and the European Bank for Reconstruction and Development concluded, among other things, that Kona coffee “does not enjoy any strong protection of its name” from the State and, as a result, downstream stakeholders, rather than farmers, “reap the economic benefits of the fame of Kona.”

The purpose of this Act is to support Hawaii’s coffee growers by:

- (1) Directing the department of agriculture to conduct an independent study to assess the economic impact of Hawaii’s coffee labeling laws on local coffee farmers and the local coffee industry; and
- (2) Appropriating funds to the department of agriculture to conduct the economic impact study.

SECTION 2. (a) The department of agriculture shall 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 established in section 486-120.6, Hawaii Revised Statutes. Analysis shall include studying the impacts of a change to a minimum coffee blend ratio of fifty-one per cent and one hundred per cent.

(b) The economic impact study shall include an analysis of impacts from the perspective of Hawaii coffee industry stakeholders located within the physical boundaries of the State.

(c) The department of agriculture shall consult with coffee farmers, including the Hawaii Coffee Association, Kona Coffee Farmers Association, and other stakeholders in the coffee industry for the purposes of conducting the study.

(d) The department of agriculture shall complete the study no later than January 1, 2024, and shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2024.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the economic impact study required by section 2 of this Act.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)