A BILL FOR AN ACT

RELATING TO COFFEE LABELING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that for more than twenty-five years, Hawaii has been the only region in the world that statutorily regulates the uses of its geographic names, such as "Kona", "Maui", and "Ka'ū", on labels of its specialty agricultural products but requires that only ten per cent of the product originate in the geographic area indicated. The legislature further finds that the low ten per cent requirement directly damages and degrades the reputation of world-famous Hawaii-grown coffees and damages the economic interests of Hawaii coffee farmers.

The 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 of Hawaii, and as a result, downstream stakeholders,
rather than farmers, "reap the economic benefits of the fame of Kona."

More than ninety per cent of Hawaii's coffee farms are located on the island of Hawaii. The Hawaii county council unanimously adopted Resolution No. 501-14, entitled "Requesting The Hawaii Legislature To Adopt Provisions For Truth-In-Labeling For Hawaii-Grown Coffee". The council's request to the legislature was based on a number of reasons, including:

(1) Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1, adopted during the regular session of 2007, which stated in part:

(A) Existing labeling requirements for Kona coffee causes consumer fraud and degrades the "Kona coffee" name; and

(B) Confusion as to the difference between Kona coffee and Kona coffee blends caused Consumer Reports magazine to rate Kona coffee as "second rate";

(2) It is inherently deceptive and misleading to label coffee as a geographically identified blend, such as
"Hamakua Blend", "Ka'ū Blend", or "Kona Blend", unless at least a majority of the coffee is from that region;

(3) The label on the package of a ten per cent Hawaii coffee blend does not advise consumers that ninety per cent of the coffee in the package is imported, foreign-grown, or may be a mixture of multiple Hawaiian regions and foreign-grown coffee;

(4) Not identifying the origin of ninety per cent of a coffee blend is inherently deceptive to consumers, who are often erroneously led to believe that a package of coffee blend contains a blend of coffees only from farms in Kona or other regions in Hawaii, when in fact a portion of the blended coffee could be foreign-grown coffee;

(5) Blending cheaper commodity coffees from Vietnam, Mexico, Panama, Africa, and other foreign countries, to fill ninety per cent of the coffee blend, enriches mainland-based corporations that own the Hawaii blending companies with immense excess profits, without any benefit to Hawaii coffee farmers;
(6) The acknowledged blending of beans of various roasts and origins by coffee roasters to create unique flavor profiles is an acceptable practice and is different from the deceptive labeling using misleading geographic origin names of blends, which violates basic principles of consumer protection and fair marketing; and

(7) Immediate legislative action is necessary to protect the reputation of Hawaii-grown coffees as premier, specialty coffees from further degradation.

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

(1) Requiring disclosure on the label of coffee blends of the respective regional origins and per cent by weight of the blended coffees; and

(2) Making it a violation of the coffee labeling law to use a geographic origin in labeling or advertising for roasted or instant coffee blends that contain less than fifty-one per cent coffee by weight from that geographic origin.
SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) A listing of the geographic origins of the various Hawaii-grown coffees and the regional origins of the various coffees not grown in Hawaii that are included in a blend may be shown on the label. [If used, this] This list shall consist of the term "Contains:," followed by, in descending order of per cent by weight and separated by commas, the respective geographic origin or regional origin of the various coffees in the blend [that the manufacturer chooses to list]. Each geographic origin or regional origin [may] shall be preceded by the per cent of coffee by weight represented by that geographic origin or regional origin, expressed as a number followed by the per cent sign. The type size used for this list shall not [exceed] be less than half that of the identity statement. This list shall appear below the identity statement[,] if included] on the front panel of the label.

(c) It shall be a violation of this section to:

(1) Use the identity statement specified in subsection (a)(1)(A) or similar terms in labeling or advertising unless the package of roasted or instant coffee
contains one hundred per cent coffee from that one geographic origin;

(2) Use a geographic origin in labeling or advertising, including in conjunction with a coffee style or in any other manner, if the roasted or instant coffee contains less than [tem] fifty-one per cent coffee by weight from that geographic origin;

(3) Use a geographic origin in labeling or advertising roasted or instant coffee, including advertising in conjunction with a coffee style or in any other manner, without disclosing the percentage of coffee used from that geographic origin as described in subsection (a)(1)(B) and (a)(2);

(4) Use a geographic origin in labeling or advertising roasted or instant coffee, including in conjunction with a coffee style or in any other manner, if the green coffee beans used in that roasted or instant coffee do not meet the grade standard requirements of rules adopted under chapter 147;

(5) Misrepresent, on a label or in advertising of a roasted or instant coffee, the per cent coffee by
weight of any coffee from a geographic origin or regional origin[†] as defined in this chapter;

(6) Use the term "All Hawaiian" on a label or in advertising of a roasted or instant coffee if the roasted or instant coffee is not produced entirely from green coffee beans [produced in geographic origins defined in this chapter] grown and processed in Hawaii;

(7) Use a geographic origin on the front label panel of a package of roasted or instant coffee other than in the trademark or in the identity statement as authorized in subsection (a)(1) and (2) unless one hundred per cent of the roasted or instant coffee contained in the package is from that geographic origin;

(8) Use more than one trademark on a package of roasted or instant coffee unless one hundred per cent of the roasted or instant coffee contained in the package is from that geographic origin specified by the trademark;

(9) Use a trademark that begins with the name of a geographic origin on a package of roasted or instant
coffee unless one hundred per cent of the roasted or
instant coffee contained in the package comes from
that geographic origin or the trademark ends with
words that indicate a business entity; or
(10) Print the identity statement required by subsection
(a) in a smaller font than that used for a trademark
that includes the name of a geographic origin pursuant
to paragraph (7) and in a location other than the
front label panel of a package of roasted or instant
coffee."

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2020.

INTRODUCED BY:
Report Title:
Coffee Labeling; Blended Coffee; Percent of Coffee by Weight

Description:
Requires coffee blend labels to disclose regional origins and percent by weight of the blended coffees. Prohibits using geographic origins of coffee in labeling or advertising for roasted or instant coffee that contains less than 51 percent coffee by weight from that geographic origin.

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