SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF AGRICULTURE, IN COLLABORATION WITH UNIVERSITY OF HAWAII ECONOMIC RESEARCH ORGANIZATION, TO CONDUCT AN ECONOMIC IMPACT STUDY TO ASSESS THE IMPACT OF POTENTIAL CHANGES TO COFFEE LABELING REQUIREMENTS ON THE LOCAL COFFEE INDUSTRY.

WHEREAS, Hawaii-grown coffee is widely recognized as one of the distinctive products of our islands, and the production and sale of coffee is a major industry in the State; and

WHEREAS, there are two main types of Hawaii-grown coffee: pure and blends; and

WHEREAS, Act 289, Session Laws of Hawaii 1991, established a standard for Kona coffee blends; specifically, this Act established that a coffee blend must contain a minimum of ten percent of Kona coffee, by weight, to be considered a Kona blend; and

WHEREAS, the origin and percentage of the other coffees contained in the package of blended coffee is not required to be listed on the package label or advertisement; and

WHEREAS, a package of blended coffee could be labeled as "Kona coffee", even though it may only contain ten percent of Kona coffee and ninety percent of coffee grown in foreign countries; and

WHEREAS, for over 25 years, Hawaii has been the only region in the world that statutorily regulates the uses of its geographic names, such as "Kona", "Maui", "Molokai", and "Ka'ū", on labels of its specialty agricultural products with as little as ten percent of the product originating from the geographic area indicated; and

WHEREAS, the Hawaii Legislature, through Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1 (2007), found that "[e]xisting labeling requirements for Kona coffee causes
consumer fraud and confusion and degrades the 'Kona coffee' name; and

WHEREAS, furthermore, coffee roasters from the continental United States are not bound by any labeling requirements relating to the use of Kona coffee or the "Kona coffee" name, which adds to consumer confusion; and

WHEREAS, there has been a continuous and contentious debate on raising the minimum percentage of Kona coffee beans that should be contained in a blend of Kona beans and other coffee beans, which may be labeled as a "Kona coffee blend" or similar terms; and

WHEREAS, the local coffee industry remains divided on changing the labeling requirements for Hawaii-grown coffee; specifically, whether changing the State's labeling requirements will have a serious economic impact on Hawaii's coffee farmers and industry; and

WHEREAS, it is critical that the integrity of Hawaii coffee industry be maintained; and

WHEREAS, an economic impact study performed by a neutral entity should be completed to fully understand what economic impacts, if any, will result from any changes to Hawaii's coffee labeling requirements; now, therefore,

BE IT RESOLVED by the Senate of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020, that the Department of Agriculture, in collaboration with the University of Hawaii Economic Research Organization is requested to conduct a study to assess the economic impact on the local coffee industry from potential changes to Hawaii's coffee labeling laws; and

BE IT FURTHER RESOLVED that the Department of Agriculture shall consult with stakeholders in the coffee industry to establish the protocols to be used and factors to be addressed in the study; and
BE IT FURTHER RESOLVED that the Department of Agriculture shall complete the study no later than January 1, 2021; and

BE IT FURTHER RESOLVED that the Department of Agriculture 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 2021; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Board of the Department of Agriculture, President of the University of Hawaii, and Executive Director of the University of Hawaii Economic Research Organization.

OFFERED BY: