

JAN 23 2020

A BILL FOR AN ACT

RELATING TO COFFEE LABELING.

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

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

11 The 2018 publication entitled "Strengthening sustainable
12 food systems through geographical indications: An analysis of
13 economic impacts" by the Food and Agriculture Organization of
14 the United Nations and the European Bank for Reconstruction and
15 Development concluded, among other things, that Kona coffee
16 "does not enjoy any strong protection of its name" from the
17 State of Hawaii, and as a result, downstream stakeholders,



1 rather than farmers, "reap the economic benefits of the fame of
2 Kona."

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

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

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

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

19 (2) It is inherently deceptive and misleading to label
20 coffee as a geographically identified blend, such as



1 "Hamakua Blend", "Ka'ū Blend", or "Kona Blend", unless
2 at least a majority of the coffee is from that region;

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

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

15 (5) Blending cheaper commodity coffees from Vietnam,
16 Mexico, Panama, Africa, and other foreign countries,
17 to fill ninety per cent of the coffee blend, enriches
18 mainland-based corporations that own the Hawaii
19 blending companies with immense excess profits,
20 without any benefit to Hawaii coffee farmers;



1 (6) The acknowledged blending of beans of various roasts
2 and origins by coffee roasters to create unique flavor
3 profiles is an acceptable practice and is different
4 from the deceptive labeling using misleading
5 geographic origin names of blends, which violates
6 basic principles of consumer protection and fair
7 marketing; and

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

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

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

16 (2) Making it a violation of the coffee labeling law to
17 use a geographic origin in labeling or advertising for
18 roasted or instant coffee blends that contain less
19 than fifty-one per cent coffee by weight from that
20 geographic origin.



1 SECTION 2. Section 486-120.6, Hawaii Revised Statutes, is
2 amended by amending subsections (b) and (c) to read as follows:

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

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

19 (1) Use the identity statement specified in subsection
20 (a) (1) (A) or similar terms in labeling or advertising
21 unless the package of roasted or instant coffee



- 1 contains one hundred per cent coffee from that one
2 geographic origin;
- 3 (2) Use a geographic origin in labeling or advertising,
4 including in conjunction with a coffee style or in any
5 other manner, if the roasted or instant coffee
6 contains less than [~~ten~~] fifty-one per cent coffee by
7 weight from that geographic origin;
- 8 (3) Use a geographic origin in labeling or advertising
9 roasted or instant coffee, including advertising in
10 conjunction with a coffee style or in any other
11 manner, without disclosing the percentage of coffee
12 used from that geographic origin as described in
13 subsection (a) (1) (B) and (a) (2);
- 14 (4) Use a geographic origin in labeling or advertising
15 roasted or instant coffee, including in conjunction
16 with a coffee style or in any other manner, if the
17 green coffee beans used in that roasted or instant
18 coffee do not meet the grade standard requirements of
19 rules adopted under chapter 147;
- 20 (5) Misrepresent, on a label or in advertising of a
21 roasted or instant coffee, the per cent coffee by



- 1 weight of any coffee from a geographic origin or
2 regional origin[+] as defined in this chapter;
- 3 (6) Use the term "All Hawaiian" on a label or in
4 advertising of a roasted or instant coffee if the
5 roasted or instant coffee is not produced entirely
6 from green coffee beans [~~produced in geographic~~
7 ~~origins defined in this chapter;~~] grown and processed
8 in Hawaii;
- 9 (7) Use a geographic origin on the front label panel of a
10 package of roasted or instant coffee other than in the
11 trademark or in the identity statement as authorized
12 in subsection (a) (1) and (2) unless one hundred per
13 cent of the roasted or instant coffee contained in the
14 package is from that geographic origin;
- 15 (8) Use more than one trademark on a package of roasted or
16 instant coffee unless one hundred per cent of the
17 roasted or instant coffee contained in the package is
18 from that geographic origin specified by the
19 trademark;
- 20 (9) Use a trademark that begins with the name of a
21 geographic origin on a package of roasted or instant



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

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

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

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INTRODUCED BY:

DK
 Rosaly H. Bate

Kal Rhoads

ASL

Silvia

Kama

[Signature]

Alex

John

[Signature]

Rosaly H. Bate

Paul E. [Signature]

[Signature]
 Michelle R. Sidani

Kurt Fervell



S.B. NO. 3168

Stacy

JL

Jose Mercado Kin

~~Jose Mercado Kin~~

Clarence K. Kishner



S.B. NO. 3168

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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