A BILL FOR AN ACT

RELATING TO COFFEE.

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

1	PART I
2	The legislature finds that coffee is one of the largest
3	agricultural crops in the State and is a highly valued commodity
4	in Hawaii's economy. In 2020, coffee leaf rust was discovered
5	for the first time in the State on Maui and Hawaii Island, and
6	has now been detected on all major islands. Additionally, the
7	coffee berry borer is a coffee pest that threatens coffee crops
8	in Kona and throughout the State. These two pests threaten the
9	viability of the State's entire coffee industry. Efforts to
10	control coffee leaf rust and the coffee berry borer are critical
11	to the coffee industry, and the State must continue to support
12	these efforts.
13	The legislature also finds that assisting farmers
14	financially in combating these pests encourages farmers to adapt
15	to changing conditions and creates an incentive for farmers to
16	adopt recommended pest management strategies, including
17	application of the appropriate insecticides, fungicides, or

1 other treatments, as determined by the department of 2 agriculture. Research shows that subsidizing the cost of pest 3 treatment is an effective and necessary incentive to encourage farmers to adopt recommended pest management strategies. 4 5 The legislature further finds that, for over thirty years, 6 Hawaii has been the only region in the world that statutorily 7 regulates the uses of its geographic names, such as "Kona", 8 "Maui", and "Kau", on labels of its specialty agricultural 9 products but requires that only ten per cent of the product 10 originate in the geographic area indicated. The low ten per 11 cent requirement directly damages and degrades the reputation of 12 world-famous Hawaii-grown coffees and inhibits the economic 13 interests of Hawaii coffee farmers. The legislature notes that 14 a 2018 publication entitled "Strengthening sustainable food 15 systems through geographical indications: An analysis of 16 economic impacts" by the Food and Agriculture Organization of 17 the United Nations and the European Bank for Reconstruction and Development concluded, among other things, that Kona coffee 18 19 "does not enjoy any strong protection of its name" from the 20 State and, as a result, downstream stakeholders, rather than 21 farmers, "reap the economic benefits of the fame of Kona."

1	The	purpose of this Act is to support Hawaii's coffee
2	growers b	y:
3	(1)	Requiring disclosure on the label of coffee blends of
4		the respective geographic and regional origins and per
5		cent by weight of the blended coffees;
6	(2)	Making it a violation of the coffee labeling law to
7		use a geographic origin in labeling or advertising for
8		roasted or instant coffee blends that contain less
9		than a certain percentage of coffee by weight from
10		that geographic origin, phased in to a minimum of
11		fifty-one per cent;
12	(3)	Prohibiting use of the term "All Hawaiian" in labeling
13		or advertising for roasted or instant coffee not
14		produced entirely from green coffee beans grown and
15		processed in Hawaii; and
16	(4)	Appropriating funds to the pesticide subsidy program.
17		PART II
18	SECT	ION 2. Section 486-120.6, Hawaii Revised Statutes, is
19	amended b	y amending subsections (b) and (c) to read as follows:
20	"(b)	A listing of the geographic origins of the various
21	Hawaii-gr	own coffees and the regional origins of the various

- 1 coffees not grown in Hawaii that are included in a blend [may]
- 2 <u>shall</u> be shown on the label. [If used, this] <u>In place of</u>
- 3 separate listings of regional origins of coffee not grown in
- 4 Hawaii in the blend, the list may include the words
- 5 "Foreign-Grown Coffee" followed by the per cent of the coffee by
- 6 weight in the blend. This list shall consist of the term
- 7 "Contains:", followed by, in descending order of per cent by
- 8 weight and separated by commas, the respective geographic origin
- 9 or regional origin of the various coffees in the blend [that the
- 10 manufacturer chooses to list]. Each geographic origin or
- 11 regional origin [may] shall be preceded by the per cent of
- 12 coffee by weight represented by that geographic origin or
- 13 regional origin, expressed as a number followed by the per cent
- 14 sign. The type size used for this list shall not [exceed] be
- 15 <u>less than</u> half that of the identity statement. This list shall
- 16 appear below the identity statement[, if included] on the front
- 17 panel of the label.
- (c) It shall be a violation of this section to:
- 19 (1) Use the identity statement specified in subsection
- (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 per cent coffee by weight from
7		that geographic origin;]:
8		(A) During the period from July 1, 2022, through
9		June 30, 2023, the roasted or instant coffee
10		contains less than twenty per cent coffee by
11		weight from that geographic origin;
12		(B) During the period from July 1, 2023, through
13		June 30, 2024, the roasted or instant coffee
14		contains less than thirty per cent coffee by
15		weight from that geographic origin; and
16		(C) On or after July 1, 2024, the roasted or instant
17		coffee contains less than fifty-one per cent
18		coffee by weight from that geographic origin;
19	(3)	Use a geographic origin in <u>labeling or</u> advertising
20		roasted or instant coffee, including advertising in
21		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
	(5)

package of roasted or instant coffee other than in the

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1		crademark of in the identity statement as authorized
2		in subsection (a)(1) and (2) unless one hundred per
3		cent of the roasted or instant coffee contained in the
4		package is from that geographic origin;
5	(8)	Use more than one trademark on a package of roasted or
6		instant coffee unless one hundred per cent of the
7		roasted or instant coffee contained in the package is
8		from that geographic origin specified by the
9		trademark;
10	(9)	Use a trademark that begins with the name of a
11		geographic origin on a package of roasted or instant
12		coffee unless one hundred per cent of the roasted or
13		instant coffee contained in the package comes from
14		that geographic origin or the trademark ends with
15		words that indicate a business entity; or
16	(10)	Print the identity statement required by subsection
17		(a) in a smaller font than that used for a trademark
18		that includes the name of a geographic origin pursuant
19		to paragraph (7) and in a location other than the
20		front label panel of a package of roasted or instant
21		coffee."

1	PART III
2	SECTION 3. There is appropriated out of the general
3	revenues of the State of Hawaii the sum of \$ or so
4	much thereof as may be necessary for fiscal year 2022-2023 for
5	the pesticide subsidy program established by Act 105, Session
6	Laws of Hawaii 2014, as amended by section 1 of Act 152, Session
7	Laws of Hawaii 2015, as amended by section 2 of Act 65, Session
8	Laws of Hawaii 2017, as amended by section 2 of Act 32, Session
9	Laws of Hawaii 2018, as amended by section 43 of Act 111,
10	Session Laws of Hawaii 2019, as amended by section 2 of Act 138,
11	Session Laws of Hawaii 2021.
12	The sum appropriated shall be expended by the department of
13	agriculture for the purposes of this Act.
14	PART IV
15	SECTION 4. Statutory material to be repealed is bracketed
16	and stricken. New statutory material is underscored.
17	SECTION 5. This Act shall take effect on July 1, 2022.
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	INTRODUCED BY: Musle E. Lowen
	JAN 1 8 2022

Report Title:

Coffee Labeling; Blended Coffee; Per cent of Coffee by Weight; Pesticide Subsidy Program; Appropriation

Description:

Requires coffee blend labels to disclose geographic and regional origins and per cent 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 a certain percentage of coffee by weight from that geographic origin, phased in to a minimum of 51% after 7/1/2024. Prohibits use of the term "All Hawaiian" in labeling or advertising for roasted or instant coffee not produced entirely from green coffee beans grown and processed in Hawaii. Appropriates moneys for the pesticide subsidy program.

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