

LEGISLATIVE UPDATE



14TH ANNUAL CONFERENCE AND TRADE SHOW
July 10 – 12, 2009
MAUI TROPICAL PLANTATION

The History of Coffee Legislation in Hawaii

- Prior to 1992 Hawaiian coffee was indiscriminately blended with no controls by the State of Hawaii.
- In 1992 rules were established requiring a minimum of 10% Hawaiian coffee in a package to use any of the established point of origin coffee names (Kona, Hawaii, Molokai, Maui, Kauai and Oahu). A statement on the identity panel was required which stated, “Contains not less than 10% Hawaiian coffee” in type no smaller than one eighth of an inch. Certification was also required.

The History of Coffee Legislation in Hawaii

- In 2002 “Truth in Labeling” rules were strengthened requiring that any use of a point of origin coffee name be preceded by the percentage of Hawaiian coffee actually in the package and followed by the word coffee. It was mandated that the percentage and the word “Coffee” be in the same size type as the point of origin name and that the type be at least three sixteenths of an inch tall. This legislation was a cooperative effort by the Hawaii Coffee Association, The Kona Coffee Council and the Hawaii Department of Agriculture.

The History of Coffee Legislation in Hawaii

- In 2005 legislation to ban the importation of green blending beans was introduced. This legislation did not come out of committee.
- In 2006 legislation HB 72 and SB 661 were introduced to cause the blend percentage requirement to be increased to 75%. The bills did not come out of committee.

The History of Coffee Legislation in Hawaii

- In 2007 – No action was taken on SB661 and HB72. Instead SCR102 was passed asking the Hawaii DOA to study the issues surrounding Truth in Labeling, certification and impacts on Hawaiian Coffee associated with any change to the current blend quotient requirement of 10%.
- 2008 – HB 931 and 448 are introduced to increase the blend percentage to 51% and to eliminate the use of registered trademarks that utilize any of the Hawaii coffee point of origin names.

A Better Path to Protect Hawaiian Coffee

- **Strengthen current Hawaiian coffee “Truth in Labeling” legislation to further enhance consumer purchasing decisions.**

Eliminate confusing double identity statements on coffee packages.

For blends containing Hawaiian coffee require a generic statement of non Hawaiian coffee ingredients i.e.

“Contains 90% international blending beans on the identity panel”.

A Better Path to Protect Hawaiian Coffee

- **Fight for Federal recognition of Hawaii “Truth in Labeling” standards for the Mainland USA** where Mainland roasters have no labeling requirements making it impossible for Hawaii based companies to compete and causing damage to our Hawaii point of origin names. Ask our congressional delegation to have Hawaii’s coffee “Truth in Labeling” requirements adopted for coffee sold on the Mainland which uses our point of origin names.

A Better Path to Protect Hawaiian Coffee

- **Pass mandatory green coffee certification requirements for all coffee grown in Hawaii.** Currently a loophole exists which allows coffee to be uncertified if it is roasted before leaving its area of origin. Large companies can take advantage of this loophole circumventing certification and leaving no paper trail of the origin of the coffee. **Do this in a fashion that is not cost prohibitive for small farmers certifying small lots.**

A Better Path to Protect Hawaiian Coffee

- **Require a marketing impact study** on consumer reaction to price increases that will be caused by any changes to current Kona Coffee blending requirements **before** changing the required percent of Hawaiian coffee required in the blend.
- **We are not opposed to changing the blend quotient but we are opposed to doing it blindly.**



Legislative Update

But... What are we really fighting for?

Let's look into the past for that answer:

The Origin of Kona Coffee 1828-

- In 1828, ten years after coffee plants were first brought to the Hawaiian Islands, Samuel Ruggles acquired seedlings from coffee plants growing in Oahu's Manoa Valley and planted these in Kona. The parent plants from which Ruggles took seedlings were Guatemala Typica Trees that had arrived in Hawaii from Brazil three years earlier.
- By the 1850's commercial coffee growing ventures had begun in Kona. The model was plantation style with *Haole* planters and Chinese, Japanese and Filipino laborers.



The Advent of Small Family Kona Coffee Farms 1899-

- Many Japan born immigrants came to Hawaii in the 19th Century as contract plantation laborers indentured to work for private sugar and pineapple companies.

It was the second generation Japanese born in Hawaii who were instrumental in fathering the development of the modern Kona Coffee Industry.



They Bettered Their Lives Via the Small Family Coffee Farm

living simple and self-sufficient lifestyles. Everyone worked together to fertilize and cultivate, prune the coffee trees, pick the coffee cherry, sort, pack and transport the coffee on the backs of donkeys.



Kona Coffee Cherry Being Delivered by Donkey Cart to the Processor



Not much has changed in the last 100 years



Local Families still grow Kona cherry and sell it to processors for a better life:

- In fact the majority of coffee grown in Kona today is still sold to processors.
- The money earned by the farmer is generally a secondary income which sends the kids to college or betters the family in some other way.

...What are we really fighting for?

...A WAY OF LIFE...

There is room in our industry for
everyone!