



HAWAII
COFFEE
ASSOCIATION

*Government Affairs
Committee Report 2022*



PRESENTATION TOPICS

1. Hawaii Legislative Measures
2. Discussions to Proposing Changes to Green Coffee Grading Standards

HAWAII STATE LEGISLATURE

The HCA worked with many lawmakers to draft bills to assist the industry as well as to provide testimony on bills that could negatively affect us.

1. Senate Bills

- **SB-2905:** Coffee Blending to disclose regional origins and percent by weight and a phase in to 51% minimum bland ratio over four years . **Deferred CPN**
- **SB-2906:** Extends the Offense of false labeling to include roasted coffee, \$10K Fine. **Deferred CPN**
- **SB-2907:** Requires HISC to classify CLR as an invasive species. **Died in Conference Committee**
- **SB-2908:** Appropriates Funding to Expand State Quarantine Facilities. **Deferred WAM**
- **SB-2909:** HDOA to allow a certification process for private quarantine facilities. **Did not get heard by WAM after passing 2nd reading.**

HAWAII STATE LEGISLATURE (CONTINUED)

2. House Bills

- **HB-1517:** This bill became the vehicle for the 51% blend law. In this bill, it required a disclosure of non-Hawaiian coffees used in the blend and the % by weight in the blend. It also prohibits the use of the term “All Hawaiian” on any labeling of roasted or instant coffee where the contents are other than green coffee grown in Hawaii. The bill also provided language for CBB & CLR pesticide subsidy. This appropriation was removed in conference because these moneys are appropriated in the state budget.

No ‘blending’ bill has ever made it through the legislature as far as HB-1517. The biggest reason being that the industry lacked a unified position in proposing it. In the past, lawmakers were hesitant to embrace a measure not fully supported by the industry. In light of recent counterfeiting suits, and subsequent watering down of the Hawaiian coffee brand, the industry managed to bring something doable to the Legislature, and lawmakers noticed. On balance, testimony was more unified than in past efforts.

Unfortunately, the final version of this bill did NOT enact the parts relating to other origins and blend percentages. We came away with an economic impact study to be conducted by HDOA. The measure has been enrolled to the Governor for his signature. HDOA is obligated to consult with HCA as part of the measure.

PROPOSED HAWAIIAN COFFEE GRADING STANDARDS

The HCA Grading Standards subcommittee has developed the following criteria, and is ready to advance a recommendation to HDOA to begin new discussions on administrative rules changes for Grading and Classification of Hawaiian Green Coffee.

1. Grading Standards

a. Changes in Grade Standards for Washed Coffees

- Cupping of lots by HDOA certifiers to determine roast quality to be eliminated
- Grades remain same as present (Extra Fancy, Fancy, No. 1, Select, Prime, 3X and PB I)
- Process descriptions to be allowed (i.e. Honey Natural)
- No more than 1 full defect (sour, stinker, black or moldy) on any lot higher than Prime.
- Pinholes/insect damage 10:1 ratio or 10 partial damaged beans equaling 1 full defect
- Moisture range changes to 9% - 12.5% (up from 12%)

GRADING STANDARDS (CONTINUED)

b. Addition of full & separate Grade Standards for Natural Processed Coffee (slight difference from washed)

- Allowance of same grades as Washed Coffee
- Allowed moisture % range for certified coffee 8% - 13%.
- Uniformity of color required for all grades higher than prime
- All other standards (Process descriptions, Defect allowance, size minimums, type/other type, definition of full or partial defects w/percentages) same as with Washed grade standards.

GRADING STANDARDS (CONTINUED)

2. Recognition of Origin by District

- a. Request that HDOA formally recognize each growing region as a unique origin. To be determined by County and TMK map classifications and would allow the use of “100% (name of region) coffee on the official HI Certificate and corresponding tag. The Following would be classified in Hawaii County:
 - Kona (as it exists)
 - Ka’u
 - Puna
 - Hilo (both North and South Hilo)
 - Hamakua
 - Kohala (both North and South Kohala)
- b. Maui, Lanai, Molokai, Oahu & Kauai remain as they presently are.

GRADING STANDARDS (CONTINUED)

3. Change of wording on Hawaii Certificate of Quality & other changes

- a. HCA requests that the HDOA change the wording at the top of their current certificate to state: 'Certificate of Quality and Origin'. This would allow for better traceability when negotiating with clients who prefer the HDOA certificates as independent, 3rd party arbiters of the quality of certified coffee lots.
- b. HCA requests that the HDOA provide certifiers on each island and district uniformity of grading equipment (i.e. moisture meters) to allow for consistency.
- c. HCA requests discussions with the HDOA to look into the viability and methods to allow 3rd party certifiers green coffee lots. This would lower the cost, logistics and convenience for emerging and distant locations.
- d. HCA requests an additional change to allow for 'Estate Coffee', defined as a product consisting of coffee from one contiguous farm, unmixed with coffee from other farms or regions, therefore processed under the control of the Estate Farm.

MAHALO!

