

THE INDEPENDENT VOICE

Newsletter of the Kona Coffee Farmers Association

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Legislation 2009

Once again, our State Legislature has failed to protect Kona coffee farmers from despoilation of Kona coffee's gourmet reputation, or to protect hapless consumers against fraud perpetrated by blends.

HB 931 would have restricted an origin name for use only on 100% origin coffee, and an origin-plus-blend name only on blends that contain 51%. It was killed in committee. Clift Tsuji and Calvin Say – shame on you. In 2007 the Hawaii Legislature in SCR 102 made an express factual finding that “existing labeling requirements for Kona coffee causes consumer fraud and confusion and degrades the ‘Kona coffee’ name”, yet you have let this damage continue for yet another year.

SCR 102 was passed in 2007, killing requests for truth in labeling and replacing it (at the urging of the big mainland blenders) with a requirement for the HDoA to study reform of the current blend labeling, and to submit a Report of findings and recommendations prior to the 2009 Legislative Session.

That Report is now in, and literally hands the mainland blenders a multi year window to keep up the same abuse. The Report recommends delaying any action on truth-in-labeling and minimum blend questions until a rigorous economic analysis of the impact of changes in blend requirements can be done. No funds are available now, or probably in the next five years, for a study.

HB1226, known as the Pre-emption Bill, is, shockingly, moving forward. It gives the State

the right to over-ride any County ordinance against GMO crops. The Hawaii County Council ban on GMO coffee is grandfathered in, but GMO coffee could be grown on any other island and brought into Kona, either accidentally or on purpose.

HB448, introduced by Rep Coffman and Rep Choy, which would have amended the “Made in Hawaii” rules to include “Grown in Hawaii”, and required processed products to contain 51% Hawaiian content, and non-processed (ie agricultural) 100%, was soundly defeated. Rep Coffman told us that he was told that the Bill was going to be heard on the evening before, far too late for any of us to send in testimony or travel to give it.

But it is oh so interesting to read the testimony that WAS given! Check it out on the State website. Here are some highlights.....

Steven McLaughlin, CEO, Captain Cook Coffee Co. Ltd

“HB 448 will force the 2 largest coffee blenders in Hawaii to change their blends from 10% to 51% and drive the price to the consumer up by more than 400%. Hotels and restaurants will stop using Kona coffee because they will not be able to afford the increase in price. Why change something that is really working for the Kona coffee farmer, tourists, and the Hotel trade.

Sidney Boulware, President HIE Holdings, Hawaiian Isles Kona Coffee

“Requiring 51% of Kona in order to call a Blend will significantly increase the costs to the consumer and cause the customer to “trade down”. Besides, if the current volume were to hold on units sold in Hawaii of 10% Kona Blend coffees, the farmers could not supply the demand.”

George Fike, Kona coffee farmer,

“It is my understanding there are about 400,000 pounds of unsold Kona coffee in storage on the mainland”.

Dave Gridley, President Maui Oma

Coffee Roasting Co, Board Member Hawaii Coffee Association

“HB448 is directly aimed at undermining companies that are the biggest purchasers of Hawaiian Grown Coffee. Many of these blend Hawaiian coffee which allows us to sell more Hawaiian Coffee. We are selling all the coffee we can raise at record prices.”

Tom Greenwell, Greenwell Farms, Treasurer Kona Coffee Council

“HB 448 will jeopardize many established trademarks in Hawaii simply because they “imply” that they are made in Hawaii.....

Mattson Davis, President/CEO, Kona Brewing Company

“If the law requires that all Kona coffee be 100% produced in Hawaii, it would kill this business by driving the retail price to \$30 a pound.”

Editors Note: It already is! And \$50 lb at Peet's on the mainland.

Carol Pregill, President, Retail Merchants of Hawaii

“The reality is that a large proportion of the raw ingredients in Hawaii products are imported”

Donna Woolley, President, KCC

“...raising the blend from 10% to 51% represents an increase of 400% in the Kona coffee content of the blend. Kona costs ten times as much as the rest of the blend... Most of the restaurants and hotels in Hawaii serve 10% coffee blends. Passage of this bill will drive them away from Hawaiian coffee products”.

An identical form letter came from all these: *Jim Wayman, President Hawaii Coffee Company, President Hawaii Coffee Association; Gloria Biven, Manager, Royal Kona Visitor Center, Board KCC; John King, President Harold L. King & Co; Marcus Bender, Managing Director, Kai Vodka LLC; Stephen Collector, President Tropical Temptations, Vice President HCA, Board KCC; Jim Lenharts, Vice President Hawaii Coffee Company; Rod McKenzie, owner Tropical Taste, Lion Coffee Distributor; Ron Pestel, President of HIPAC Ltd; Gene Pike, Sales Manager, CDS San Diego; David Sayad, Socopac Company; Larry*

Wilkens, owner mainland Hawaii's Lion Coffee Café;

And they ALL said "HB448... Would ban the use of any trademark on a product if it implies "Hawaii" or any Ag product "from Hawaii", i.e. Royal Kona Coffee, and will force that product to fall under the "Made in Hawaii" provisions.

AND FINALLY, someone who gets it, who understands integrity, and testified FOR the Bill...
Mike Robinson, President, Hawaii Forestry Industry Association
"We support legislation that prohibits the use of "made in Hawaii" or "grown in Hawaii" labeling of a product which has not had at least fifty-one percent of its wholesale value added by manufacture, assembly, fabrication or production in the State of Hawaii". We have worked closely over the past 15 years to promote quality control and industry integrity in the State of Hawaii."
Thank you, Mike!

Coffee Research Meeting

A report by Chuck Moss on the Hawaii Coffee Growers Association, UH, and HARC Coffee Research Update 2009, March 5th and 6th on Oahu.

The meeting content was mostly researchers presenting summaries of their activities to the Hawaii Coffee Growers Association members and other interested parties such as the KCFA, KCC, and KFB. Feedback discussion was rather limited, ostensibly due to time constraints.

The HCGA members appear to be the larger coffee growing operations on the "other" islands- Kauai, Oahu, Maui, and Molokai, as well as Greenwell Farms and UCC on the Big Island. HCGA claimed in recent testimony to the legislature to represent 5,000 of the 8,000 acres of coffee grown in the state.

The overall status and research activities appear well intentioned, however it is apparent that there are some risks to Kona Coffee agriculture, as we know it. These risks include:

1) Research in genetically engineered caffeine free coffee for introduction in the state. The presentation included the assertion that "Based on previous

experience with other crops, it will not affect marketability of organic or other coffees grown in Hawaii." Although introduction to the island of Hawaii is currently prohibited by county ordinance there is no guarantee that this will always be the case. The presentation and related discussion revealed that cross-fertilization is possible but the presenter implied that the risk to Kona Coffee was acceptable because Kona Coffee represents only 3,000 acres out of the states total. The fact that the state's coffee dollar volume was predominately Kona Coffee was dismissed. The presenter also erroneously stated that organic certification was not at risk from cross-fertilization as organic certification was totally process based, and not product based. When Una Greenaway pointed out that she is a certified organic farmer, and her certifier and her markets have informed her that they will not accept GMO coffee in her crop the moderator terminated all discussion.

2) Continued growing of non Kona Typica coffee trees at the UH Kainaliu Experiment Station. In 2005 over 200 trees of eight varieties of non Kona Typica coffees were planted in an experiment planned for ten years.

Many mahalos Chuck for attending this Honolulu meeting and for this report. The complete facilitator notes and presentations, provided by UHCTAHR, is on the KCFA website – click the link on the front page. We recommend all our members read it. Some attitudes toward the well-being of Kona coffee are truly alarming.

Get Connected

By your KCFA webmistress
Clicks on "Buy Direct From Farmers" alone totaled 1,325 from February 1st- the 28th. Make sure YOUR "Buy Direct" Listing is up to date. Tourists are always looking for Coffee Farm Tours so let them know if you offer tours. Email website@konacoffeefarmers.org to get your info or call 328-8060 for assistance in posting what you offer on your FREE Member Listing. Total "clicks" on our KCFA website were over 3000! - in February! Sales must have resulted! "Classifieds" has been interesting. Someone wants to buy 16 bags of Extra Fancy,

someone has 1000 pounds of parchment for sale and a couple was in town for a week and wanted to buy a farm. Send in your Classifieds and we'll post them. They can be anything- even unrelated to coffee- just your member benefit.

Site Fun Facts: Google is the most used search engine using the word "coffee"-duh- but people mainly get to our site by knowing our Kona Coffee Farmers name. The KCFA site is viewed most often on Tuesdays and Wednesdays and the top viewed "Document", in the last month was January's Newsletter.

Mahalo, Cea

Editorial

Our State Legislature operates out of Oahu, and this makes sense. But what does not make sense is the WAY in which they operate, which essentially disenfranchises all of the outer islands.

Bills are scheduled with little or no notice, and written testimony is required to be sent one day ahead. An almost impossible task! Plus we all know that testifying in person makes a much bigger impact on our representatives and senators. But how can people in Hawaii do this? Even if you get two days notice of a hearing, planes are full, flights not available that get there early enough, costs are prohibitively high.

Sometimes it seems that these arrangements are deliberate... let the big corporations on Oahu have the floor to themselves because outer island farmers cannot get there to make their voice heard. HB1226, the Pre-emption Bill, is a classic case of denying outer islands their rights of self-determination.

There IS an answer! Hawaii County Council offers video conferencing so that Kona people can give personal testimony to the Council when it is sitting in Hilo, and vice versa. Why can't the State do the same? Make it easier for people to tell their elected representatives how they feel about a Bill. Or perhaps our representatives don't want to know what WE want, and are too busy running through their own special interests to care?

Christine Sheppard

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