

HAWAII RETAIL GROCER

FALL 2020

THE MAGAZINE OF THE HAWAII FOOD INDUSTRY ASSOCIATION

Feeding the Local Economy

2020 VIRTUAL
Made in Hawaii FESTIVAL
HAWAII FOOD INDUSTRY ASSN.

MADE IN HAWAII FESTIVAL 2020

ALSO IN THIS ISSUE
HAWAII'S AGTECH FUTURE AND A LOOK AT LOCAL MEAT

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PHOTO: DUSTIN KODA

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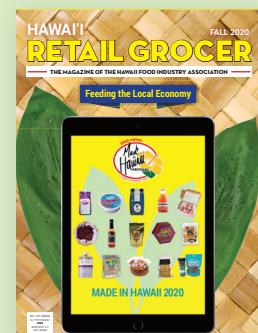
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CHAIR'S MESSAGE

Aloha HFIA Team,

The past 3 months have been the most challenging ones for all of us to date. The COVID-19 pandemic has reached a point of uncertainty in our state. There are unanswered questions about how and when our tourism will reopen and what the new normal will look like when this is all over. As this situation progresses, we are also gaining some important insights. While we know that visitors will always be an important part of our state's future, it is increasingly clear that a financially strong Hawaii must be built on a foundation of a strong local economy.

As Chair of HFIA, it's an honor to work with our local companies that have been economic drivers in Hawaii for decades. Now, in the face of unprecedented challenges, these companies have found innovative ways to

continue to feed our local economy, to create local jobs, to grow, make, manufacture, and add value to local products. With the launch of HFIA's Made in Hawaii Festival Online Marketplace, we are also creating new ways to buy and sell local.

We have all seen that the financial impacts of COVID-19 in Hawaii have been extreme, even compared to other places in the U.S. HFIA member businesses have responded with amazing creativity, resiliency, and cooperation. While we may not be sure of what the next few months will bring, I have great confidence our member companies will continue to feed our state and feed our economy.

I look forward to one day being able to enjoy a LIVE meeting with all of you. Once COVID-19 comes to an end, the Hawaii Food Industry will be much stronger than ever before. Be safe, take care of your family and know, we are all in this together.



Aloha,

Joe Carter
VP-GM Coca-Cola Bottling
of Hawaii
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PHOTOS COURTESY ALOHA HARVEST

'OHANA PACKS FROM ALOHA HARVEST HELP FEED FAMILIES DURING COVID-19

The COVID-19 pandemic has created so many challenges for families on our islands. Increased food insecurity is one of the most daunting. Many people have been laid off and furloughed or had pay and hours cut. As essential businesses, many HFIA members have kept employees on staff and have even added jobs to combat the rising tide of unemployment in our state.

Unfortunately, several of our members noticed that while their staff was still working, spouses and family members of employees had lost jobs. As a result, staff members' families were still struggling. Some HFIA companies organized their own food distributions to help. The success of

these programs showed that working through these businesses was an efficient way to get food to families that need it.

This summer, Aloha Harvest reached out to HFIA and offered to partner to organize distributions of their 'Ohana Packs to employees at our member companies. We knew this would be a great partnership to serve families in need in our state. Aloha Harvest's model of collecting and redistributing food was well-situated to ramp up during the COVID crisis, as eating habits have changed and food supply chains have adjusted rapidly. Their hard-working team and logistical expertise have made it possible for them to intercept food that would go to waste and instead direct it to those

who need it, at a time when there is so much need.

Aloha Harvest is offering their 'Ohana Packs with support from the USDA, City & County of Honolulu, and The First Hawaiian Bank Foundation. The packs contain enough food to provide several meals throughout the week for a family of 4-6 people. They include produce, protein, milk, eggs, and bread – much of which is locally sourced. 'Ohana Packs can also be customized with add-ons like snacks, canned or dry goods, MREs, and even PPE.

Several HFIA members have already organized distributions at their locations with great success, and we're looking at hosting others throughout the fall. Together, HFIA and Aloha Harvest have been able to distribute hundreds of 'Ohana Packs to families so far.

We're very proud to partner with Aloha Harvest on this initiative. We encourage any members to contact us at info@HawaiiFood.com if they would like to organize a food distribution or donate food.



PHOTO: DUSTIN KODA

COUNTY

HFIA is working with other stakeholders in our business community, including Chamber of Commerce Hawaii, Hawaii Restaurant Association, Retail Merchants of Hawaii, and the Hawaii Lodging and Tourism Association, on a plan for the City and County of Honolulu to allocate some of the federal COVID-19 aid money to business landlords and tenants. The business closures and other economic impacts of COVID-19 are leading to many businesses being unable to pay rent, which in turn leaves landlords unable to pay property taxes. Distributing a portion of the federal aid in the form of grant money to those impacted by this aspect of the pandemic, will help reduce some of the negative impacts for our business community and state budget. We're also advocating for a second round of PPP loans with flexibility in how they can be used. Keep an eye out for additional information on these

LEGISLATIVE UPDATE

BY LAUREN ZIRBEL

programs in our Weekly Updates.

At the county level, most legislation throughout the islands has been focused on reacting to COVID-19. At the Honolulu Council, HFIA has supported a resolution to create a plan to safely reopen to visitors. In Hawaii County we've supported a measure to obtain funding for the Foodbank and another to fund the Hawaii Technology Development Corporation. Kauai Council is advancing a polystyrene ban. HFIA testified in opposition to a draft of the measure that would have also banned plastic and the measure was revised. We will continue to provide updates in the WU.

STATE

The State's 2020 Legislative Session was a year like no other. There were several stops and restarts, procedural adjustments, and big changes to the state budget due to COVID-19. When session officially adjourned on July 10, the vast majority of bills that HFIA opposed were dead. A few of the bills we had supported were placed on hold due to COVID-19, but we look forward to advocating for these programs again next year.

MINIMUM WAGE

No changes to minimum wage were made this year. Throughout session HFIA testified on a number of minimum wage bills. At the beginning of session there was overwhelming popular support for a large minimum wage increase in the near future. Our testimony focused on the need to keep any wage increase to a reasonable level and implement it over a timeframe that will minimize negative impacts on businesses and the economy. We believe that keeping the minimum wage stable is the right choice at this time until we can better understand the full effects of COVID-19 on our economy.

LEAVE

House Bill 2148 passed and has been transmitted to the Governor; it will take effect when signed. It extends Hawaii family leave, to include care

for employees' grandchildren, and it defines 'sibling.' HFIA commented on this measure noting the potential issues of expanding leave this way. Senate Bill 2491 did not pass. It provided family leave insurance benefits and extends the period of family leave to 16 weeks for businesses that employ one or more employees who meet the hourly qualifications. HFIA testified in opposition.

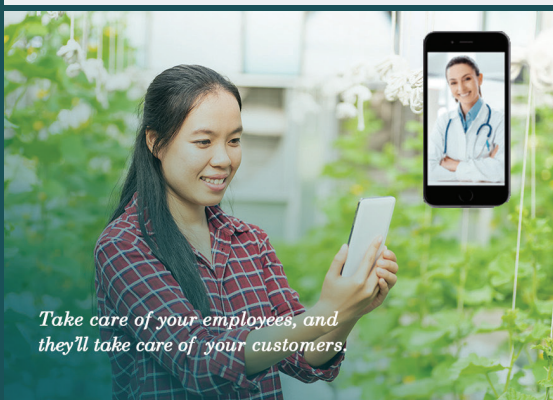
TOBACCO

No tobacco bills passed this session, but several flavor bans made it very far in session this year and we expect this to be a big issue again in 2021. HFIA commented on the flavor bans, explaining why menthol should be excluded from the bans.

CONTINUED ON PAGE 10



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BOTTLES

All the bottle bills that HFIA opposed died. SB2720 would prohibit state agencies from buying beverages in plastic bottles. SB2727 would change the exemption distance between a beverage dealer and redemption center from 2 miles to 1 mile. This would unnecessarily require many more beverage dealers to accept deposit containers in high density areas. Unfortunately, SB2750, intending to remove an outdated and unnecessary law that prevents some local water bottling, also failed to pass. We will be working to get this through next year.

CBD AND HEMP

HB1819 passed with HFIA support. This measure legalizes the growth of hemp in the State through the United States Department of Agriculture hemp production program. It also allows the processing and sale of hemp products in the State through State

licensing, and expedites the substitution of the USDA hemp production program for the existing industrial hemp pilot program as required by federal law. We are very glad to be supporting this growing local industry.

COFFEE LABELING

Another effort to place restriction on coffee labeling came up this year; HFIA opposed and the measure died.

CARBON TAX

HFIA opposed SB3150 to increase the tax rate to effectively set a price of an unspecified amount per metric ton of carbon dioxide emissions in 2021; it did not pass.

INTERISLAND SHIPPING

HFIA supported Senate Resolution 125 to provide funding for water carriers

to maintain routes and lines within the state, and the measure passed.

APPOINTMENT TO THE DEPARTMENT OF AGRICULTURE

Finally, we were very pleased to support the Governor's Message 641 confirming En Young to the Board of Agriculture. En has been a long-time member of HFIA, and we look forward to seeing his contributions to the DOA.

While we enjoyed overwhelming success this year in many areas, we know that some of these battles have simply been placed on hold until next year. The COVID-19 pandemic has shown how essential our industry is, and we believe that now, more than ever, our industry must maintain a united voice to clearly advocate for our needs. Feel free to reach out to us at info@HawaiiFood.com with any questions.

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NGA'S GROCERY LIST FOR CONGRESS

BY THE NATIONAL GROCERS ASSOCIATION

Congress returned this August for session before adjourning for the recess break. Historically, after the August recess in a presidential election year, Congress returns only briefly to fundraise and finish off any outstanding legislative business. This year is different.

At the time of this writing, Congress is widely expected to consider a large piece of legislation to address the ongoing public health and economic crisis before it adjourns. Important elements of the last economic stimulus bill, the CARES Act, expired at the end July, including the increased unemployment compensation of \$600 per week.

As independent grocers continue to experience both ongoing and unexpected challenges in their tireless work to feed the American public during the pandemic, NGA is lobbying Congress to address four major policy priorities for the independent supermarket industry. In a letter sent to Congressional leadership, NGA laid out the following four advocacy priorities for independent grocers for the upcoming legislation:

REWARD ESSENTIAL FRONTLINE WORKERS

The grocery industry workforce is on the front lines of responding to the coronavirus crisis. Millions of Americans rely on these employees to provide grocery and pharmacy services at great personal sacrifice, despite challenges related to childcare, transportation interruptions, and health concerns. Congress should include legislation, like H.R. 6841, the AG CHAIN Act, that excludes frontline workers from paying income and payroll taxes.

PROTECT ESSENTIAL BUSINESSES FROM FRIVOLOUS LAWSUITS

Despite the great lengths that independent grocers have gone to protect their employees and customers, opportunistic trial attorneys are taking advantage of the crisis to file unfounded lawsuits against essential businesses like grocery stores on behalf of clients who contracted COVID-19. Congress must include legislation like H.R. 7528, the Get America Back to Work Act, which protects businesses and their employees from frivolous lawsuits by providing protection for business that took reasonable steps to comply with public health guidelines from the CDC or other health authorities.

FIX UNEMPLOYMENT COMPENSATION

The increase in unemployment benefits created a disincentive for employ-

ees to continue working or return to work. If Congress decides to extend the increase in unemployment compensation beyond July 31, there must be a cap on total unemployment benefits not to exceed a percentage of an applicant's previous compensation.

STRENGTHEN FEDERAL NUTRITION PROGRAMS

Congress must make the Online SNAP program more accessible to independent grocers. Legislation like the Expanding SNAP Options Act would go a long way in tackling the technical and capacity challenges in offering SNAP over e-commerce platforms. The popular Gus Schumacher Nutrition Incentive Program (or "Double Up Food Bucks") should get an emergency funding boost due to shrinking state and fundraising budgets.

NGA's Government Relations team remains committed to pushing for the inclusion of all four of these priorities in the next coronavirus relief package. We appreciate our members record-setting engagement (over 4,000 letters!) on these issues by penning letters and making phone calls to your elected representatives. Please visit grocerstakeaction.org to help NGA's lobbying team accomplish these priorities. To learn more about these issues and way you can lend your voice, visit www.grocerstakeaction.org.



A NEW WAY TO SHOP LOCAL

THE MADE IN HAWAII FESTIVAL GOES VIRTUAL

BY KEITH DEMELLO AND ERIN ROH

For over a quarter of a century, Hawaii has celebrated Statehood Day Weekend with the Made in Hawaii Festival, the premier venue for our state's talented community of artists, artisans, chefs, and musical entertainers. In the face of serious logistical challenges presented by the COVID-19 pandemic, this year HFIA decided to take the festival virtual. The new Made in Hawaii Festival Marketplace went live for the Festival weekend Aug. 21-23, 2020, and shopping will be





ALL IMAGES COURTESY RESPECTIVE MANUFACTURERS

"Our supporters have been vocal about requesting an online Made in Hawaii Festival for years," said Lauren Zirbel, Executive Director, Hawaii Food Industry Association. "This was the obvious year to make the investment and develop the online marketplace. As Hawaii's largest trade show we take our responsibility to promote Made in Hawaii products and businesses seriously, and we are happy to help keep our vendors afloat during this crisis by promoting their products online and in social media. We are so grateful to our two new presenting co-sponsors the Central Pacific Bank Foundation and Mahi Pono, and to all our supporting sponsors Ulupono Initiative; Hawaii State Department of Agriculture, Buy Local, It Matters; Innovate Hawaii; Hawaiian Airlines; and Hawaiian Air Cargo for their support of Made in Hawaii Festival. These are companies and organizations that

available on the platform year-round.

The online showcase and shopping experience for all things "Made in Hawaii" came through with more of everyone's favorite products for purchase, including food, books, art, gifts, fashions, plants, crafts, produce and more — all available without having to break quarantine. The online format means lovers of all things local can continue to enjoy shopping at the Made in Hawaii Festival anytime from anywhere. Just like the traditional Made in Hawaii Festival there were plenty of reasons to attend the

virtual event in real-time during the Festival weekend. In addition to nearly 200 Made-in-Hawaii vendors, Na Hoku Hanohano Award-winning musicians, and Hale Aina Award-winning chefs highlighted locally grown talent and fare for all those attending.

Opposite page: Zachary peruses this year's Made in Hawaii's online marketplace;
Above: Uncle Lani's poi mochi; **Below:** 1-Treehouse teas; 2-Huff n' Puff Macadamia Nut Delights; 3-Li Hing Skittle Bombs from Ohana Style Snacks Co.; 4-Noni FruitLeather from Hawaiian Organic Noni LLC.



have been supporting local businesses for decades and that truly embody this year's theme of 'standing together with Aloha.' We know that if we all stick together and support local, we can survive this crisis and come out the other side stronger than ever!"

Representing multiple islands throughout the state, chefs brought their expertise to attendees' screens via a variety of cooking demonstrations. Participating chefs included Chai Chaowasaree of Chef Chai at Pacifica Honolulu, Jason Ichiki of Roy's Waikiki, Lance Kosaka of 53 by the Sea, Russell Siu of 3660 on the Rise, Andrew Recca of Koko Head Cafe, and Lee Anne Wong of Papaaina at the Pioneer Inn, Maui. Those familiar with the Sam Choy's in the Kitchen on KHON2 were happy to see a segment offered by the show mainstays, Chef Sam Choy and John Veneri.

In keeping with the theme, the music was likewise home-grown.

Outrigger Resorts continued its tradition of supporting local island musicians through its 12th Annual Kani Ka Pila Grille Talent Search, with the final showdown taking place virtually on the second day of the festival. "Live Hawaiian music sincerely sets the stage for the inimitable feeling of warmth and aloha at our Waikiki properties – whether it's at Kani Ka Pila Grille, Blue Note Hawaii or Duke's, we are grateful to all of the talented artists who share their melodic gifts with our guests and hosts," said Kelly Hoen, area general manager of Outrigger Reef Waikiki Beach Resort, Outrigger Waikiki Beach Resort and Waikiki Beachcomber by Outrigger. "Outrigger's commitment



PHOTO COURTESY MADE IN HAWAII FESTIVAL

Above: LeAnn Wong; **Below:** Made in Hawaii vendors include

- 1-Medium Dark Roast by Aikane Plantation Coffee Company;
- 2-White Kiawe Honey by Akaka Falls Farm;
- 3-Assorted spices by Salty Wahine;
- 4-Pink Hawaiian sea salt and chili pepper water by Hawaii Pantry;
- 5-Raw all natural Hawaiian honey by Kona Gold;
- 6-Caramel by Sweet Brown Hawaii;
- 7-Sweet potato and taro chips by Hawaiian Chip Company



to Hawaiian arts and culture remains steadfast and we're honored to offer opportunities for Hawaii's rising musicians." The panel of judges included renowned Hawaiian music industry professionals such as Na Hoku Hanohano award-winners Bobby Mode-row and Kawika Kahiapo and cultural specialist Luana Maitland.

The local emphasis brought in fresh support from Hawaii organizations, such as first-time sponsor Ulupono Initiative. "By featuring locally grown and raised ingredients, the hope was to highlight Hawaii's agricultural producers as the state's greatest defense against food insecurity, and its greatest hope for future resiliency," said Jesse Cooke, vice president of investments and analytics at Ulupono, which is committed to a more sus-

tainable Hawaii. "In Hawaii, we should be striving to raise and grow our own food." In 2016, Gov. David Ige opened the International Union for Conservation of Nature World Conservation Congress with the announcement that Hawaii was setting the goal of double local food production by 2020 (later revised to 2030). Cooke said that while the state's food production goal is ambitious, it's not implausible.

When consumers support Made in Hawaii and purchase locally grown and made products they're getting a lot of value for their money; local food is delicious, local crafts are made with care and character, and local art reflects the beauty of our islands. The Made in Hawaii Festival Marketplace online store gives local vendors a valuable eCommerce platform and

allows festival devotees to shop all their favorite vendors and products, in one convenient location throughout the year. Whatever customers choose to buy at the Made in Hawaii Festival Marketplace they're supporting local companies and local people, and helping Hawaii move toward a more self-sufficient and sustainable future.

www.madeinhawaiifestival.com

Below: 8-Okinawan sweet potato and Papaya baby food by Punahele Provisions; 9-Cookies by Ono Kuki; 10-Assorted spices by Ka'iulani Spices; 11-Assorted spices by HI Spice; 12-Hawaiian sea salt Espresso Bites by Big Island Coffee Roasters; 13-Exotic fruit jellies by Maui Fruit Jewels



ALL IMAGES COURTESY RESPECTIVE MANUFACTURERS

HAWAII'S AgTech FUTURE HAS BEGUN

BY ALEXIS CHAPMAN

H FIA members are at the forefront of the global movement to advance farming with technological innovation. Sensei Ag and Kauai Coffee Company are using cutting-edge technology to create agricultural operations that meet the unique challenges of Hawaiian farming, add value, and advance their positive company missions.

Kauai Coffee Company

Kauai Coffee Company considers themselves to be stewards of the land, and strongly believes it's their kuleana to care for the future of our land and our resources through environmentally sound farming practices. They are deeply committed to sustainability, their people, and their community. Their farm is triple-certified by Fair Trade USA, Rainforest Alliance, and Non-GMO Project Verified.

When it comes to what makes Kauai Coffee different from other coffee farms, Dawna Haze, Area Business Manager says, "The most significant difference between us and a traditional farming operation is that by utilizing technology, we are able to maximize efficiencies around the core competencies of farming, freeing up precious labor resources for the efforts that only humans can do."

Kauai Coffee utilizes agricultural drone technology to monitor tree health, collect information, and make data-driven decisions that help keep yields high. This enables the team to expand their efforts on other priorities such as quality control, composting and sustainability, small-batch/artisan coffee processing, as well as the customer service/hospitality aspects of the Visitor Center and Farm Tour.

Dawna explained some of the biggest impacts from technology come from using mechanization and data collection, "We're beginning to gather information quickly for more timely decision-making, based on feedback from the farm. By introducing sensors throughout the farm as well as data from our drone, we'll soon be doing things like applying water and fertilizer more efficiently, fixing irrigation issues, identifying weeds, and deciding which fields might be ready



PHOTO COURTESY KAUAI COFFEE

Opposite page: Tomatoes in the greenhouse at Sensei Ag

for harvest prior to sending a team to investigate. We can better adapt to the varied conditions that nature gives us to work within, maximizing our output efforts to maintain consistent supply."

Quality is paramount for Kauai Coffee, and they ensure it by managing every aspect of coffee production from growing and harvest, to process-

ing, to roasting and packaging, all on the estate, with two Specialty Coffee Association Licensed Q-Graders on staff to oversee quality control. For Kauai Coffee customers, the drones, sensors, and rigorous commitment to quality means that they can enjoy delicious, perfectly consistent, local Hawaiian coffee every day.



Basil

PHOTO COURTESY SENSEI AG

Sensei Ag

Sensei Ag is a pioneer in the field of controlled environment agriculture. Their vision is to transform health by using data to redesign how food is grown. In 100,000 sq. feet of state-of-the-art greenhouses on Lānaʻi, the farm is already producing a variety of produce including cherry tomatoes, basil, and butter lettuce for local customers and will start selling under the Sensei Farms' brand name in September. More products will also be grown soon.

Farming in the controlled greenhouse environment shields plants from damaging outside forces like excessive wind, too much sun, or harmful pests. Indoor farming also allows for maximum yield on a much smaller plots of land than traditional outdoor farming. In addition, Sensei Ag's greenhouses use 90-95% less water per plant than a traditional farm requires.

Sensei Ag CEO Sonia Lo, who had previously built the world's largest

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vertical indoor farming company, offered some insight into what makes the Sensei's growing structures different from greenhouses of the past, "In our greenhouses, sophisticated software tools can pinpoint pests and disease before they're even visible to the naked eye. This gives us a very accurate view of what we're growing and allows our farmers to determine potential problems for our produce before they become real issues."

While Sensei Ag is getting national attention for being at the forefront of controlled environment agriculture, their current farm's focus is providing produce for local Hawaiian customers, including grocery stores, restaurants, and hotels. Being able to pick and pack delicate fruits and vegetables just miles away from where they're to be sold or served, reduces transport time to a fraction of what it takes food to get here from the mainland. Growing local also drastically reduces damage and loss of crops, which helps keep costs down for retailers. Most importantly, Sensei Ag's proximity to consumers means their plants are picked when they are nutritionally at their peak. Sensei Ag, along with its innovative founders – a leading physician and software entrepreneur –, is firmly focused on well-being and maximizing the nutrient content of their plants to help people live healthier, longer lives.

Sensei Ag is also working to improve the health of the soil on which their greenhouses reside. The plants in the greenhouse are grown hydroponically – without soil – but the soil the farm sits on is a former pineapple plantation and as a result has a lot of debris left over from those prior days. Sensei Ag is working on rehabilitating the soil so that eventually more plants can be grown outside the indoor farm, reusing water from the greenhouses.

This is just the beginning for Sensei Ag. New advancements, new products, and new innovations will continue to take shape at the Lāna'i farm. In concluding our discussion, Sonia talked about Sensei Ag's vision for the future, "Our goal is to feed the state. We are committed to growing local food for Hawaii, diminishing Hawaii's reliance on imported food, and looking

at things holistically and adaptively to ensure all have access to delicious, nutritious food."

Sensei Ag and Kauai Coffee Company are demonstrating how technology in local ag can utilize resources efficiently, thoughtfully, and with great effect. But their technologies aren't just about efficiency. These HFIA members have created systems to reduce

environmental impact, maximize the potential of their agricultural employees, and create more valuable Hawaiian agricultural products for all of their customers.

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small businesses that are so vital to our economy. Among the hardest hit are restaurants, many of whom continue to employ Hawaii residents and feed our community despite losing most of their business. In March, the Central Pacific Bank Foundation launched the #KeepHawaiiCooking initiative with a commitment to reimburse 50% of the cost of takeout and delivery meals from participating local restaurants, up to \$100,000. There was an incredibly positive response to this program and after the initial goal was reached in a matter of days, the Central Pacific Bank Foundation created a new goal of sharing 10,000 meals. These first two phases were a tremendous success; 10,400 meals were shared, \$615,000 was spent at local restaurants, and local diners had almost \$310,000 reimbursed to them.

The Central Pacific Bank Foundation continued to power #KeepHawaiiCooking and in April, introduced the Mahalo Meals phase of the program, which was designed to refuel Hawaii's frontline heroes with restaurant deliveries sponsored by the Central Pacific Bank Foundation. Over 500 nominations of frontline heroes were submitted, with 50 restaurants each receiving a \$1,000 grant to sponsor 30 nutritious, grab and go meals, which ended up feeding more than 1,500 frontline heroes. Today, the #KeepHawaiiCooking channels on social media continue to profile local eateries, and the Central Pacific Bank Foundation continues to provide investment, leadership, and people power to get through the current challenges – together.

INVESTING IN THE COMMUNITY



How the Central Pacific Bank Foundation goes above and beyond

MADE IN HAWAII FESTIVAL SPONSORSHIP

As a co-presenting sponsor of the Made in Hawaii Festival's new Online Marketplace, the Central Pacific Bank Foundation is continuing their long-standing tradition of going beyond for our community. The Made in Hawaii Festival is an important small business incubator for local Hawaii artists, cooks, crafts people, and other makers and HFIA is very excited to be partnering with the Central Pacific Bank Foundation to launch the Online Marketplace platform. This new

way to buy and sell local will give our Hawaii businesses a chance to reach new customers and continue to thrive in the new economic environment. We know that the Central Pacific Bank Foundation is the ideal partner in this endeavor because of their multifaceted commitment to making positive contributions in our communities.

TOGETHER WE ARE STRONG

The COVID-19 pandemic has had a complex and wide-reaching impact on our community, especially on the

ALWAYS GOING BEYOND

Supporting those in need in their communities and creating opportunities for success is nothing new for the Central Pacific Bank Foundation. In 2019 they provided grants to 41 different organizations totaling \$790,000. These numbers are impressive, but what is even more impressive is what they reflect: a true commitment to being a positive force and going beyond, not just for their customers but for the whole community.



Planting a native milo tree.

PHOTO COURTESY MAHI PONO

GROWING FOR HAWAII

How Mahi Pono is growing a lot of local food, and local opportunities

MAHI PONO FARMING

Mahi Pono is a unique farming company transforming vacant sugar cane land on Maui into a thriving hub of diversified agriculture. The name Mahi Pono means "to farm or cultivate morally and properly." At Mahi Pono, they are committed to practicing sustainable agriculture, growing food for local consumption, responsible use of the natural resources entrusted to us, and to providing high-quality agricultural products and employment for generations to come.

From onions to potatoes, non-GMO papaya, coffee, avocado, and hundreds of thousands of citrus trees the Maui farm boasts an impressive variety of plants at different stages of growth. In June Mahi Pono,

in partnership with the Hawaii Agricultural Foundation and the Department of Education, launched its first internship program for high school and college students. Interns planted cabbage, orange sweet potato, citrus, kale, pumpkins, melons, and lettuces, as well as native milo, coconut, and bamboo trees to serve as natural windbreaks for the company's 40-acre Chef's Corner project. The paid internship program exposes interns to a broad spectrum of agricultural careers and is part of their mission to provide a valuable real-world educational experience and long-term career paths and job opportunities for Maui residents.

"We are committed to realizing a thriving agricultural economy in Hawaii," said Shan Tsutsui, Senior Vice

President of Mahi Pono. Through partnerships that provide local residents with the highest quality Hawaii grown products and connecting with our keiki through education and internships, we don't seek to do this alone. By working together to connect local sustainably sourced Hawaii ingredients to domestic and global demand, we are helping to lay the cornerstone of a diversified and resilient food future for Hawaii, a future we very much believe in."

Just before hurricane Douglas was supposed to hit, we were once again reminded of Hawaii's food security vulnerabilities as crews worked to harvest as many potatoes as possible. A crucial local food source that would have been even more vital had the storm hit and interrupted shipping from the mainland. Mahi Pono's planned abundance of delicious produce doesn't just help the state to be less reliant on imports and more resilient; it means all these fruits and vegetables will be more accessible and fresher when they get to Hawaii consumers. While many will be enjoyed fresh, some of these fruits will be processed here in Hawaii and turned into things like potato chips.

GROWN IN HAWAII AND MADE IN HAWAII

As a co-presenting sponsor of the new Made in Hawaii Festival Online Marketplace, Mahi Pono is continuing their commitment to growing opportunities for Made in Hawaii products. Like the Made in Hawaii Festival, Mahi Pono has made significant investments in local companies like Maui Cattle Company and Shaka Tea to meet increased domestic and global demand, helping to keep these companies locally run and their products Made in Hawaii. Creating a local agricultural sector that is strong, connected, resilient, and provides for the state, means creating partnerships among local companies to innovate ways to use local produce. We're very excited to be working with Mahi Pono to write the next chapter in Hawaii agriculture and the Made in Hawaii Festival together.



WHERE'S THE BEEF?

A timely update on Hawaii's meat industry

BY JESSE COOKE

The underlying incentive for *local* farming is to grow food *locally* in order to make Hawaii self-sustainable. In Hawaii, local ranchers' cattle inventory is more than 140,000 head statewide. Yet only between 9,000 to 13,000 cattle are processed here for local consumption each year. Of the 50,000 to 70,000 calves born in Hawaii annually, approximately 80 percent are exported to the mainland for processing. That is not necessarily by choice, but by economics and economies of scale. Consequently, most of the beef we consume locally continues to be imported from out of state, despite the significant size of the local cattle industry.

The current COVID-19 pandemic and its effect on our nation's meat supply chain are sobering illustrations of

the dangers of depending on imported meat. Supplies have fallen and prices have risen, not just in Hawaii but across the country, as processing plants have been hit by the spread of the coronavirus. Between January and June 2020, the price of 100% beef ground chuck spiked by 30% from \$4.10 to \$5.33 per pound, according to data from the U.S. Bureau of Labor Statistics.

But there has also been a silver lining — at least locally. Like farmers, local ranchers have adapted to the changing market conditions and the new reality. The price of calves has collapsed in the North American market, and COVID-19 restrictions placed on exported cattle have been stifling. Because of the pandemic, it is now more expensive to ship cattle to the mainland for processing, putting the option of local meat processing on a more

equal cost footing with its out-of-state counterpart. Finishing meat production locally has become a more financially viable option for local ranchers.

But it remains an expensive proposition without help. Over the past 12 months, several entities with ample financial resources have begun investing in local ranches and in state commercial meat production. In February, Mahi Pono, a partnership between California-based Pomona Farming and Public Sector Pension (Canada's largest pension investment managers), acquired majority ownership of Maui Cattle Company and its meat processing plant on the Valley Isle. Frank VanderSloot, a mainland investor worth \$2.7 billion, according to Forbes magazine, purchased Kunoa Cattle Company's meat processing plant on Oahu, which recently went out of business. In the



COURTESY ULUPONO INITIATIVE

**Above: Local Paniolo beef at Safeway;
Opposite page: Beef cattle in Hawaii**

second quarter of 2020, VanderSloot followed up that acquisition by buying the largest meat processing plant in the state, Hawaii Beef Producers, located on the Big Island. These few examples are evidence that serious business minds believe that local beef production is not just feasible but financially attractive. For better or worse, the pandemic has forced all concerned to look for solutions to problems the local ranching industry has faced for decades.

Many in the industry see a once-

in-a-lifetime opportunity to restructure the networks that support local meat — to refocus the supply chain and processing locally and, simultaneously, raise the state's level of food self-sufficiency. The entrance of these new investors could be a game changer, not just for ranchers but for the entire state. There remain many obstacles to this transformation of the local cattle industry, not the least of them being the high cost of feed. When the pandemic forced the sudden closure of restaurants and hotels in March, critical and immediate financial capital was needed to help Hawaii's hog farmers, which relied largely on restaurant food scraps as animal feed. An initial \$20,000 grant provided through the Ulupono Fund at the Hawaii Community Foundation, in coordination with the Hawaii Department of Agriculture, helped purchase feed to sustain their operations at a time when it was most needed.

The industry will need to overcome the high cost of imported cattle feed in order to expand and strengthen Hawaii's food resiliency. This problem is being tackled by Hartung Brothers

in Kekaha, Kauai. The company has started to scale alfalfa production in partnership with the County of Kauai. With the cost of imported alfalfa ranging from \$700 to \$900 per ton (compared to \$250 to \$400 on the mainland), a local source for the feed would be a very appealing alternative to out-of-state products.

Many believe the pasture-raised model provides a recipe for success. It's a growing trend in which cattle rotate between fields grazing on grass as their primary source of feed. In addition to the grass-fed process keeping the cows lean and beefy, it reduces dependence on costly imported feed and results in a better quality of life for cattle — all while producing beef higher in omega-3s and antioxidants. Paniolo Cattle Company sells local pasture-raised beef in Safeway stores statewide.

For the local meat industry, there are finally many eyes now focused squarely on the ball. And for local ranchers, that is good news buried under so much bad news. Where's the beef? The answer is clear: it could and should be right here in the islands.

HFIA
HAWAII FOOD INDUSTRY ASSOCIATION

BECOME A MEMBER

THIS IS A CALL TO ACTION!

JOIN HFIA ONLINE TODAY!
HAWAIIFOOD.COM/MEMBERSHIP

The graphic features a dark background with various food-related icons like pineapples, donuts, and triangles, along with the HFIA logo and a large yellow banner.

WHY JOIN?

Because, HFIA is....



Your Liaison Between Government and Industry.

Many of the 2-3K bills proposed by the Hawaii State Legislature each year could significantly affect our industry. Members receive timely legislative updates each week, and we make sure your voice is heard. HFIA has a long track record of successful advocacy on priority policy issues. This is why our members find HFIA so valuable to their company.



Your Professional Networking Hub

HFIA hosts several low-cost membership events throughout the year. Our quarterly & annual events provide valuable education & resources, while facilitating strong industry connections that help members grow their business. As an added bonus, our events are downright fun.

That's why HFIA members share a unique connection and camaraderie that makes this association unlike any other in the state!



1920s era delivery fleet with horses. PHOTO COURTESY MAUI SODA AND ICE WORKS LTD

DRINKS ALL AROUND!

Beverage manufacturing in Hawaii has a rich past and is an important part of our economic future.

BY ALEXIS CHAPMAN

For decades local beverage manufacturing has created local jobs, created opportunities for local entrepreneurs, and reduced our need to ship in drinks. Hundreds of different beverages are bottled and canned right here in Hawaii at facilities around the state.

Many people would not be surprised to learn that Hawaiian Sun drinks are canned in Kapolei at Ball Corp. It also makes sense that many local water brands are bottled close to home. Diamond Head Water is bottled in Kapolei at Pacific Allied Products, along with Hawaii Volcanic Water, which is bottled in the same facility using water brought over from the Big Island. But what people may not know is that some of our favorite globally recognized brands have also been bottled and canned in Hawaii for close to a century.

Maui Soda and Ice works began bottling Coke on Maui in 1924. And while they don't use the old style glass bottles, or deliver with horses anymore,

they still manufacture Coke products on Maui now, 96 years later. Another Coca-Cola distributor, the Odom Corporation was founded in 1934 and currently operates locations and provides jobs around the state including in Mapunapuna, Hilo, Kona, Lihue, and even on Molokai. Beverages by Ito En, Pepsi Co., and other globally recognized refreshment brands are also manufactured here at home, including some adult beverages.

In the last few years we've seen amazing growth in the premium local beer market. Local brewers are creating delicious craft brews right here and using local ingredients like coconut, lilikoi, and mango to enhance the flavors. In order to make a product that is as local as possible, companies like Maui Brewing buy cans made on Oahu by Ball Corp, and then use them to can their product at their brewery on Maui.

A new generation of local distillers like Ko'Olau Distillery is also driving a Hawaiian spirits renaissance. The islands have been associated

with rum for some time, but if you ask a connoisseur these days what their favorite local drink is they may tell you it's Ko'Olau's Old Pali Highway whiskey, maybe even with a splash of locally canned Coca-Cola.

Bottling and canning drinks locally isn't just a matter of local pride and good local business. Shipping in raw materials for cans and bottles takes up less space than shipping in finished products, which means a smaller carbon footprint. The aluminum shipped in for Hawaii cans is usually about 70% recycled. Bottling and canning drinks here also helps make Hawaii more resilient and less reliant on imported supplies in case of a disaster.

Our local and national beverage brands are always innovating with new flavors, new ways to bring drinks to you (keep an eye out for water canned in Hawaii in 2021!), and methods to be more sustainable. We're looking forward to seeing - and especially tasting - what the future of beverage manufacturing in Hawaii holds.

MEMBER NEWS

This Summer our HFIA members continued to innovate and find new ways to grow and feed our local economy.



Hawaii Pantry

In June Hawaii Pantry launched several new items including a new line of Sea Salts from the Island of Molo-kai, plus a new hot sauce called LAVA, Kiawe Wood Smoked Hawaiian Hot Chili Sauce. Their locally made products have been a staple at the Made In Hawaii Festival for years, and can be found at US Military Commissary's, Down to Earth locations and Aloha Farm Lovers Farmers Markets.



Hawaii Jerky Shop

This summer DE.HI Foods completed an exciting rebrand and is now Hawaii Jerky Shop. They haven't changed their delicious crispy beef jerky and crispy pork jerky, they're still available in all the tasty flavors we love. As of this July, Hawaii Jerky Shop products will be available in many more places. In addition to being sold at hundreds of our favorite retailers around the islands, Hawaii Jerky Shop products are now carried at all 2,464 Rite Aid locations in the continental US!



Long's Drugs

Long's Drugs, which is owned by CVS health, in late July announced that they would undertake an accelerated hiring program in Hawaii. The program will mean hundreds of new permanent full-time and part-time positions in the state including pharmacy technicians, managers, and store associates. To fill the positions quickly and get the right candidates to work Long's is using new tools like virtual interviews and immersive job experiences.



Foodland Farms

In July Foodland Farms opened their newest location at Ka Makana Ali'i in Kapolei. The new store will feature Foodland's largest-ever selection of organic groceries, stocked alongside a vast array of Hawaii-grown, raised and made products and ingredients. There will also be exclusive eats just for the West Side, curbside pickup, delivery, and their first ever in store restaurant!



Five Star Transportation

In June Five Star Transportation launched their brand new web site FiveStarTrans.com. This new site highlights the current scope of services and range of capabilities available to their clients.



Hawaii Volcanic Water

Hawaii Volcanic Water is pleased to announce that the two Seabins they sponsored were successfully installed in the Honolulu Harbor on August 1. A Seabin, invented by Pete Ceglinski and Andrew Turton of Australian clean tech start up, Seabin Project, is a cross between a trash bin and a pool skimmer. Hawaii Volcanic Water CEO Jason Donovan said, "We are proud to be a part of this amazing project contributing to a cleaner and greener Hawaii. Visit www.seabinsforhawaii.com to donate or volunteer.

THE LAST WORD

BY LAUREN ZIRBEL



The year 2020 has mimicked an obstacle course: challenge after challenge presents itself with little respite and significant underlying uncertainty. Just as we were feeling optimistic about possibly reopening the state to some tourists, the second wave of the virus swelled. Preparing for a hurricane while maintaining COVID-19 safety protocols was a new challenge, and while Hurricane Douglas thankfully caused little significant damage, we all know there are several months left in the hurricane season.

Throughout the year HFIA members have continued to rise tirelessly to meet each new challenge. Food retailers across the state made sure that shelves were stocked with necessities and continued to keep shoppers and staff safe in the days leading up to the storm. In the face of the ongoing pandemic crisis, our members are a major force for economic stability in our state, at a time when it is desperately needed. At HFIA we continue to work to live up to the example set by our members and find the best ways to support our businesses, our industry, and our state's economy.

The Made in Hawaii Festival is our signature event in the late summer, but of course having our usual crowd of tens of thousands of people at the Blaisdell was not an option this year. Relinquishing our desire to promote Hawaiian businesses and products was also not an option, so we decided to create the Made In Hawaii Festival Marketplace online. Amy Hammond of

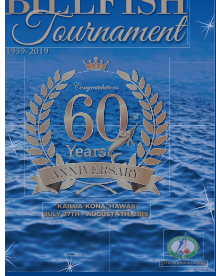
Special Events Hawaii, HFIA's Membership Services Director Desiree Rose, and the entire MIHF team have demonstrated an incredible effort to bring the Marketplace to life. Of course, it wouldn't be possible without our sponsors, who see the great potential in this new platform and have given us the support to make it happen. A huge Mahalo to our Presenting Sponsors, the Central Pacific Bank Foundation and Mahi Pono, as well as our Supporting Sponsors, Ulupono Initiative, Innovate Hawaii, Hawaiian Airlines, Hawaiian Air Cargo, and Hawaii State Department of Agriculture, Buy Local, It Matters.

The COVID-19 pandemic has engendered unanticipated changes in many facets of our industry, and we know the importance of keeping members informed and up-to-date. To that end, HFIA has hosted a series of informational webinars this spring and summer. They included a briefing and Q&A on the pandemic with Lieutenant Governor Josh Green and Congressman Ed Case; an update on childcare co-hosted with the Chamber of Commerce Hawaii; SNAP Changes and Updates featuring experts from the Department of Human Services; the COVID-19 Crisis: Supermarket Industry Impact and Response featuring President and CEO of the National Grocers Association, Greg Ferrera; and an Employer's Guide to Reopening by HFIA Member Atlas Insurance.

HFIA has also been representing our industry in several task forces and working groups this year. We'd

like to thank Edna Ching, Marketing Manager for 7-Eleven Hawaii, who represented HFIA in the Working Group for the administrative rules on Honolulu City Council Bill 40, Honolulu's plastic ban. HFIA Grassroots Director Alexis Chapman and I have also been participating in the State Plastic Source Reduction working group convened under Senate Bill 522 last year. In this group we've been advocating for consumer and business-driven initiatives that promote responsible plastic use and disposal for our state. Alexis is working with leaders from Kamehameha Schools and other stakeholders as part of the 'Ike 'Ai Consortium on Sustainable Food Systems to use systems mapping to promote local food access, sustainability, and resiliency.

As we look ahead to the rest of 2020, we are optimistic about the prospect of a flattening second wave, tentative reopening of the visitor industry, and even a vaccine by the end of the year. However, we are also braced for any new obstacles 2020 might introduce. We'll continue to be inspired by you, our members, and we're ready to overcome the next challenge as we support you so you can support Hawaii.



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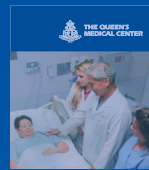
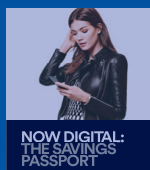
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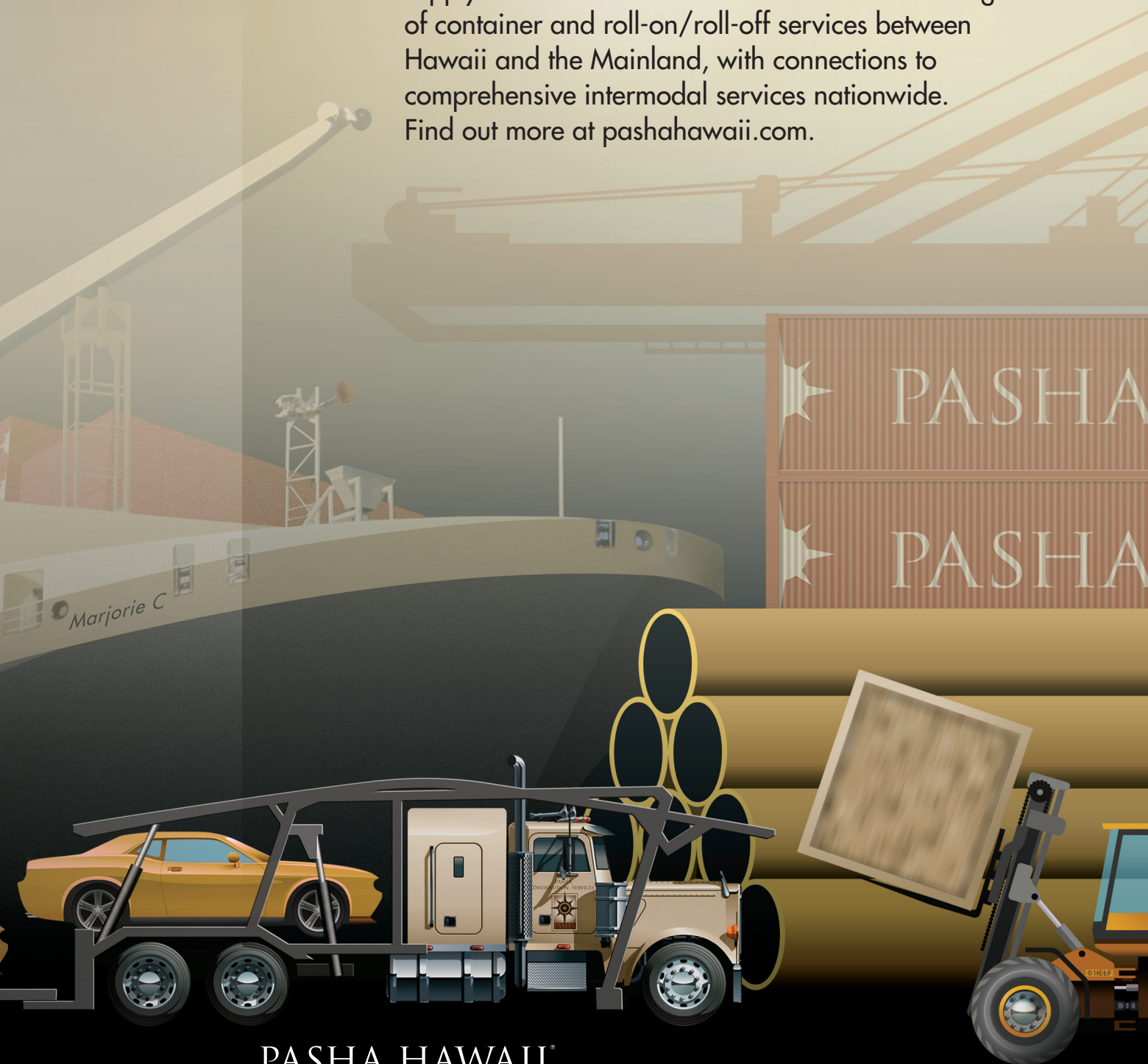
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