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CONVENTION 2013

Retail Grocer

the magazine of the hawaii food industry association



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The Chair's Message

BY ALAN Y. NAKAMURA

A big MAHALO to all of the fine HFIA members who have continued their membership and support of this wonderful organization this past year, and for some, over the past 42 years. I have had the privilege of being an HFIA director for the past 30 years or so and have had the honor of being Chair over the past 12 months. Compared to my predecessor, Bonny Amemiya, my term has been a walk in the park (Thanks, Bonny!). With the help and guidance of our Executive Committee over the past few years—Mike Walters, Paul Kosasa, Barry Taniguchi, John Schilf, Stan Brown, Derek Kurisu, Lauren Zirbel, and Bonny—we are as healthy and successful as ever.

Our executive director and lobbyist, Lauren Zirbel, with assistance from Vice-Chair Stan Brown and the effective Government Relations Committee, pulled us through another great year at the State Legislature and we were able to avoid a number of distasteful bills. A few slipped through the cracks, but overall, we did great!

Under the guidance of Director Amy Hammond, the Made in Hawaii Festival was a hit in 2012 and is expected to do even better in 2013. It is a huge event with a multitude of moving pieces, and Amy has continued to coordinate this event with much success. It continues to be an extremely important source of revenue for the HFIA. (Thanks, Amy!)

The Social Committee hosted our first Halloween Cosmic Bowling event last October, and with all of the great costumes and treats, it was a fun-filled family fest! Special thanks to Glenn Muranaka and his Meadow Gold team for the great support of this first-time bowl-a-thon! Our New Year's "Night at the Oscars" Social, organized by Larry Ishii and Wendy Fujio and emceed by Jay Higa and Bonny, was one for the ages.

As always, Mike Kaya did an outstanding job with the annual golf tourney and organized a fun event which significantly helped the HFIA coffers. Mike also coordinates the Convention golf tourney each year with much success. (Thanks for selflessly committing so much of your time for us each year, Mike!)

Our 2013 HFIA Convention has a few new twists to it this year, though still in the hands of the seasoned veterans of the HFIA Convention/Social Committee. Golf is on Thursday this year to free up some time over the weekend for our attendees. Focusing on a sports theme, our Energizer Bunny Chair, Miyuki Hirano-Hollingworth, has put much thought and time into this enormous project. It promises to be one of the best conventions of all time. Our committee volunteers are all dedicated to making this a reality. We all certainly appreciate our generous sponsors and donors, as well as each one of our attendees who help to make each Convention a fun, memorable one!

Special congratulations to the fabulous Kosasa family of ABC Stores, as Sidney and Minnie are the 2013 inductees into the HFIA Hall of Fame. It is a fitting award for such

a deserving, prestigious, yet humble, couple. My mom worked at Thrifty Drugs in Kaimuki—one of the Kosasas' first stores—for about 30 years, so I have known the Kosasas forever. Many of us will be at the 2013 Convention to help honor and pay special tribute to Sidney and Minnie.

Over the next few years, my wonderful wife Anne and I will be adjusting to our new life in San Antonio, where we have been since March. I am blessed to continue my tenure with Tesoro Corporation, although it means leaving many loved ones behind, including the HFIA family. Thank you for all of your help and participation, but most of all, thanks for your priceless friendship. Under Lauren's leadership and oversight, HFIA has many more exciting, fruitful years ahead. Success is assured with your support.

To Stan, John, Derek, and Lisa: I wish you nothing but the best in the years ahead. May your terms be filled with fun and excitement and free of stress. You are four of the finest people I know, and HFIA is in good hands!

Aloha and best wishes to all of you! 🍷

Alan



Mahalo & Aloha Alan Nakamura HFIA Executive Director 2012-2013



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ON THE COVER:

Stan Brown in his
hometown of Kailua.

Photo by
Jason Y. Kimura

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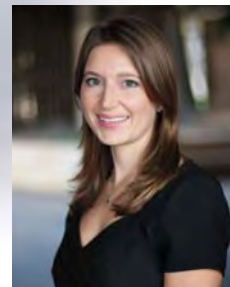
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Legislative Update

BY LAUREN ZIRBEL



Thanks goodness, the 2013 legislative session is finally over! Luckily, the food industry has emerged largely unscathed by the process. Despite an extraordinary number of frightening bills being introduced at the start of session, things quickly calmed down. Many of the bills did not receive hearings or pass out of their primary set of referred committees, thus “expiring” before legislative deadlines. Some bills, such as the “worker retention” bill, made it to the very end of session, causing anxiety for our membership. However, they died at the very end of conference with the 6:00 pm deadline. This article will provide a quick rundown of some of the bills HFIA was involved in this year.

Consumers’ Right to Choose

Bills that address a consumers’ right to choose their pharmacy, which HFIA has spent years advocating for, finally prevailed this session! We are so grateful to the legislature for having the foresight to protect the patient’s right to choose their pharmacy.

HB 62 was enrolled to the Governor and prohibits pharmacy benefit managers from using patients’ medical health information to market or advertise to that patient the services of a preferred pharmacy network that is owned by the pharmacy benefits manager without the express consent of the patients.

HB 65 was enrolled to the Governor and specifies that a qualified retail community pharmacy that requests to enter into a contractual retail pharmacy network agreement shall be considered part of a pharmacy benefit manager’s retail pharmacy network for purposes of a beneficiary’s right to choose where to purchase covered prescription drugs. The bill requires specified entities to permit beneficiaries to fill any covered prescription that may be obtained by mail order at any pharmacy of the beneficiary’s choice within the pharmacy benefit manager’s retail pharmacy network.

Paid Sick Leave Bills

These bills would have required employers to provide a minimum amount of paid sick and safe leave to employees

to be used to care for themselves or a family member who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking. The business community was concerned about these bills due to the lack of documentation and proof of illness needed from employees, as well as the likely hardship this bill would impose on small businesses with few employees. Labor Committee Chair Mark Nakashima deferred these bills. It was a real pleasure to work with Chair Nakashima this year; he made a great effort to listen to the business community’s concerns.

Labeling Genetically Engineered Organisms

Many bills aiming to label and ban GMO products were introduced during the 2013 legislative session. These bills were all defeated. One bill, which would have required labeling of all imported GMO produce, was deferred in the Senate after passing out of the House. HFIA opposes these bills because they amount to a significant cost increase for consumers, as demonstrated by studies in California. HFIA also opposes these bills because it would be nearly impossible to implement a statewide labeling system when no other state in the U.S. requires producers to label GMO products. Hawaii imports over 80% of its food. National and international producers will not label products specifically for Hawaii. Our market is too small.

Minimum Wage

A bill that would have increased the hourly minimum wage to \$7.75 on January 1, 2014; \$8.25 on January 1, 2015; \$8.75 on January 1, 2016; and \$9.00 on January 1, 2017, died in conference at the 6:00 pm deadline. This bill was expected to pass; however, the Senate and House could not agree on the tip credit issue. We expect this issue to return next year. The worst versions of this bill would have tied the minimum wage to CPI, which would mean that employers would not be able to budget their labor costs until after the CPI was known. It would also mean an automatic pay increase every year for all employees earning the minimum

wage. HFIA opposed this bill and asked for the increases to be lower and spread out over more time. We are strongly opposed to tying the minimum wage to CPI.

Worker Retention

A bill that would have established a job security requirement for employees upon the divestiture of a covered establishment made it until the final days of conference but was not passed out by the 6:00 pm deadline. HFIA strongly opposed this bill as it would have solidified Hawaii's reputation as the worst place to do business in the USA.

Single Use Bag Fees

A bill died in the House that would have established a single-use checkout bag program and fee and directed 9 out of 10 of the cents collected per bag to the environmental response revolving fund and the natural area fund. The problem with this bill is that plastic bags will soon be banned in all of Hawaii's counties. Paper bags have nothing to do with watershed problems. Therefore, this bill is just a money grab by the State. If the fees collected were allowed to go back to the consumers via lower food prices allowed by off-setting the increased costs associated with stores being forced to purchase paper bags—which cost 10 cents as opposed to plastic bags at 1 cent—then we would be able to support this bill.

Soda Tax

A few bills that would have established a tax on sugar-sweetened beverages, syrup, and powder did not pass out of the Senate. Some versions of the bill would have had the revenues generated deposited into the community health center special fund and the trauma system special fund. This bill is just another money grab by the State to fund programs that should be funded via the general fund. Establishing a soda tax will do nothing to curb obesity; it is simply a ploy to raise taxes on consumers in the most regressive manner imaginable.

Liquor Tax

Bills that would have increased the liquor tax also failed to pass. A bill that would have lowered taxes for local brewpubs died in conference.

Pseudoephedrine

Bills that would have made pseudoephedrine prescription only did not pass. These bills are introduced every year in a misguided attempt to curb meth use. We know that almost all of the meth in the State of Hawaii is imported, as there has not been a single meth lab bust in Hawaii in over six years! The only outcome of banning pseudoephedrine will be to prohibit law abiding allergy sufferers from obtaining

needed medication. HFIA supported and passed a bill last year which allows up-to-the-second tracking of all pseudoephedrine sales in the State and prevents purchases over the legal limit. Law enforcement officials have testified to the efficacy of this legislation in preventing abuse of pseudoephedrine products.

Aspartame

A bill that would have required a warning label for all food products containing aspartame was defeated in the Senate this year. The National Cancer Institute released the results of its own study involving more than 500,000 people and showing no adverse health results arising from the use of aspartame. There is no reason to place a warning label on over 6,000 products which contain aspartame.

Styrofoam

Bills that would have banned Styrofoam, put a fee on Styrofoam, and mandated compostable options at no additional cost to consumers did not pass the Senate. These measures ignore the fact that despite burdening ALL food establishments in the State with a 30% increase in cost, these biodegradable products, under our current system of waste disposal, will meet the same end as polystyrene. Both compostable and polystyrene options incinerate. Both compostable and polystyrene options will not biodegrade in modern landfills. Landfills are designed to protect the environment from the liquids and gases produced by reducing the exposure of garbage to air, water, and sunlight—conditions essential for degradation. Without an investment in commercial composting facilities, this increased cost for food establishments and consumers will result in negligible environmental benefits.

Advanced Disposal Fee (ADF) Increase

Bills that would have increased the ADF from 1.5 cents to 6 cents did not pass this year. HFIA strongly opposed these bills.

Theft in the Second Degree

Bills that would have increased the threshold value of property or services from \$300 to \$750 under the offense of theft in the second degree did not pass. HFIA opposes increasing the property theft valuation due to the fact that there is evidence that individuals routinely steal just below the property theft valuation limit.

ID Cards and Preventing Underage Drinking

A bill passed that allows a business to scan an individual's driver's license or Hawaii identification card to verify age when providing age-restricted goods or services if the business has a reasonable doubt of the individual having reached the minimum age required for purchasing the age-restricted goods or services. HFIA supported this bill in order to allow retailers to utilize technology to prevent under age liquor sales.

Tobacco Sales

A bill passed that requires retailers to sell tobacco only in a direct face-to-face exchange between the retailer and consumer, except for in-bond concessions (duty-free retail), retail tobacco stores, bars, or establishments where the minimum age for admission is 18. ☞



Foods for Kidney Health

BY PHIL LEMPERT, SUPERMARKET GURU

According to National Kidney and Urologic Diseases Information Clearinghouse (NKUDIC) (A service of the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK), National Institutes of Health (NIH)), 1 in 10 American adults—more than 20 million—have some level of chronic kidney disease. So what can we do to protect our kidneys? Head to the supermarket, of course, as antioxidant rich foods are a top choice for protecting our kidneys.

Here are some foods to add to your shopping list today!

Red bell peppers: low in potassium and high in flavor, these tasty vegetables are also an excellent source of vitamin C and A, as well as B6, folic acid, and fiber. Red bell peppers are good for you

because they contain lycopene, an antioxidant that protects against certain cancers. Chop up a red bell pepper and toss it in just about anything, from chicken salad to an omelet.

Cabbage: a cruciferous vegetable packed full of phytochemicals and antioxidants; many are known to protect against and fight cancer, as well as foster cardiovascular health.

Sulforaphane, a phytochemical in cruciferous vegetables, may prevent or stop cancer cell growth in lung, colon, breast, bladder, prostate, and ovarian cancers. Cabbage is high in vitamin K, vitamin C, and fiber, as well as being a good source of vitamin B6 and folic acid.

Onions: a member of the Allium family and a basic veggie in many cooked dishes, are rich in sulfur, giving the onion its pungent smell. Onions are also rich in flavonoids, especially quercetin, a powerful antioxidant that works to reduce heart disease and protects against many cancers. Onions are low in potassium and are a great source of chromium, a mineral that helps with macronutrient metabolism, especially with carbs.

Apples: known to reduce cholesterol, prevent constipation, protect against heart disease, reduce the risk of cancer, and taste good—are great for our kidneys. High in fiber and anti-inflammatory compounds, an apple a day may really keep the doctor away.

Blueberries: high in the antioxidant phytonutrients, anthocyanidins, which give them their blue color, are bursting with natural compounds that reduce inflammation. Blueberries are a good source of vitamin C, manganese, and fiber, and may also help protect the brain from some of the effects of aging.

Raspberries: contain ellagic acid, a phytonutrient which helps neutralize free radicals in the body to prevent cell damage. They also contain flavonoids called anthocyanins,

antioxidants which give them their red color. An excellent source of manganese, vitamin C, fiber and folate, a B vitamin.

Raspberries may have properties that inhibit cancer cell growth and tumor formation.

Omega-3 rich fish: a combination of high-quality proteins and anti-inflammatory omega-3s that help fight diseases such as heart disease and cancer. Omega-3s also help lower low-density lipoprotein or LDL cholesterol, and raise high-density lipoprotein or HDL cholesterol. The American Heart Association and American Diabetes Association recommend eating omega 3 rich fish like salmon or sardines two to three times a week.

Shopping for kidney health is similar to shopping for general health, choosing fresh produce (seasonal if possible), and making most meals at home are two tips that will have you headed in the right direction.

Please contact your health care provider if you currently suffer from kidney issues before making any changes to your diet. 🛒

Information in this article sourced from DaVita and NKUDIC.



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HFIA Buy-In

Lisa DeCoito of Aloha Petroleum Named New Secretary

BY JASON Y. KIMURA

Lisa DeCoito's company, Aloha Petroleum, Ltd., is a relatively new member to HFIA, joining in 2011, but she is a familiar face in the food industry. Extolling the merits of HFIA membership to her boss, she was the catalyst that brought the venerable, 100-plus year old kamaaina company into the fold. DeCoito, buyer for Aloha Island Mart, now joins HFIA's Executive Committee as secretary.

A Leilehua High School graduate, DeCoito earned a Bachelor of Science degree in Animal Science from the University of Hawaii at Hilo. She came back to Oahu, but jobs were not available in her field, so she changed course. DeCoito moved to Maui and started a wholesale costume jewelry company, which she operated for two years. But working through a bad economy, she ended her business and moved back to Oahu.

DeCoito applied for a job at Fleming, wanting to get into the import/export part of the business. Instead, there was an open position for buyer. She decided to give it a try and liked it. "I love meeting new people, the challenge of creating ads, and putting together the right mix of product on the ad," she says of her current buyer position at Aloha. "The fun part is finding that magic price point or finding the right item out of thousands that will be incredible for your store."

After working for Fleming for 11 years, DeCoito moved on to HFM for a couple years, then to Star Markets, and then to Times Supermarkets. Since most of the companies she worked for were HFIA members, DeCoito has been in and around the organization, and knew many of the people before Aloha joined. Two and a half years ago, she became the buyer for Aloha Island Mart and is in charge of all the products at the convenience stores except for fast foods.

Privately owned and locally operated, Aloha Petroleum employs about 500 people. The company operates or franchises approximately 100 Shell, Aloha, and Mahalo branded fueling stations on Oahu, Maui, Kauai, and Hawaii Island. Of these locations, Aloha Petroleum operates

46. The company also supplies the military, other large petroleum retailers, many county and state agencies, and several hundred small, medium, and large commercial accounts. Aloha acquired Shell retail and distribution assets in Hawaii in 2010 and now offers the two different fuel brands to retail customers.

Aloha Island Mart convenience stores are at 44 of the stations operated by Aloha Petroleum, including stores on all islands with stations. In 2011, a major push was begun to upgrade Aloha Island Marts across the state to give them a consistent, modern, and distinct look and feel. DeCoito will be kept busy. Aloha will invest over \$20 million over the next few years to upgrade its stores and build some new ones with the goal of making the Aloha Island Mart convenience store brand as well known as the Aloha fuel brand. The last issue of *Hawaii Retail Grocer* covered the completely rebuilt Aloha Island Mart in Kahala, which is the company's flagship store and model for changes to the other stores.

DeCoito will be busy with HFIA too, but she is excited about the opportunities the organization can offer. On a personal level, DeCoito feels that the experience on the Executive Committee will be a time of growth and also of delving into a deeper awareness of what is happening in the food industry. Not only are there networking opportunities, DeCoito says, but HFIA also offers ways to bring together families and coworkers at social events, and a chance to learn new things at educational ones. "HFIA is a wonderful opportunity for anyone who wants to make a difference," she says, looking to the bigger picture. "We can have a unified voice for or against bills. HFIA brings both retailers and suppliers together...to shape the food industry, and I'm grateful to be a part of that." 🛒

Lisa DeCoito and her husband Chuck have raised two children. Several years back when she worked at Times, DeCoito picked up the game of golf, and has enjoyed playing with friends. She also enjoys spending her free time with friends and family.

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THE ABCs OF A BUSINESS EVOLUTION

SIDNEY AND MINNIE KOSASA INDUCTED INTO HFIA HALL OF FAME

BY JASON Y. KIMURA



Portrait of Sidney Kosasa at ABC headquarters on Pohukaina Street.



Portrait of Minnie Kosasa, January 2013.

The first of the ABC Stores opened in 1964, but the chain of stores can be seen as a part of a business evolution that traces across three generations to the early part of the 20th century. Sidney and Minnie Kosasa played the pivotal and leading role in this evolution. It started with a grocery store established by Sidney's parents to a chain of pharmacies, to ABC convenience stores, and now full circle to some gourmet markets.

The late Sidney Kosasa and his wife Minnie, best known for establishing the ABC Stores chain, are the latest inductees to the HFIA Hall of Fame, which was established in 1995. Last year, Roger Godfrey became the ninth member. (See box for a complete list of inductees.) HFIA Hall of Fame inductees are in a class of their own, encapsulating within their stories innovation, tenacity, growth, and change. Individuals who receive this honor have distinguished themselves by making significant contributions in their respective fields, and have achieved much over the course of their lifetime. Sidney and Minnie Kosasa's inauguration to the HFIA Hall of Fame will be commemorated at the 2013 HFIA Annual Convention, which will be held from June 6 through 9, 2013, at the J.W. Marriott Ihilani Resort & Spa.

The Kosasa family's history in the retail business can be traced back to Japanese immigrants Morita and Mitsue

Kosasa, who opened M. Kosasa Shoten on 10th Avenue in Kaimuki in 1917. The store later became known as M. Kosasa Grocery and Butcher. Shinji Kosasa, who later changed his name to Sidney, was born on December 20, 1919 in a room above the grocery store. He had an older brother, Neil, who was born in 1918.

Sidney's father, Morita Kosasa, came to Hawai'i from Okuyama, Japan, to seek work on a plantation. He returned to Japan to get married and brought his wife Mitsue to

Hawaii. Upon his return to Hawaii, Morita became an elevator operator at Liberty House instead. He and his wife later opened the grocery store. The Kosasas also invested in real estate and turned some of the properties into rental



cottages. Mitsue was very well educated—unusual for a Japanese immigrant at the time—and became a teacher at a Japanese language school. She was active in the community as well. Family history records Mitsue as the one who demonstrated vision by encouraging Sidney to become a pharmacist because drugstores made more than grocery stores. Throughout his life, Sidney looked up to his mother as a mentor and skillful businesswoman.

The Kosasas were strong Christians who were members of Nuʻuanu Congregational Church. Sidney attended Japanese language school after regular school hours and graduated from McKinley High School in 1938. He then left for California to attend Sacramento Junior College; Neil was already at the University of California at Berkeley. While in Sacramento, Sidney boarded at the home of a Japanese family, the Ryugos, where he met his future wife Minnie who was in high school at the time.

Sidney later joined his brother at Berkeley and entered the pharmacy school. He earned his degree in pharmacy in 1942, the year Executive

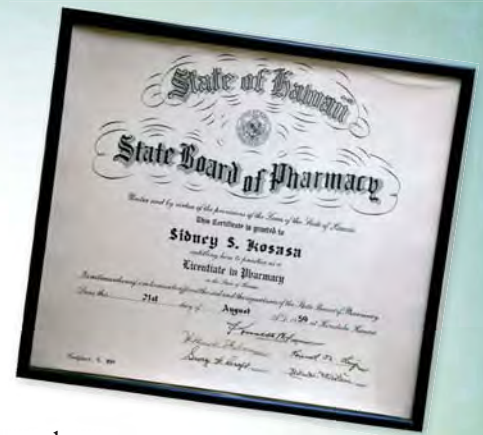


Sidney and Minnie Kosasa, 1981.

Order 9066 was issued to put all West Coast residents of Japanese ancestry into internment camps following the Pearl Harbor attack. The dean of the pharmacy school allowed the eight Japanese Americans in the class to take their finals. Their diplomas were later mailed to the internment camp.

Sidney was sent to Tule Lake Internment Camp near the Oregon border, as were Japanese residents living in Sacramento, including the Ryugos. Sidney and Minnie were reunited there and were married in the camp in 1943. Upon their release later that year, Kosasa was hired as a pharmacist at Barnes Hospital in St. Louis, Missouri. Kosasa wasn't bitter about his internment; rather, he recognized America as the land of opportunity, and it was time for her to give back. He was aggressive, a hustler, but also knew his limitations. After a year in St. Louis, the couple returned to Hawai'i, and Sidney worked at a Benson, Smith & Co. Drug Store, where he was promoted to store manager.

In 1949, Kosasa formed a family corporation and opened his own pharmacy—Kaimuki Pharmacy on Waialae Avenue,



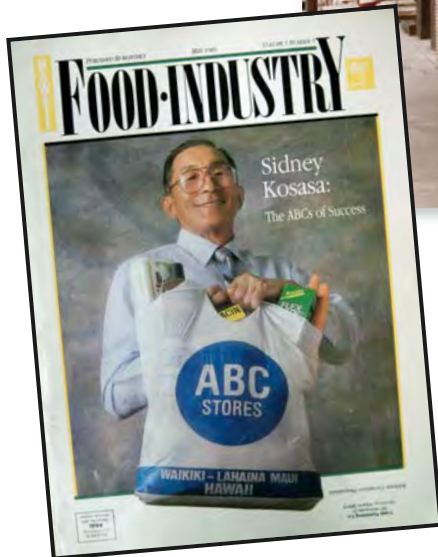
Thank You Alan Nakamura! Welcome Stan Brown!

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in the heart of Kaimuki. Sidney and Minnie put in 12 to 17 hour days. When they opened their second drugstore, Sidney regularly worked 14-hour days, seven days a week because they couldn't afford a second pharmacist at first. Sometimes, employees had to be paid out of the cash register at the end of the day. Son Paul Kosasa, President and CEO of ABC Stores, marvels at his parents' ability to manage, especially with four children. All became successful in their own right. His brother Thomas became a physician and his sister Susan managed his medical practice. Sister Gloria Gainsley followed her father's footsteps and became a pharmacist.

Paul describes his mother as tough, and stricter than his father. Minnie Ryugo was born and raised in Sacramento and went to a junior college there. Her family had a wholesale produce company and trucked goods to market. Although Sidney has gotten a lot of the recognition for the success of ABC Stores and is the one seen on magazine covers and news articles, much of the credit must be given to Minnie. She worked



Cover of HFLA magazine, May 1989.



Thrifty Drug on Waialae Avenue in Kaimuki in the 1970s.

side-by-side with her husband from day one and contributed a great deal to the growth of all of the family enterprises. She even selected many of the sites for new ABC stores. Paul noted that his mother was a stickler for paying bills on time and managed money extremely well—down to the penny. Minnie didn't tolerate mistakes in dealing with money, and would have operations managers go after any sloppiness. She personally put the checks into the envelopes that went to suppliers, so she knew which ones were getting the most and could get better deals from them. Paul says

Minnie is kind and courteous, but held people accountable for their actions, and her high ethical standards would not allow for dishonesty on anyone's part.

By 1959, Sidney and Minnie were the owners of eight drugstores on Oahu, including Kaimuki Pharmacy, the Thrifty Drugstore chain, and three concessions in Gem department stores. Sidney helped standardize management at Thrifty. As the owner/operator, he did everything. He filled prescriptions (sometimes delivering them too), acted as the buyer, and even made the ads for the newspaper. At Christmastime he would ask a very young Paul, their youngest child, what toys to bring in. Paul attributes the expansion of the drugstores to the passion his parents had in running a business and their entrepreneurial spirit.

Besides reaching the 10-year milestone in the Kosasa drugstore chain, something else of significance happened in 1959: Hawaii became the 50th state. In 1960, tourism overtook the sugar and pineapple industries in revenue generated for the first time. By 1962, land values in Waikiki were soaring.

During this phase in Hawaii's growth, Kosasa attended a drugstore chain meeting in Miami, Florida, and saw the parallels between Miami as a strong tourist destination and Hawaii as one that was developing. His epiphany was that a convenience store with sundries, gifts, snack items, and over-the-counter drugs would do well with tourists. In 1964, Kosasa opened the first ABC store on Kalakaua Avenue and Beachwalk. That year, tourist arrivals in Hawaii passed the half million mark and hotel construction boomed on Oahu and the neighbor islands. In 1965, a

*Congratulations to
Sidney & Minnie Kosasa*



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new record was set for tourism when over 600,000 people visited Hawaii. Paul describes his father as a strategic visionary who had the ability to anticipate the future.

"My parents thought to keep it as simple as possible," says Paul Kosasa in explaining the name of the stores. "Hawaii enjoys visitors from all over the world, and what's a simpler name than the beginning of the alphabet?" By 1975, there were seven ABC stores, three Thrifty Drugstores, and a pharmacy in the Medical Arts Building on South King Street, but the momentum of the family business was decidedly shifting to the ABC stores. "The pharmacies were the foundation, the beginning of the business," noted Paul, "but as time went on and the profitability of the pharmacy business was going down, [my father] was progressive enough to say, 'I'm going to move in a different direction.'" In 1985, there were 27 ABC stores, including two on Maui. Sidney and Minnie required their

employees to wear a tie, even in casual, barefoot Waikiki. In the old days, even stock clerks wore them, but now it's limited to managers and assistant managers. The Kosasas believed that it was a visible reminder for employees to behave as professionals.

In the late 80s to the early 90s, ABC caught on with the Japanese tourist



ABC Store in Ala Moana Center near Ritz and J.C. Penney in the 1960s.



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market. Paul believes that the ABC stores appealed to the Japanese because they were very similar to convenience stores in Japan at the time. The ABC stores were the first convenience type stores in Waikiki, he says, and the Japanese latched on to that. The Kosasas closed the Thrifty stores in the 1990s, but ABC was expanded to Guam in 1995, and about a year later to Saipan to capture the Japanese market. By 2001, their chain of ABC stores had grown to 60 stores, including expansion to Las Vegas. Of the 60 stores, 35 were in Waikiki alone. "Sidney compared ABC Stores with Walmart," says Director of Public Relations Neil Ishida. "He made everybody read Sam Walton's book, *Made in America*."

Besides being an extraordinary entrepreneur, Sidney was very involved in the community. He served as president of the Retail Merchants of Hawaii and president of the Kuakini Health System. He was an active member of the Japanese Chamber of Commerce and served as its president from 1972 to 1975. Sidney served on the boards of Island Insurance Company, Central Pacific Bank, and the Hawaii Visitors' Bureau.

Today, there are 77 stores in all, including another stage in the evolution of the Kosasa family business. The brainchild of Paul Kosasa and ABC Chief Operating Officer Willy Nishii, the company has branched out to prepared and gourmet foods, an echo of the humble beginnings of a small grocery store on 10th Avenue nearly a century ago. The Big Island has one of these new concept stores. Island Gourmet Markets in Waikoloa, a 24,000 square foot store, offers



ABC Store number 6 in Waikiki, 1970s.

premium cuts of meat, fresh seafood, fresh-baked pastries, gourmet cheeses, premium wines, and more. Another is Island Country Market in Ko Olina, which features chef-prepared deli sandwiches and hot foods. The store also has premium coffees, fresh pastries, produce, fine wines, souvenirs, and many other items. The Honolulu Store in Kapalua, Maui, offers groceries, sundries, and souvenirs, but also has a full-service espresso bar, deli foods, and local-style plate lunches. In Waikiki, there is the Store 38 Deli at the Imperial Hotel on Lewers Street, where visitors can pick up breakfast, lunch, and dinner for convenience sake.

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Sidney Kosasa
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DRUGS, ABC STORES

GEORGE MIURA, TIMES,
1933 – 1994

TOMOO OKUYAMA, SURE
SAVE, 1920 – 2004

BILL PRIDEAUX, RAINBOW
SALES & MARKETING

MAURICE SULLIVAN,
FOODLAND, 1908 – 1998

TAKEO TAKARA, TIMES
SUPER MARKET, 1932 – 2005

TONY TANIGUCHI, KTA
SUPER STORES, 1930 – 1989

Of the 77 stores, Oahu has 39, Maui 12, Kauai 3, and the Big Island 5, including the gourmet stores. Many have wondered why there are so many ABC stores, especially in Waikiki where it seems like there's one on every block. Perhaps the Starbucks Coffee model of putting stores in close proximity of each other isn't so new after all. Paul explains that the core of ABC's business is convenience. "Waikiki is an unusual place," he says. "It's very high density with many hotels, so we want to make it as convenient as possible for our visitors." Comments about ABC Stores seem to bear this philosophy out. Internet business rating sites show consistently high ratings for the stores. One Hawaii resident was amazed that when mainland people find out she's from Hawaii, a good third of them will say they "love those ABC stores"—never mind the great weather, amazing beaches, and stunning scenery.

However, it's not all about making money, but values, Paul insists. "In this society, this economy, we have to be ready to take care of ourselves," he says.

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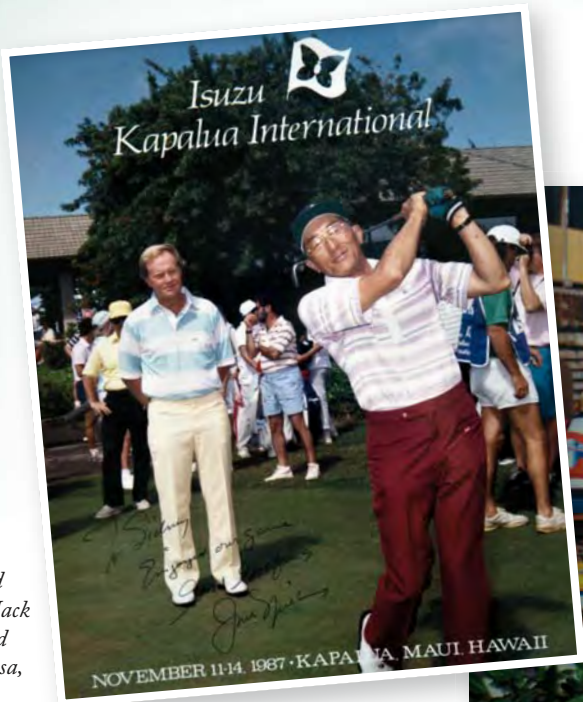
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"We can't rely on others to bail us out, and that goes for employees." Full-time employees make up 80 percent of the company, which is unusual for the type of business, which gives them full benefits, including money for retirement.

Part of the culture of ABC Stores is to take care of its employees because they take care of the customers. "Sidney was humble," says Ishida, an ABC employee for 38 years. "He always opened meetings with appreciation for his employees, and treated everyone with dignity and respect."

Treating people with dignity and respect was important to Kosasa, and his children can attest that he drilled that into them throughout his life. "He always gave me advice even if I didn't want it," Paul recalls. Periodically they would



Autographed photo with Jack Nicklaus and Sidney Kosasa, 1987.



Minnie with son Paul Kosasa.

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Minnie Kosasa



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play golf together. Sidney's biggest passion apart from ABC Stores was golf. He played in the Pro Am (later known as the Sony Open) and other tournaments. In his office is an autographed photo of him and Jack Nicklaus at the 1987 Isuzu Kapalua International. "Every time I'd hit a bad shot, he would tell me to 'play one shot at a time—you can recover by hitting a second good shot and then maybe make par,'" says Paul. "He said, like in business, you're going to fail sometimes, but don't obsess about it." Paul also said that his father always taught them to be prudent in their spending, invest earnings, and carry good reserves so that they could weather the down times.

Sidney Kosasa died in November 2006 at 86 years of age, but both his and Minnie's legacy lives on. ABC Stores continues to expand, and offer not only jobs, but a secure retirement for those who stay on. The Kosasa family has shared their success with the community in many ways and for many causes. For example, they have given generously to the University of Hawaii's Cancer Center, which has dedicated an area to Sidney Kosasa. A marker simply and broadly states a much bigger picture than ABC Stores: "Kahua Launa, a special place to gather. In memory of Sidney Kosasa, a respected community-minded leader who embraced the concept of bringing people together." Yes, the story of Sidney and Minnie Kosasa can be seen as the evolution of a successful business, but it all adds up to much, much more. 🛒

Dedication to Sidney Kosasa at the John A. Burns School of Medicine facilities in Kakaako.






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Tuning the Engine of HFIA

Stan Brown Takes Helm of Exec Committee

BY JASON Y. KIMURA

Stan Brown has been carefully studying HFIA like the parts of an engine, and now as Chairman of the Executive Committee, he is prepared to help strengthen its core parts and give it a tweak here and there. *Hawaii Retail Grocer* caught up with Brown to find out a little bit more about him and what his goals are as chairman.

A Punahou School graduate and a numbers guy, Brown majored in business with a focus on finance at Oregon State University. He didn't specifically aim to get into the food industry, but after college, he landed a job with General Foods Corporation as a sales rep and somehow it stuck. "I enjoyed the food industry's sales process and the flexibility that it offered," he says, "I liked not being in an office, but out on the road."

At General Foods, Brown called on both chain and independent supermarkets in the Seattle area for two years before being promoted to key accounts manager in Phoenix, Arizona. As key accounts manager, he called on headquarter accounts—buyers for entire chains. "I learned how to sell and what it takes to be a successful salesman," he says, noting that it helps to have a quality product you believe in. "My interest in food products grew on me." After about a year, Brown was promoted to a higher level key accounts manager in Los Angeles, and then to sales manager, for which he began to manage people instead of products.

Spending a few years in L.A. was good, but the next step up would have been at General Foods' headquarters in White Plains, New York. Brown had no particular plans to return to Hawaii; his only plan location-wise was to not stray too far from home by staying west of the Rockies. A move to White Plains would have been quite permanent, and he had no desire to move to the East Coast, so he started looking for a new job. A position at Hunt Wesson became available so Brown applied. He thought he was interviewing for a position in Southern California, but a



Stan Brown with cases of Vienna Sausages at the Hawaii Foodbank, where he serves on the board. Vienna Sausages, ConAgra product, are a popular item in Hawaii.

position also opened for sales manager in Hawaii. Knowing he was originally from the islands, they offered him the job. "It was a pleasant surprise," he says. "I hadn't even thought about moving back because I didn't think I would have a chance to do it." Brown met his wife Terri while he was in California, and the couple moved here and got married.

In the early 90s, ConAgra bought out Hunt Wesson, and beginning in 1999, the company went through a consolidation and reorganization. The Hawaii office was closed, but Brown was offered a position in the corporate office in Irvine, California. ConAgra went through another reorganization in 2003, resulting in an expansion back to Hawaii. Brown asked if he could come back to Hawaii as sales manager for frozen and refrigerated food. He was later given the responsibility for all ConAgra foods in Hawaii and became manager for the state, a position he's since held. Since the early 2000s, ConAgra has tripled its business here.

When Brown joined the Executive Committee in 2010, all the big changes started happening at HFIA. Shortly after the 2010 convention and the election of the new Executive

Committee, the new chairman was let go from his company. The whole nomination process had to be restarted; at that point, Brown was brought in. Bonny Amemiya went from the secretary-treasurer position (now separated) to chair, and the three officers for HFIA's board had a total of one year of board leadership between them. To compound the complexity, Dick Botti, HFIA's leader extraordinaire, was set to retire at the end of the year.

Botti established HFIA in 1972 from scratch. He took it from nothing to an organization flush with cash, but eventually big box stores changed the paradigm of retailing. This precipitated retailer and supplier consolidations, and HFIA revenues declined. Membership shrank to a quarter of what it was at its peak. Botti had to prune back staff and take on a tremendous amount of work to make do with limited resources. When Botti retired, Gary Hanagami was brought in as executive director. He retooled HFIA, made structural changes, and rebuilt it for the future. HFIA made the transition from one person as leader to many, and has since made remarkable progress.


When Brown was first asked to be on the Executive Committee, he had been involved with HFIA for many years but had never before been an officer in the

organization. "During that time, my goal was to learn as much as possible about the workings of HFIA and how we were going to move forward," he says, referring to the tumultuous year of changes in 2010. As treasurer, Brown's goal was to make sure HFIA had a strong financial foundation. This past year as vice chair, he learned as much as he could about HFIA's activities such



Brown gives a treasurer's report at the 2011 HFIA Convention.


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as the Convention, Social, and Educational events, and how all the parts tie together.

"We've had so much change, and for the first time in several years, we have a fairly stable organization," Brown notes. "I want to solidify the things that are important to HFIA. The most important thing is to provide value to our members." HFIA shows value in three fundamental ways, says Brown:

1. Lobbying, advocating for the industry;
2. Education for members; and
3. Providing a social venue.

The only way HFIA can do this, he says, is to have a firm financial foundation. The five pillars of this foundation are member dues, income from the convention, the Made in Hawaii Festival, the Social, and the magazine, *Hawaii Retail Grocer*. "My goal is to regroup and make sure all of these keep improving," says Brown. "Once we get these down, we'll look at other things to see



Brown and Roy Ishihara present the Aloha for Japan program at a 2011 general meeting.

what directions we should explore next."

When Dick Botti retired, HFIA members realized that other people had to get more involved. The organization went from a strong leader that did a tremendous amount of work to many. Brown doesn't see the chairman as the one who should generate all the ideas, but that it should come from the Executive Board and the executive director collectively. "The organization is in good hands," he says, referring to the leadership of Lauren Zirbel as executive director.

"So much of what is accomplished happens through volunteers and member participation," says Brown. "I am so

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and years of good service.***

Alan Nakamura  **TESORO**

HFIA Executive Director 2012-2013



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Alan Nakamura, Brown, and John Schilf journey to the Emerald City at the 2012 HFIA Social.



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impressed by the number of volunteers, but even more so by the quality of this organization. Lauren is the only paid person—we couldn't do it without [member participation].” He reflected on the various activities and functions HFIA holds throughout the year and the members who volunteer to organize and run them. “I never before thought about what goes into planning a convention,” said Brown. “It’s incredible, it’s mind-boggling. No matter who is in charge, this organization will not be successful without those members.” Another of Brown’s goals is to get more people involved so the organization doesn’t depend too heavily on the same people.

For the most part, being chairman is like being a caretaker, according to Brown. “I want to try and keep things as simple as possible,” he says. “One of the things I’ve learned as a manager is to have clear goals and get out of people’s way so they can achieve them.”

Reflecting back over many years, Brown has seen a lot of changes in the industry and misses the old days. Like others, he’s lived through the consolidations. HFIA used to have more of a statewide feel, especially with neighbor island conventions and the many independent stores which are now gone. It has changed the fabric of Hawaii. But Brown also recognizes that change is the one constant we’ll always face, so we need to deal with it. “No matter how much you miss the old days, they’re never coming back,” he says. “Change is

coming. You can either ignore it and let things pass you by, or embrace it and make the best of it, and adapt.”

In addition to the HFIA Executive Committee, Stan Brown also serves as a board member for the Hawaii Foodbank. In his free time, he enjoys surfing, skin diving, and other water sports. Brown plays golf, indoor and outdoor volleyball, both team and informal. He and wife Terri have raised two children, daughter Shannon, who lives on the East Coast, and son Garrett who will graduate from the University of the Pacific this summer. 🍷

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Stan Brown	Chair
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Derek Kurisu	Treasurer
Lisa DeCoito	Secretary
Alan Nakamura	Immediate Past Chair
Lauren Zirbel	Executive Director (ex-officio, non-voting)
Paul Kosasa	Advisor (non-voting)
Gary Hanagami	Advisor (non-voting)



Brown joins the HFIA Executive Committee in 2011. Left to right are: Bonny Amemiya, Alan Nakamura, Gary Hanagami, Mike Walters, Barry Taniguchi, John Schilf, and Stan Brown.

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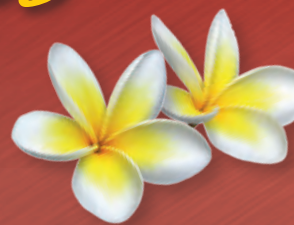
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FoodFight

Debate Rages Over GMO Foods and Labeling

BY JASON Y. KIMURA

We report, you decide.

In this issue of *Hawaii Retail Grocer*, we waded into the GMO issue and its closely related issue—GMO labeling. Are GMO foods safe? Should Hawaii mandate the labeling of GMO foods? Should the federal government mandate labeling? What are the pros and cons of the issues? Often, when listening to one side or the other, the arguments seem logical and straightforward. However, many of the issues are far more complex than they seem on the surface. The goal here is to present both sides of the major issues and let you draw your own conclusions. You should. The GMO debate is not going away anytime soon and will affect you whether you look at it from the standpoint of a farmer, supplier, retailer, or consumer.



Considering the continual and widespread exposure to these products, no definitive studies have found correlations between GM foods and adverse health effects for the past 20 years.

First, Some Definitions & Background

GMO stands for Genetically Modified Organism. It refers to a plant or animal that has been genetically engineered through the insertion of a gene into its DNA to impart new and desirable characteristics. Even the name GMO is somewhat contentious. Some proponents say the name has a negative connotation and prefer “Genetically Engineered,” or GE. These altered plants or animals are also referred to as transgenic. For the purposes of this article, we will use the name “Genetically Modified,” or GM.

Proponents see genetic engineering as the next technological step in the manipulation of food crops and animals. There are other modern techniques that are used to produce new characteristics, but we won’t go into them here. Selective breeding should be mentioned as a technique, however, because it’s been around for at least two millennia and is familiar to many people. Genetic engineering is much more precise than all other techniques, and can use desirable genes from different species—plant or animal.

According to Alan McHughen, D.Phil, Biotechnology Specialist and Geneticist at the University of California, Riverside, there is not even a simple definition of GM food. He points out that not only are there differing legal or regulatory definitions in various jurisdictions and agencies within the same country, it’s difficult to draw the line on labeling. For example, should labeling cover GM soybeans that have genes from another soybean in it, or only when the gene is from another plant or animal species? Or, should labels apply if a processed food is chemically and measurably identical to a non-GM version of the product (such as canola oil or corn starch) where there are no “foreign” DNA or proteins present? What about processed products like pizza, which contain dozens of ingredients? If only one of them is from a GM food, should the product be labeled GM? Opponents of GM generally say all of the above should be labeled, but the average consumer is less decided about which foods should be labeled, depending on the way questions are asked.

GM foods became commercially available in 1994 when the first delayed-ripening tomato was put on the market. Currently, 80 to 95 percent of everyday products in grocery stores use GM products (much less in natural food stores), and 16.7 million farmers in 29 countries grow them. The big three are soy (protein), canola oil, and corn (sugar, starch, *etc.*). These crops and their derivatives—especially corn—are used in a multitude of processed products.

Are GM Foods Safe?

Some GM food opponents will concede that the jury is still out in regards to health safety. However, they argue that GM foods have been changed at the molecular level and have largely unknown and potentially dangerous side effects. They warn that the snack items most popular with children contain GM foods. “While many in the scientific community assert that GM foods are not toxic and safe, a significant number of scientists are sounding the alarm,” says Mark Fergusson, Chief Vegetarian Officer (CEO/CVO) of Down to Earth. “They say that genetic engineering poses risks that scientists simply do not know enough to identify.” Some, like The Institute for Responsible Technology (www.responsibletechnology.org) go further. They claim that there are 65 health risks associated with GM foods, including allergic reactions, infertility, immune system problems, accelerated aging, faulty insulin regulation, and changes in major organs and the gastrointestinal system. The claims are based on mice and rat studies.

Proponents say that those who cite the rat and mice studies fail to point out that animals fed the same products in non-GM versions of the test foods also developed these conditions, and that specifically GM-adverse results have largely not been duplicated or contradicted in other studies.

Any breeding method, conventional or otherwise, has the potential to occasionally produce foods with increased toxicants, but any type of modified food with issues is usually eliminated before being sold commercially. Considering the continual and widespread exposure to these products, no definitive studies have found correlations between GM foods and adverse health effects for the past 20 years. There are many negative anecdotes and stories online, but in developing an informed position, one must be careful to substantiate these.

A common theme among opponents to GM with regard to health is that no one really knows the threat or the long-term health effects. Furthermore, they argue that the FDA’s policies are antiquated and too lightly give GM foods a pass. However, proponents point out that there is broad scientific consensus that GM foods are no more a risk to human health than non-GM foods. They say that similar types of “risks” could be argued against almost any newish technology, like the electromagnetic radiation in microwaves. Further, globally respected organizations such as the American Dietetic Association, the American

Medical Association, the Research Council of the National Academies of Science, and the United Nations Food & Agriculture Organization agree that GM foods are safe. The World Health Organization (WHO) says that every GM food should be assessed for safety because each includes “different genes inserted in different ways,” and therefore it is impossible to make a general statement.

However, WHO also says that, “GM foods currently available on the international market have passed risk assessments and are not likely to present risks for human health. In addition, no effects on human health have been shown as a result of the consumption of such foods by the general

at Kapiolani Community College. “Contrary to media and popular opinion, this work is done by a range of properly and ethically trained specialists that have utilized gene therapy in both plants and animals, such as humans.”

Some GM supporters suggest that nefarious motives can go both ways. That is, that the motive behind state and federal labeling is to purposely cause fear among the public to drive people away from GM foods and towards organic alternatives. However, one must be careful when motives are ascribed to others on either side of the issue. Because it is virtually impossible to know the motives of another, these assumptions can be incorrect, and it is more constructive to

debate issues on their factual merits. For example, it is fair to argue that GM labeling may create a stigma, reducing demand for GM products and curtailing investment in new research—without ascribing a motive.

GM Foods Help Feed the World

GM food opponents say no. They insist that although the biotech industry has spent millions of dollars to convince people that genetic engineering is in the best interests of the consumer and the farmer, no GM traits are currently in commercial production to increase yields, drought tolerance, or nutritional superiority. Opponents contend that 90 percent of the world’s GM seeds are sold by Monsanto, that 75 percent of them are bred for herbicide tolerance, and that Monsanto is the same company that sells RoundUp® to spray on them. (Editor’s note: Monsanto’s patent on glyphosate, the active ingredient in RoundUp, expired in 2000.) Most of the rest of the GM seeds are bred to produce the pesticide Bt. GM opponents claim that this all leads to an increased use of RoundUp® and other herbicides, and that this is not only bad for the environment, but bad for you.

Opponents claim that because of the GM “RoundUp Ready” trait, there has been a 15-fold increase in the use of glyphosate on major field crops. An article by Caitlin Rose on the Down to Earth website states that, “this heavy spraying has led to the rise of ‘superweeds’—weeds that are Roundup tolerant.” To deal with that, she further states, “farmers are now being told to spray 2-4D, a highly toxic herbicide, in addition to RoundUp.” (Editor’s note: RoundUp replaced 2-4D as the herbicide of choice for GM crops.) And because of the Bt crops, Rose states, there are now also “superbugs” that are resistant to the Bt insecticide.

Proponents, including farmers, claim otherwise. Tim Burrack, a farmer who raises corn, soybeans, and pork on an Iowa family farm, says that farmers are able to grow more food than ever before on less land compared to just a few years ago. “This is good for the environment,” he says. “Because GM plants have a built-in resistance to bugs and weeds, we’re using fewer chemical sprays.” There may be an increase in RoundUp use, but according to Charles



population in the countries where they have been approved. Continuous use of risk assessments based on the Codex principles and, where appropriate, including post market monitoring, should form the basis for evaluating the safety of GM foods.” In support of this statement, proponents point out that farmers have harvested billions of acres of GM foods; people have consumed trillions of servings of food derived from GM products; and not a single health problem has been proven to be caused by them.

Opponents suggest that there is an element of irresponsibility and pure profit motive behind GM producers. A favorite bad guy is Monsanto, the largest of the GM seed producers and monopolizer of crucial patents. The company has made tremendous amounts of money on GM. However, others (including at least one GM detractor) say that Monsanto is just doing its job in making products people want to buy. Also, studies show that profits have been more or less divided between seed producers, farmers, and consumers.

Supporters also counter that the molecular techniques behind creating GM crops are stringent and require a solid technical and conceptual understanding of an organism and gene transfer to properly design and succeed in inserting foreign genes. “Exhaustive studies are done both in the lab and the field in order to monitor the desired results,” states Matthew Tuthill, PhD, molecular biology instructor



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Benbrook, chief scientist at the Organic Center, a nonprofit advocacy group, the herbicide is known for “its ability to kill almost anything green, yet leave a

relatively small environmental footprint, being less toxic to wildlife and people than most weed killers. ...If glyphosate isn't the safest herbicide, it is damn close.”

David Zilberman, Professor of Agriculture and Resource Economics at the University of California, Berkeley, and Truth About Trade & Technology blogger, contends in the Berkeley Blog that GM is good for the environment. “Adoption of herbicide tolerant varieties enabled transition to minimal tillage techniques, which reduced the GHG [greenhouse gas] effect of agriculture equivalent to hundreds of thousands of cars annually,” he says. “GMOs make it possible to produce food on less land, reducing the incentive of converting wild land into agricultural land. There is evidence that by replacing toxic chemicals in India and China, adoption of GMOs directly saved many lives. Reduction of exposure to pesticides and the resulting health effects has been a major cause for adoption in the US.”

GM supporters acknowledge that the emergence of glyphosate-resistant weeds and Bt-resistant insects is a problem, but say this is unavoidable because of evolution, and that it means that scientific research needs to be continuous to find solutions to these problems. “I believe sustainability is different than Nirvana,” says Zilberman. “We cannot find final solutions that do not give rise to new problems. GMO is a technology that allows us to better adapt to new diseases and climate change.”

Ken Kamiya, papaya farmer and member of the Hawaii Papaya Industry Association, believes that GM papayas hold a lesson for America. The papaya industry had been enjoying commercial success when the ringspot virus appeared in the mid-20th century. Farmers were able to contain its spread for a while by destroying infected papaya trees, but it got worse. One year, Kamiya had to cut down half his orchard. By the 1990s the papaya industry in Hawaii was decimated. As papaya production ground to a halt, Dennis Gonsalves, then a scientist at Cornell University, was able to take genetic material from the ringspot virus and use it to create a new papaya plant immune to the virus. According to Kamiya, GM papayas underwent strict regulatory testing in the U.S., and in 1998, GM papayas came on the market. However, Japan, Hawaii's biggest papaya export market, at first refused the importation of GM papayas. In 1996, papaya exports to Japan were worth more than \$15 million; by 2010, exports had dropped to \$1 million. However, in 2012, Rainbow papayas became the first GM food approved by Japan for commercial

release. Kamiya, who has grown papayas in Hawaii for 40 years, contends that the lesson is that GM saved his farm, expanded trade opportunities for Hawaii, and improved consumer choice in Japan.

Author and self-described former anti-GM campaigner Mark Lynas is a convert. He used to join middle-of-the-night “decontamination” actions, trampling and slashing down GM crop trials in the UK in the late 1990s. “I realize I was caught up in something more resembling anti-scientific mass hysteria rather than any rational response to new technology,” he writes. “We were concerned, perhaps legitimately, that GM could be dangerous. But in the ensuing 10 years, the science is pretty conclusive: I am not aware of a single substantiated case of GM foods having had any negative effects on health or the environment anywhere in the world.”

Instead, the impact has been almost entirely positive, Lynas continues. Importantly for Africa, where 1.3 million Ethiopians frequently face starvation, GM crops have substantially increased yields, meaning more food for the hungry and a greater harvest per acre or gallon of water. “Herbicide-tolerant crops have been designed to work with more benign weed killers than the toxic brew sprayed on conventional crops.” Furthermore, he commends Bt cotton and corn for their anti-pest traits because they require much less insecticide.

Zilberman writes that, “studies show that GM varieties of cotton and corn in developing countries increased in per acre yield by more than 50 percent, and GMOs contributed significantly to the more than doubling of the production of soybeans.” Zilberman further stated that: “Our calculations suggest that the magnitude of the impact of GMOs on reducing food commodity prices was the same or even bigger than biofuels had on increases of these prices (15-30 percent reduction in the price of corn and soybeans overall). Furthermore, the prices of cotton did not rise with the prices of other commodities in 2008 due to increased supply from the adoption of GMOs. If African nations and Europe would have adopted GMOs, current prices of food would have decreased significantly, and much of the suffering associated with the food shortages could have been avoided. Thus, even in its early stages, GMOs have made significant contributions to reducing food shortages and saving lives.”

For over a decade, following the lead of European environmentalists, Africa had shut out GM crops. Now, countless acreage has been given over to GM crops as African rulers now believe it was a costly mistake to ban biotech.

Should GM Foods Be Labeled?

“Don't you have a right to know what's in your food?” asks Fergusson about the labeling issue. He states, “One of the most dangerous and least understood experiments with human health the world has ever known is currently underway without your consent—in your household and households across the nation, indeed throughout the entire planet. It is the wholesale contamination of the world's food

The survey...found that consumers are generally satisfied with current food labels. ...Less than one percent of the total sample mentioned biotechnology. When it came to GM, 66 percent of consumers said they support the FDA's current labeling policy for GM foods.

supply with GMOs.”

Fergusson contends that few choices in our daily lives are as important as the food choices we make for ourselves and for our families. “It’s wrong for government to deny us our right to know,” he argues. “Our right to know what is in the food we are buying and our right to choose our preferred food should not be usurped for any reason.” Fergusson further states that the right to know is being denied to the “more than 90 percent of Americans who want to know if a food contains genetically modified organisms.” (Editor’s note: Fergusson is citing a 2003 poll by ABC news showed that, “...huge majorities of Americans favor mandatory labeling — 92 percent for genetically modified foods, and 85 percent for food from farm animals that have been fed hormones or antibiotics.”) He notes that these figures track with Hawaii residents’ preferences who, in a 2007 UH survey, indicated that they want choice: “...more than 90 percent of those surveyed supported the labeling of GM foods, 68 percent indicated that such labeling was needed, and 50 percent felt that not labeling GM food products was a violation of the consumer’s rights.”

They are being denied this right, Fergusson says, because our government does not require these products to be labeled. As a result, he concludes, Americans are eating GMO foods without informed consent. The U.S. Food and Drug Administration requires no independent safety testing of these ingredients and defers to whatever data the companies choose to disclose. “By contrast, labeling is required in countries including the 27 member nations of the European Union, Australia, New Zealand, Japan, Korea, Brazil and China,” he notes.

Hawaii is one of a handful of states where legislation has been introduced to institute mandatory labeling of GM foods. Opponents of GM foods support such measures not only locally, but nationally. The argument that the consumer has a right to know what is in their food and how it was made is a very compelling argument, as we are all consumers, regardless of whether or not one supports or opposes GM foods. Also, how can we as consumers exercise our rights to choose and make informed choices if we are not given all of the information?

HFIA opposed the many bills introduced to label and ban GM products during the 2013 legislative session (see Legislative Update on page X) on the grounds that they would significantly increase food costs for consumers. Hawaii already leads the nation in the cost of food by up to 40 percent on some items. Also, HFIA contended that it would be nearly impossible to implement a statewide labeling system when no other state in the U.S. requires one. While Hawaii imports over 80 percent of its food,

HFIA argues, national and international producers will not make an exception for Hawaii because the market here is too small. Derek Kurisu, Executive Vice President of KTA Super Stores, worries that companies may even discontinue shipping to Hawaii if GM labeling is required.

If not in Hawaii itself, why not require the labeling of GM products nationally? Critics argue that the issue is not as simple as it looks on the surface. Therefore, it is worth considering the purposes behind labeling more closely.

Product-Based Labeling. Current food labeling policy in the U.S. mandates that food labels disclose the chemical composition of the food, including protein content, calories, vitamins, and minerals, along with any potentially allergenic and toxic substances. Regulations also require labels for new foods—including GM products—but only if there is a change in the nutritional content or if there is a component that is allergenic or toxic.

Product-based labeling is objective in that it considers the physical and chemical properties of a food. “Any lab can sample the food and test it for potential allergens or toxins and measure the amounts of vitamins, nutrients, etc.,” states McHughen. “As an example, added sugar must be on the label, but it is not necessary to specify whether the sugar (the tangible product) was extracted from sugar cane or sugar beets (the process).”

Process-Based Labeling. The demand for GM labeling is a process-based policy. “It relies on the *process* of genetic modification as a trigger for the mandatory label, even when the physical properties of the resulting food are unchanged,” explains McHughen. “Any proposed process-based label policy would be subjective and probably impossible to enforce.” He notes that under the current product-based regulations, if a label says a food contains, say, 25mg sodium, anyone can objectively verify the claim by sending a sample to a laboratory. “On the other hand, if the label says ‘This corn oil is produced from genetically engineered corn,’” McHughen continues, “the consumer has no independent and objective means to verify the label because the composition of GE corn oil is identical to that of conventional corn.” The label’s claim, he says, will be based on often unverifiable assurances from everyone in the chain, including retailers, bottlers, processors, crushers, grain handlers, farmers, and seed suppliers.

Labels of a Different Purpose. The purpose of current labels is to provide consumers with data to satisfy health safety and nutritional concerns. Process-based labels address the consumer’s “right to know.” Put another way, product-based labels provide objective, measurable data, while process-based labels would provide information on how the food was produced. McHughen argues that a label

cannot serve two masters, and that consumers will inevitably confuse and contort the two objectives and reduce the effectiveness of all labels. At worst, it could stir up fear and confusion among the general public that label detractors feel is unjustified. Zilberman agrees: "Labeling requirements are appropriate when there is undisputed scientific evidence that a food component is damaging, which for example, is the reason for warning labels on cigarettes."

Those who are demanding GM labels are saying they want to know how the food was made to avoid GM foods because they essentially fear that such foods could be or are unsafe. Those who are against labeling point out that GM foods are under the jurisdiction and scrutiny of not one, but three federal agencies: the USDA, FDA, and EPA, all of which have a high degree of public confidence. However, supporters of GM labels do not have a high degree of confidence in these federal agencies, their methods, or assessments of GM foods.

The Price of Knowledge. It's fair to say that those who are in favor of GM labeling feel that you can't put a price on the right to know. If one sincerely believes that GM foods are harmful, then it would be illogical to say that labeling has a price limit. Conversely, if one believes that GM foods are safe, then the price of process-based labeling is a factor.

Last year, when the "California Right to Know Genetically Engineered Food Act" was being debated, family farmers, grocers, small businesses, food producers, and agricultural groups were up in arms about labeling. Richard Cornett, Director of Communications for the Western Plant Health Association, stated that the California Legislative Analyst estimated the measure would cost millions in monitoring, enforcement, and legal fees. "An economic analysis of a similar measure that was rejected by Oregon voters in 2002 found that the type of labeling regulations in the California proposition could cost an average family hundreds of dollars per year in higher food prices," he said.

"In our slow growth economy, this is a price that few can afford to pay, especially low-income families and seniors who live on a fixed income," Burrack. "Even Californians who don't alter their eating habits will see their bills go up as food producers redesign packages and processors segregate food so that it satisfies the complicated requirements of a new bureaucracy."

Those against process-based labeling argue that a government mandate will also have unintended consequences—ironically, for *non*-GM producers. Hawaii's papayas are an example (and in fact, McHughen uses the crop to illustrate the argument). If a law is passed mandating labeling, then Hawaii's GM papayas would have to be labeled as such because a gene from the ringspot virus was used to inoculate the trees from the virus. It would cost some money to print and apply the labels, but it may be a reasonable amount. If a mistake is made and a GM label was accidentally put on a non-GM papaya, no one would care or even notice—there would be no penalty for the error. However, the suppliers of non-GM papayas, which would

The irony is that consumers who feel a need to avoid biotechnology already can do so: They can look for the organic label.



be unlabeled, must ensure that every single papaya does not contain non-papaya genes. That is, label opponents say that testing would have to be done on every papaya at every step of production where a mixture could occur, beginning at the farm. This would require a new quality control and audit system at a huge cost. If this is not put in place—and even if it is—the consumer backlash and economic consequences for a mistake would fall on non-GM papaya producers, not on GM producers.

Speaking against the California legislation to require GM labeling (which was rejected by voters), Cornett agrees: "Farmers who don't use biotechnology would be affected the most, as they would have to keep special records and track every ingredient of every product they sell in California in the event they are hit with a lawsuit." Changing tens of thousands of product labels would be expensive, detractors argue, but the real expense will come from monitoring and tracing every single ingredient in every fruit and vegetable and every ingredient in every packaged food from farm to fork. Burrack warned that trial lawyers are chomping at the bit to sue food producers for "petty violations of arcane rules."

But what about the ABC poll that showed overwhelming majorities in favor of labeling? Shouldn't the will of the people prevail? Those against labeling point out that two polls failed to garner a majority: the initiatives in Oregon and California. Those who wanted the labels charge that they were defeated with corporate dollars and deception. Another survey is the 2012 Consumer Perceptions of Food Technology Survey conducted by the International Food Information Council (IFIC), which found that 38 percent of consumers have a somewhat or very favorable opinion of plant biotechnology, up from 32 percent in 2010. Twenty-six percent had neither favorable nor unfavorable opinions, and 20 percent were either somewhat or very unfavorable.

The survey also found that consumers are generally satisfied with current food labels. Seventy-six percent couldn't think of anything else they would like to see on labels. Of the twenty-four percent who would like to see additional information (n=178), 36 percent wanted more nutritional information; 19 percent would like to see additional ingredient information; and 18 percent wanted more information on food safety. Only three percent (less



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Food manufacturers, grocers, and consumers didn't ask for GM foods—it just happened to them. ...We didn't cause the problem—it got forced on us.

than one percent of the total sample) mentioned biotechnology. When it came to GM, 66 percent of consumers said they support the FDA's current labeling policy for GM foods, which includes labeling changes to the nutritional content or composition of a food, or identifying a food safety issue if a GM food introduces such a change.

Most realize that polling people on anything can be tricky, however. It depends on how questions are asked, sample size, etc., and if the surveyor allowed bias to creep into the methodology.

A Possible Solution

Credit must be given to those who believe in GM labeling, because they are putting their money where their mouth is. Down to Earth recently announced that they will join Whole Foods Market in requiring all products containing GM ingredients in their stores to be labeled by 2018. Down to Earth also strongly supports the Non-GMO Project, and Fergusson encourages all to look for their verified seal on products if you wish to avoid GM foods. Another option is to simply look for the "USDA Organic" seal, which certifies that GM foods were not used in production.



Many critics of mandatory labeling point out that the solution to the problem already exists. Burrack puts it succinctly: "The irony is that consumers who feel a need to avoid biotechnology already can do so: They can look for the organic label." In the future, labeling of non-GM foods looks like it will become even more user-friendly with the Non-GMO Project Verified Seal. Ellen Malloy, chef, backyard farmer, and blogger who *doesn't* eat GM foods, points out that you don't need a label because if you oppose GM foods, you should already know that most foods have them. "Frankly, unless we are buying organic, we actually know we are buying GMOs." That is, those who want to avoid GM foods already can do so by looking for the organic or the Non-GMO label.



However, when pressed on the question of whether voluntary labeling is enough, Fergusson still insists on mandatory labeling. He justifies mandatory labeling by saying that food manufacturers, grocers, and consumers

didn't ask for GM foods—it just happened to them. "Labeling is difficult," Fergusson admits, "but we didn't cause the problem—it got forced on us." Fergusson asserted that non-GM food is the fastest growing segment, with 25 to 35 percent sales growth. "Government labeling is no different from other labeling," he insists. "The market wants it."

Kurisu supports labeling of *non*-GM products, but not as a law. He sees that as an advantage. Producers of non-GM products, he says, fill a niche for those who want these products, and as a result, they can charge more. "We're not going to condemn [those that sell] organic foods—they're an important part of the economy too," he says, noting that KTA offers some organics. "They're offering things we're not capable of doing. Diversity is good."

"Activists pushing for mandatory labeling of biotech foods in Hawaii argue that they have the right to know what's in their food. We agree," stated a joint article posted in the *Honolulu Star Advertiser* by Alan Gottlieb (Hawaii Cattlemen's Council), Ken Kamiya, Derek Kurisu, Alicia Maluafiti (Executive Director of the Hawaii Crop Improvement Association), Dean Okimoto (Nalo Farms owner and President of the Hawaii Farm Bureau Federation), and Fred Perlak (President of the Hawaii Crop Improvement Association). "Consumers have a right to ask for information about the products they buy and to choose those that most closely meet their lifestyle choices. But decades of sound public policy have reserved government-mandated labeling for information that has a material impact on consumer health and safety. The most effective action we can take now is to label the food that *doesn't* include GMOs."

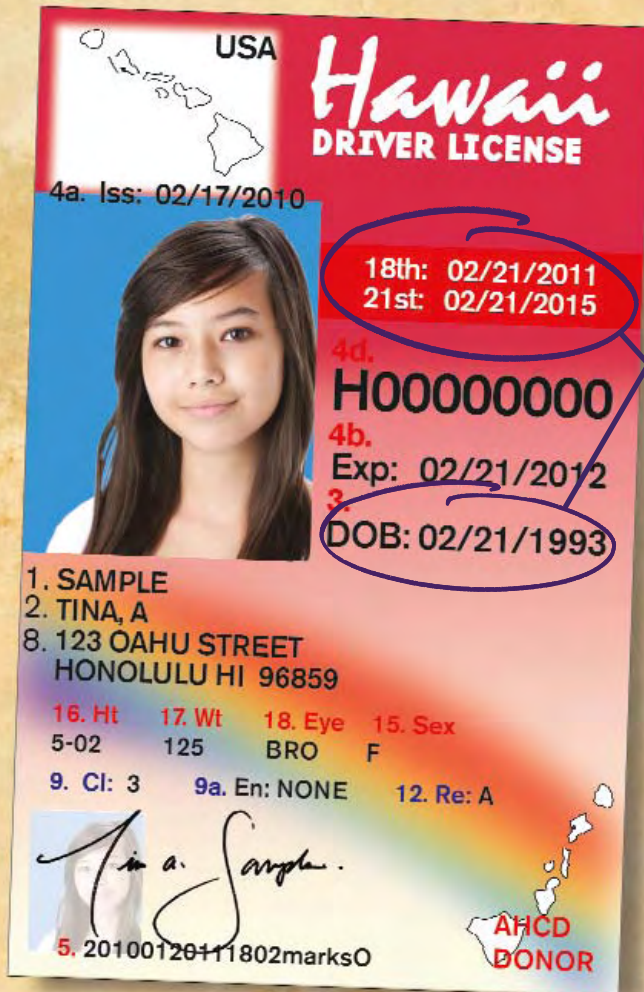
Final Statements

"Most Hawaii residents want GMO labeling and many are not convinced that GMOs are safe," asserts Fergusson. "Some oppose them based on scientific studies, others oppose them on religious, spiritual, philosophical, or ethical beliefs. While we have different reasons for wanting to know what is in our food, the one thing no one should deny is our *right to know*."

"For those with philosophical reasons for wanting labels, a preferable system is already in use," says McHughen. "A number of foods carry labels to satisfy philosophical taste—labels on Kosher, organic, or halal foods help consumers make informed choices. These labels are all meaningful and useful—and invariably voluntary."

Point and counter point... *you decide.* 🛒

PREVENT TOBACCO SALES TO MINORS

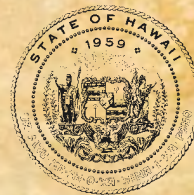


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Dasani Case Packer

Modern Marvel

Pacific Allied Products Brings World-Class Manufacturing to Hawaii

BY JASON Y. KIMURA

Hawaii isn't particularly known for manufacturing, but located on a lonely stretch of road at the outskirts of Kapolei is a manufacturing plant that is a true modern marvel. In 2010, Pacific Allied Products, Ltd., became the first plastics manufacturing company in the U.S. to be 100 percent vertically integrated. That is, the company takes the plastic bottle manufacturing process from PET (polyethylene terephthalate) pellets to creating preforms, and blowing them into bottles of various shapes and sizes. The bottles are air rinsed, filled, capped, labeled, shrink-wrapped, and palletized—all under one roof. With their stringent quality standards, Pacific Allied Products is also the only company in the *world* that co-packages for Coca-Cola.

Founded in 1965, Pacific Allied Products is Hawaii's leading plastics manufacturing company. The company first produced wall panels using Expanded Polystyrene (EPS) foam. Recreational products such as ice coolers, surfboards, and swim rings followed. In 1985, Pacific Allied Products became a partner in AFM, Inc., qualifying it to be the AFM trade name for roofing and housing products for the construction industry. In 1992, the company expanded to include the manufacturing of PET products for the local bottling industry. Pacific Allied Products added a 30,000 square foot PET manufacturing plant in 2005, allowing the company's filling line to produce 13,000 bottles an hour, or 90 million bottles per year. The plant can produce over 200 million bottles a year when including unfilled bottles. With a total of 90,000 square feet of manufacturing and warehouse facilities, Pacific Allied Products will soon install new blow mold machinery that will increase the plant's capacity.

Pacific Allied Products is unique in that it manufactures its PET products from the lowest common denominator: PET resin, which is shipped to Hawaii. The company's PET Division uses state-of-the-art machines along an assembly line in its 30,000 square foot facility to transform the small plastic PET pellets into full-size plastic bottles. The high quality resin contains no BPA, and has been shown to be stable, even in the 150-degree heat in Iraq, says Gus Perea, PET Division Manager. Importing PET pellets is efficient. Just one shipping container of PET pellets equals 67 containers of 500 ml. bottles, or 34,560 bottles. "It creates the lowest carbon footprint possible," says Bernie Coleman, President of Pacific Allied Products.

The PET pellets are heated and melted to create preforms of various sizes using injection molding equipment. The preforms, which look like thick plastic test tubes with screw-top threading, then pass through a post-mold cooling system. Preforms are also sold to other companies, as well as blow-molded bottles. Although other companies on the

mainland supply preforms, Pacific Allied Products is the only one in Hawaii that makes them. Next, the preforms are heated and stretched in a high-pressure blow mold to create the plastic bottles. Customized molds can be created to give a company's product a unique look.

In 2010, Pacific Allied Products took the next step to become vertically integrated: They began filling, labeling, and capping bottles to produce a finished product. To do this, the bottles are moved by an airveyor system to the bottle descrambler, rinsed, filled, capped, and labeled before being shrink-wrapped and palletized for shipment.



Pacific Allied Products President Bernie Coleman shows samples of PET pellets, preforms, and filled bottled water.

A machine photographs each bottle to ensure the water level is correct, the cap is on, and the label is properly placed—otherwise, the bottle is kicked out of the system. For quality control purposes, CSDs, or carbonated soda drinks, are tested every two hours. Water bottles are tested every half an hour. The water is tested for PH, conductivity, ozone, and for other items, such as cap torque.

Pacific Allied Products bottles water for more than 10

Dasani, Coca-Cola's bottled water brand, is processed through the Pacific Allied Products manufacturing plant.

different companies, and offers three types of Hawaiian water: purified, deep sea, and spring water. These private label companies include Aloha Wai, Island Pure, Hawaii Deep Blue, Aloha Water, Naturally Hawaiian, The West is Best (UH West Oahu), Hilo Hattie, Halekulani Hotel, Fleetwood's restaurant in Maui, and Hawaii H2O. Pacific Allied Products also recently received approval from the U.S. military to sell its co-packaging customers water for all military commissaries in Hawaii.

Dasani, Coca-Cola's brand of bottled water, is unique in that the water goes through a nine-step purification process at Pacific Allied Products. Then, a secret formula of minerals are added back into the water to give it a consistent taste. Whether you drink Dasani bottled water manufactured in Hawaii or New York, it should taste the same.

The only way a company like Coca-Cola would allow an outside company to co-package for them is if stringent quality standards are met. To ensure the highest quality and safety, Pacific Allied Products took a proactive approach by pursuing and earning the highest industry certifications for safety and set an industry standard in plastics manufacturing.



FDA recently proposed strict regulations aimed at protecting consumers from contamination, but Pacific Allied Products is ahead of the curve. Last year, the company received its International Organization for Standardization (ISO) 22000 certification for the manufacture of injection molded preforms and blow molded PET plastic bottles. The certification specifies the requirements for a food safety management system that ensures products are safe at the time of consumption. The company also received the Food Safety Systems Certifications 22000 for "bottling purified drinking water," and meets all requirements for the Global Food Safety Initiative.

Recently, Pacific Allied Products passed an audit and earned the highest food certification possible: the ISO 9001. The company will receive full certification within the next two months. All of its certifications place Pacific Allied Products in a prime position as the FDA releases new standards for food safety later this year.

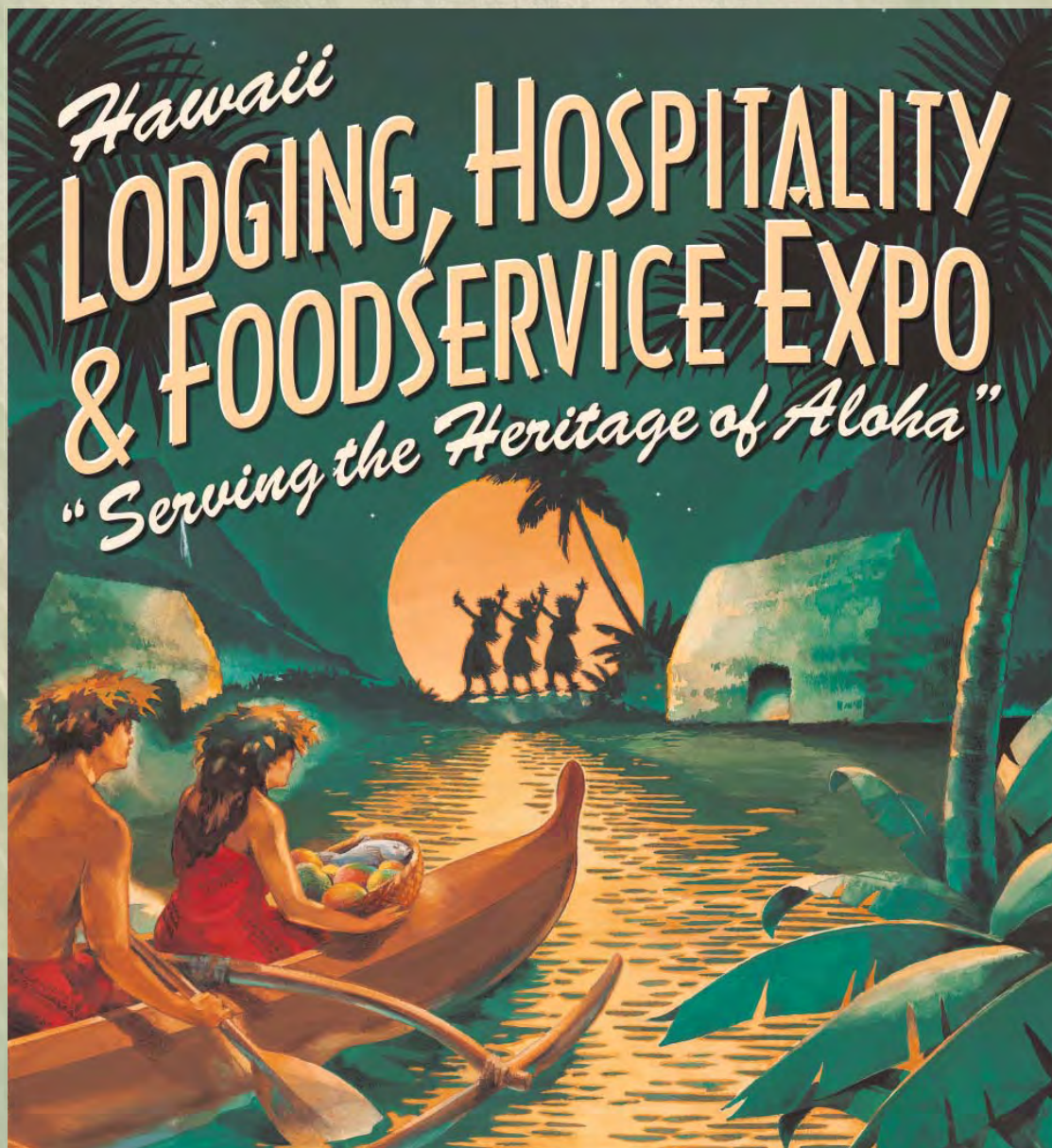
The safety certifications are good for customers because all the company's products benefit from the high standards. Also, big retailers like Walmart require ISO-certification to place products in their stores.

"[Our products] are made in Hawaii for Hawaii," says Coleman, explaining that Pacific Allied Products' primary goal is to penetrate Hawaii's market. "We're trying to grow to provide different water products for local companies." The company has a second goal of exporting Hawaiian bottled water to markets in Asia. With a completely vertically integrated company with the highest quality standards and a quality product, Pacific Allied Products appears poised to reach its goals. 🛒

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Ag Day at the Capitol: HFIA Gives Live Demo of Food Supply Chain

BY JASON Y. KIMURA

HFI demonstrated a metaphor of Hawaii's food supply chain at Ag Day at the Capitol this year with a Not-Your-Ordinary-Teri-Beef Sandwich (see photo, right), which was served free to anyone willing to wait in a line that almost went around the corner on the fourth floor balcony. Everything from the container that contained it, to the beef, the kim chee topping, and the drinks were manufactured, grown, or packaged in Hawaii.

"We're bringing quality food and beverages to Hawaii consumers," explained HFIA Executive Director Lauren Zirbel of Hawaii's food and beverage industry. Manufacturers, transportation companies, local



produce, and local beef were all represented in the lunch offered to Ag Day attendees. Zirbel noted that individual manufacturers and farmers can't survive by themselves—they all need the food supply chain. HFIA plays a critical role in supporting local products by getting them to consumers through an efficient distribution network. For example, local farmers grow produce and raise livestock. Local transportation companies move raw materials and other products to

Not Your Ordinary Teri-Beef Sandwich

The **Hawaii Food Industry Association** plays an important role in getting local products to market. Our members provide local transportation, local manufacturing, processing and packaging to get these products to Hawaii's consumers safely and efficiently.

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Maui grown butter lettuce...transported to Oahu by Young Brothers.

Halm's
KOREAN KIM CHEE
Halm's ono kim chee made with local won bok.

KULANA FOODS
HILO
Kulana Foods Big Island grass-fed beef...transported to Oahu by Young Brothers.

HFIA
HAWAII FOOD INDUSTRY ASSOCIATION

"Bringing Quality Food and Beverages to Hawaii's Consumers"

Above: Hawaii's food supply chain is represented in a single sandwich.

Lauren Zirbel, HFIA Executive Director, Bonny Amemiya, aio, and Derek Kurisu, KTA Super Stores.

distribution warehouses and retailers. Local manufacturers, processors, and packagers enhance products and get them ready for sale. Local wholesalers and retailers get all of these products to the consumer safely and efficiently. The kim chee-topped teri-beef sandwiches packaged in locally manufactured containers and served with chips and drinks represented virtually all the elements of the food supply chain.

"The goal was to see all these people and organizations that are connected

to agriculture all together," added Derek Kurisu, Executive Vice President of KTA Super Stores, which carries Big Island beef and many other local products. The foam containers, made with 40% recycled materials, was manufactured by Hawaii Foam Products right here on Oahu. The company, which is a sister company to KYD, employs about 100 people, supplies over 60% of the containers in the state, and distributes on all major islands. The buns for the sandwiches were fresh-baked at Love's bakery, and the produce was supplied by Armstrong Produce. (The tomatoes were grown by Sugarland Farms in Kunia, and the butter lettuce by Waipoli Hydroponic Greens on Maui.) The



Jason Takemura, Executive Chef, Pagoda Floating Restaurant and Hukilau Honolulu, and Tom Asano, Sales Manager, Kulana Foods, show off their unique teri beef kim chee sandwich.



Happy Ag Day attendees get their teri beef kim chee sandwiches after waiting in the long line to HFLA's exhibit.

grass-fed beef was raised by Kulana Foods on the Big Island, and topped by Hukilau Honolulu's kim chee made with Hawaii-grown won bok and green onions. (For a home-made version, top with Hawaii's famous Halm's Kim Chee). All neighbor island goods were transported to Oahu by Young Brothers.

The unusual but delicious sandwich was created by Jason Takemura, Executive Chef of Hukilau Honolulu (an aio company) and the Pagoda Floating Restaurant. Frito-Lay provided chips, and Meadow Gold Dairies supplied the beverages. HFIA's offerings at Ag Day not only filled bellies, but was food for thought for Hawaii's consumers and legislators alike. 🛒

Aloha -and- Best Wishes

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GOLF TOURNEY 2013

The 20th Annual HFIA Golf Tournament was held on March 15 at the Ewa Beach Golf Club. The tournament format was a modified scramble with a minimum of three drives per player, a maximum two putt, and a closest-to-the-pin contest on all par 3s. A \$1,000 cash prize was offered for the first hole-in-one.

The Grand Prize went to the James D. Swoish, Inc., team, made up of Lance Fujii, Jowell Rivera, and Howard Matsuda. The prize was 15,000 Hawaiian Miles, Avis/Budget two-day car rental, golf cap, T-shirt, and carry bag. However, due to a tremendous amount of donations and participation this year, prizes were given to everyone who participated.

Mahalo to our tournament sponsors:

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Stan Brown
2013 HFIA Chairperson



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New Member

KAUAI CIGAR COMPANY

PROFILE: Kauai Cigar Company is a grower and manufacturer of premium Hawaii cigars.

REASON FOR JOINING HFIA: Kauai Cigar Company would like to become better affiliated with Hawaii retailers that sell their cigars. The company is also interested in strengthening the lobbying arm of HFIA to better protect the premium cigar industry in Hawaii.



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UNIQUE TO THE COMPANY:

Kauai Cigar Company is the only company that grows tobacco in Hawaii.

LOCATION AND SERVICE AREA:

Statewide and mainland USA distribution.

CONTACT INFORMATION:

Les Drent, president
 Tai Erum, operations manager
 Elaine Dalistan, Oahu Sales Representative
 Lei Hayashi, Maui Sales Representative
 Justin Viezbicke, Big Island Sales Representative
 Toll Free: 800-750-5662
 Phone: 808-822-4495
 Fax: 808-822-9731
 Web: www.lbdcoffee.com
 Address: 6200-B Kawaihau Road; Kapaa, HI 96746





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The Last Word...

BY LAUREN ZIRBEL, EXECUTIVE DIRECTOR

As HFIA approaches the end of our fiscal year and our annual Convention at Ihilani JW Marriott, we look back on the last year and review our progress. We have made a lot of progress!

The association is fiscally stronger than it has been in a long time and our legislative agenda continues to be executed with great success. HFIA's Made in Hawaii Festival continues to be the premier made in Hawaii event of the year, bringing in almost 40,000 people from across the islands as well as the world! The combined success of HFIA's Social event, A Night at the Oscars, our Golf Tourney, our first ever Halloween Cosmic Bowling Event, and our annual Convention have allowed the association to invest in education and legislative priorities. We continue to push forward, improving HFIA and the Made in Hawaii Festival to ensure the strength of the food industry for years to come.

Two years ago, HFIA revisited its Mission Statement and decided upon, "The Hawaii Food Industry Association actively promotes the interests of Hawaii's food and beverage retailers and suppliers through highly effective government relations and advocacy, member education, and industry and community relations." We have built upon the spirit of this mission statement and are embarking on some exciting new programs.

Regarding education, the HFIA Foundation, with funding provided by the Kosasa Foundation, will provide tuition reimbursements to employees of current member HFIA companies pursuing the Retail Management Certificate Courses organized by Western Association of Food Chains (WAFC). Coca-Cola will host a special cohort group at their facility in Mapunapuna starting in September. Certificate classes will also be offered on neighbor islands, some via classrooms and others via the Internet. We are very excited to roll out this program to encourage more involvement and participation in the

Retail Management Certificate Courses, which we know will strengthen Hawaii's food industry workforce.

With the fantastic leadership of Bonny Amemiya, HFIA spent a day at the Capitol educating legislative staffers and elected officials about HFIA's role in the food supply chain and the importance of maintaining a strong food industry in Hawaii. The event was a resounding success, as we attracted a large flow of people by engaging them with our "virtual supply chain teri-beef sandwich" table. The teri-beef sandwich contained local products, which represented HFIA's membership and served as an analogy for how our members provide transportation, manufacturing, processing, and packaging to get products to Hawaii's consumers safely and efficiently. We pioneered the slogan "We Connect People to Food."

The upcoming 19th annual **Made In Hawaii Festival**, organized and managed by HFIA with our title sponsor **First Hawaiian Bank**, will be at the Neal S. Blaisdell Exhibition Hall and Arena, from Friday to Sunday, August 16 to 18. We encourage buyers from the food industry to come on Friday for early admission to see the amazing selection of one-of-a-kind Made in Hawaii products on display. Last year we matched our record attendance with nearly 40,000 attendees making it through the turnstiles to seek out products from 400 vendors while being entertained by a number of Na Hoku Award winning performing artists, as well as watching and sampling dishes made by Hawaii's notable chefs. Our excellent presenter, HFIA's Secretary and incoming Treasurer, Derek Kurisu, made our chef demonstrations much livelier! Several of HFIA's notable manufacturer members, **Love's Bakery**, **Meadow Gold Dairies**, and **Hawaiian Sun**, introduced new varieties of their established brands during the Festival. The Festival continues to serve as an important industry incubator for new companies and provides these businesses with unparalleled access to buyers and sales exposure.

We thank all our sponsors and attendees of HFIA's Wide World of Sports 2013 Annual Convention, and we hope that you have a wonderful experience! HFIA congratulates our incoming chairman, Stan Brown. We know he will do an excellent job, as he has been a pillar in the industry for many years. HFIA thanks our outgoing chairman, Alan Nakamura, who has devoted much of his life to HFIA. We are truly grateful for his service to the association over the years! HFIA also welcomes our incoming Secretary, Lisa DeCoito. We all look forward to working with this amazing individual on the Executive Committee! Finally, we express how honored we are to induct two giants of the Hawaii food industry into the HFIA Hall of Fame—Minnie and Sidney Kosasa. 🍷



Bonny Amemiya and Alan Nakamura support the Made in Hawaii Festival.



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