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FALL 2011

Retail Grocer

the magazine of the hawaii food industry association

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The Chair's Message

BY BONNY AMEMIYA



The Benefits Of A Vibrating Hairbrush

Bringing HFIA members, colleagues, and their families together in the spirit of aloha and camaraderie has been one of the primary goals of the Annual Convention, and this year's event certainly exceeded expectations! Thanks to our thoughtful and hardworking Convention Committee led by Jay Higa of the *Honolulu Star Advertiser*, guests were treated to an event-filled weekend at the Ihilani with great food and great company.

It was energizing to find the Saturday morning business meeting filled to capacity; members turned out to elect new directors and a new secretary, approve the recommended bylaw amendments, and receive a thorough, yet concise HFIA business review delivered by Executive Director Gary Hanagami. Who can forget UH Men's Basketball Head Coach Gib Arnold's entertaining and inspirational keynote speech as he talked about his journey from being the top salesman of vibrating hairbrushes to positioning himself to pursue his true passion and ultimate dream—calling his first “time out”?

New at this year's Hospitality Room was the inclusion of the HFIA Hall of Fame, which pays tribute to the visionaries and pioneers of Hawaii's grocery industry. Here, you could read about the accomplishments of each of the past inductees of the HFIA Hall of Fame and get a sense of the history of the association. Kudos to Alan Nakamura and Faith Freitas for taking on this huge project...with a smile. It turned out to be an excellent addition and a job well done!

And finally, the Convention was a perfect opportunity to recognize Dick Botti for nearly 40 years of service to HFIA and its members. It was wonderful seeing many of our past chairs and members turn out to pay tribute to Dick. As always, the Convention Committee went out of its way to deliver fun and surprises for its attendees—like the go-go dancers at the Stella Ultra Lounge, games for keiki, and a professional cooking challenge—all with the intent of strengthening retailer-supplier relationships so that we can be more effective as an industry in bringing our best to Hawaii's consumers. Many, many thanks to all of our Convention sponsors who made the event possible.

This summer was one of transition as we also said a fond aloha to Paula Aono as she retired from HFIA after 38 years of service. It's hard to imagine HFIA without Paula, but fortunately, she hasn't strayed far as she continues to work part-time with LISH (Legislative Information Services of Hawaii) and for Glenn Tamura. With Paula's retirement, we welcomed in Nancy China, our new administrative manager. Please be sure to introduce yourselves to Nancy at our next meeting and provide a warm welcome for her into the HFIA ohana.

After 17 years, the Annual Made in Hawaii Festival, held

August 19 to 21 at the Neil Blaisdell Center, continues to grow in popularity and attendance as the premier event of the year showcasing locally made products from around the state. The Made in Hawaii Festival team did a tremendous job with media coverage for the event, and there was a definite buzz around town that drew in nearly 40,000 attendees. Love's Bakery, Meadow Gold, and Hawaiian Sun were among those who took advantage of the opportunity to showcase their new products, and KTA's Derek Kurisu emceed cooking demonstrations in the arena. The Made in Hawaii Festival is one of my all-time favorite events, and I look forward to it every year, not only for the unique products you can discover, but because of the sense of pride the Festival generates when you get to see, hear, touch, taste, and talk story with the best that our island communities have to offer.

Turning to internal business, I am pleased with the progress we've made on our recent reorganization. At the Convention, we adopted certain bylaw amendments, and since then, we've worked on establishing the four Standing Committees that will help us better execute HFIA's mission of actively promoting 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. Furthermore, the Vice Chair, Treasurer, and Secretary are all leading one of four committees to better prepare them for their future role as chairperson, and each Standing Committee now has a charter that will serve as their guide.

Alan Nakamura, as Vice Chair, is leading the Government Relations and Advocacy Committee, which has been busy working with members of the Big Island County Council and industry to defeat a proposal to ban single-use plastic bags. They are also busy laying the groundwork for the upcoming legislative session. Stan Brown, our Treasurer, is leading the Member Relations Committee, and has a full plate as that committee is charged with a broad spectrum of activities, from communications to events. John Schilf, our Secretary, is leading the Member Education Committee, which is focused on expanding training resources and opportunities for our members and their employees. Derek Kurisu will lead the Industry and Community Relations Committee, which will focus on strengthening our relationship with outside organizations and agencies like UH's CTAHR, Department of Agriculture, Department of Health, and Hawaii's foodbanks.

I am excited about the talent, energy, and dedication that we have among us and look forward to hearing feedback from you, our members, at our next meeting on September 20.

A hui hou!

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Legislative Update

BY LAUREN ZIRBEL

It seems the legislative workload has leapfrogged into the “inactive months,” with pending changes to the fees associated with the bottle bill and combating the Big Island plastic bag ban making its way through public hearings. The Hawaii Food Industry Association has engaged in a bottle bill review process due to threats that the Department of Health plans to raise the bottle bill container fee that retailers pass on to consumers. We have been actively providing input to Big Island legislators and staff members who are participating in island-wide public hearings on a plastic bag ban. HFIA is pushing for the more meaningful alternative solution of a fee on all single use bags to reduce waste.

Additionally, HFIA has been working at the State Legislature with the Small Business Caucus, which is organized by the Chamber of Commerce and includes many key decision-makers, such as Speaker Calvin Say, Sen. Carol Fukunaga, Sen. Suzanne Chun Oakland, Sen. Rosalyn Baker, Sen. Clarence Nishihara, Sen. David Ige, Rep. Barbara Marumoto, Rep. Karen Awana, Rep. Cynthia Thielen, Rep. Cliff Tsuji, Rep. Issac Choy, Rep. Ty Cullen, and Rep. Mark Nakashima. The Small Business Caucus is working toward legislative solutions that will improve our business climate in Hawaii!

Bottle Bill Fee Increase Meeting with the Director of Environmental Health

In 2009, the legislature ended exemptions from HI-5 paying fees to the state's Department of Accounting and General Services (DAGS) and the Department of Health's Administrative Services Office, worth \$4.5 million and up to \$2 million a year, respectively. Lawmakers took another \$1.3 million from the program's reserves to help balance the state budget. In 2008, the DOH increased payments to recycling companies for glass containers, increasing costs by about \$2 million a year.

While we recognize that the Bottle Bill allows the DOH to raise per-drink fees when redemption rates exceed 70 percent, which happened for the first time in 2008, HFIA wanted to ensure that the food and beverage industry would be included in this discussion. Given that the deposit beverage container special fund had \$21.5 million saved as of June 30, 2009, and that savings shrank to about \$14 million by June 30, 2010, HFIA believes that there are some serious issues regarding fairness to consumers, retailers, and distributors that need to be addressed before fees are increased.

HFIA was aware that the DOH stated they would evaluate whether to increase the fee in August, and that if approved, a higher container fee would take effect in September. This would amount to raising the fee to run the program from 1 cent to 1.5 cents for each of the 900 million recyclable drink containers sold.

The good news is that the DOH stated that they would not increase the deposit beverage container fee this year. Gary Gill, Deputy Director of Environmental Health, said that he would like to work with HFIA on getting the fund exemption back for DAGS administrative fees, if not for the entire 6 cents, at least for the 5 cents they are simply holding for the consumer. The DOH said they would also like to work with HFIA on preventing the fund from being raided.

There remains a few underlying problems that make this HI 5 fee structure disconcerting. For example, on top of the 5 cents

that goes back to consumers, the fund pays recyclers much more than the 1 cent they take in for administration of the program in

order to subsidize the cost of recycling. For each one cent taken in to administer the fund, 2 cents is paid out per aluminum beverage container, 2 cents per plastic beverage container, and 4 cents for every glass container. The only reason that the fund is sustainable is that Hawaii does not have 100% redemption. It appears to HFIA that an alternative to shipping glass to the mainland for a price that does not cover the cost transporting the material needs to be developed. In any event, it is clear that the deposit beverage container fund should not be raided, and that steps should be taken to ensure the fund's viability, including reclaiming the \$4.5 million a year DAGS exemption. Otherwise, the fund will not be solvent for much longer. Deputy Director Gill projected that the fund would be in the red to the tune of \$4,219,187 by 2015 if current trends continue.



Public Hearings Preserved on Big Island Plastic Bag Ban Legislation

The Big Island County Council voted to preserve island-wide public hearings in the communities of Keaau, Pahoa, Naalehu, Hilo, Laupahoehoe, and Kona. Councilwoman Brenda Ford, a supporter of the ban bill, submitted a bill to end public hearings and community input; however, the measure was defeated. HFIA was able to submit testimony in opposition and publish a letter to the editor in both the *Hawaii Tribune Herald* and *West Hawaii Today* advocating continuing the public hearings during non-work hours. County Council staff members who attended the hearing informed HFIA that most of the testimonies at these hearings have been in opposition to the bill. Many members of the community have embraced HFIA's proposal to not ban plastic bags and simply replace them with paper bags, but to institute a fee on all single use bags in order to preserve choice and encourage the use of reusable bags.

Small Business Caucus: Progress for Hawaii's Business Climate

It's very exciting to see so many small business advocates including HFIA be able to work freely during the interim with powerful legislators to get things done! Many items were discussed during our last Chamber of Commerce Small Business Caucus. One important agenda item was the increasing cost of health care, and the fact that tort reform is a known way to decrease the cost of defensive medicine, lower malpractice insurance rates, and reduce the cost of care for everyone. With health care costs cited as a major factor for businesses, this is something the Caucus will look into. Another major issue discussed was utility and energy costs. A Hawaiian Electric spokesperson answered questions about the effect of photovoltaic installations on small businesses. This issue will be researched further. The meeting concluded with a discussion about the detrimental effect of workplace mandates and unemployment insurance increases. All parties are hopeful that solutions can be agreed upon before the start of the next session, and that the group can move forward together to help invigorate Hawaii's economy.

Food Companies Cut Junk Food Ads for Kids Ahead of Feds

A recent Associated Press article reported that the country's biggest food companies say they will scale back on marketing junk foods to children. The coalition of food companies put forward their own advertising standards after rejecting similar guidelines proposed by the federal government. The coalition, which includes General Mills, ConAgra Foods, and Kellogg, said the effort will greatly change what is advertised and will curb advertising on one out of three products marketed to children.

The new standards allow the advertising of food and beverages to children only if they meet certain nutritional criteria, and hence may compel some companies to change recipes on products to include less sodium, fat, sugars, and calories. The agreement would apply the same standards to all participating companies. The AP article quoted Elaine Kolish of the Children's Food and Beverage Advertising Initiative, a group formed by the industry to address marketing issues, as saying, "Now foods from different companies, such as cereals or canned pastas, will meet the same nutrition criteria, rather than similar but slightly different company-specific criteria."

The proposal to curb junk food advertising to kids was prompted by a government effort to do the same thing. Earlier this year, Congress directed the Federal Trade Commission and several other government agencies to come up with voluntary guidelines for marketing junk food to children. According to the AP article, the food manufacturing industry bristled at the proposal, indicating the voluntary standards were too broad and would limit the marketing of almost all of the nation's favorite foods, including some yogurts and many children's cereals.

The government's proposal is stricter than the standards the companies' standards. However, AP reported that FTC Chairman Jon Leibowitz praised the industry



guidelines, saying that the government would consider the food companies' proposal as the government develops its own standards. "The industry's uniform standards are a significant advance, and are exactly the type of initiative the commission had in mind when we started pushing for self-regulation more than five years ago...", AP reported him as saying.

The government's proposal put broad limits on fats, sugars, and sodium that would apply to the marketing of all foods, while the coalition has proposed using different guidelines for different foods, insisting that this would be a more practical approach. The coalition's guidelines for children's cereals would allow them to be advertised if they have about 10 grams of sugar per serving; the government's formula would discourage advertising if there are 8 grams of sugar. For example, the coalition's guidelines would allow General Mills to advertise Honey Nut Cheerios cereal, but the company would be discouraged under the voluntary government guidelines. Other sugary cereals such as Trix, Lucky Charms, and Count Chocula would also be acceptable under coalition guidelines.

There is also a difference in

where companies would be allowed to advertise. The broad government guidelines discourage advertising of unhealthy foods on packaging, in stores, and in the media, while coalition guidelines would apply to media (television, radio, print, video games, internet), but not packaging. The little bee on the front of the Honey Nut Cheerios box and the rabbit on the Trix box would stay under coalition guidelines, but go under the government draft.

AP reported that Iowa Senator Tom Harkin, the Democrat who wrote the language directing the government to develop the standards, said he believes the industry proposal falls short. "With childhood obesity rates rising, now is the time for all parties to rally around those guidelines and begin implementing them, rather than coming up with competing proposals," he was quoted as saying. Meanwhile, House Republicans have included a provision in next year's FTC budget that would delay the government standards by asking the government to study the potential cost and impact of the guidelines before implementation. If they are not delayed by Congress, a final draft of the standards could come out by the end of the year.



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Canadian Farmers Measuring Sustainability

BY PHIL LEMPert, SUPERMARKET GURU, EDITOR IN CHIEF, FACTS, FIGURES & THE FUTURE

Leading companies are making sustainability a top priority in how they do business. A recent report from Pulse Canada found that food companies are working toward more consistent measurement techniques to improve the overall performance of the food industry in this area, and that primary agriculture has a role to play in finding these solutions. Pulse Canada is the national association representing growers, traders, and processors of Canadian “pulse” crops (peas, beans, lentils, and chickpeas).



Canada is the world's largest supplier of pulses, with exports reaching more than 150 countries. Their report, titled “Measuring Sustainable Agriculture,” provides a snapshot of the rapidly evolving industry focus on sustainability and related measurement efforts. More than 30 companies, including Tesco, General Mills, Dole, and Pepsico, were interviewed in 2010 for the report.

Five elements of sustainability are mentioned as emerging as the highest priority for measurement. They consist of greenhouse gas emissions, impacts on water, impacts on biodiversity, factors that are driving at the core issue of soil health, and social impacts, including labor practices. “Every

day, more attention is being paid to the impact that food production is having on the environment,” says Gord Kurbis, Director, Environment, at Pulse Canada. “We are now using this knowledge to focus on making improvements that benefit the entire food system.”

Since the food and agriculture sectors account for approximately 70% of all freshwater withdrawals worldwide, water is a key measurement factor when it comes to sustainability. Water usage is typically measured by a product's green water footprint (the quantity of rainfall water used), blue water footprint (the quantity of irrigation water used), and grey water footprint (the quantity of polluted water generated).

The extra factor of whether or not a product comes from a water-scarce region is not included in today's water footprint measurements, but will likely be incorporated in the future. Additionally, biodiversity and soil health are top priorities, according to the report. Improvements in these areas have the potential to improve air quality, mitigate climate change, reduce soil erosion, and reduce net greenhouse gas emissions.

Canadian agriculture specifically derives advantages from its cold climate environs, including a lower risk of crop damage from pests and diseases. Still, when late or early frosts occur, crop yields and quality can be limited. As a result, sustainability efforts there have been developing for decades. For example, 72% of Canadian growers have already adopted conservation tillage practices. In Western Canada, 98.5% of cropland is exclusively rain-fed with no irrigation. Integrated pest management is another process widely adopted in Canada, although better quantification

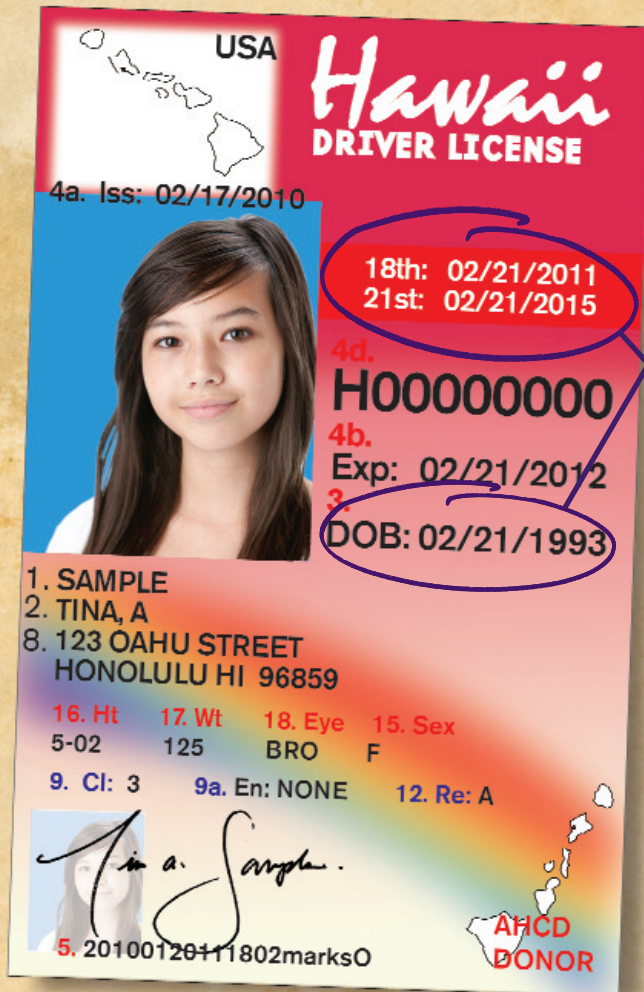
methods are needed.

Pulse crops in particular have benefited from sustainability measures and are being grown in rotation in Canada. Peas, lentils, and chickpeas do not require N fertilizer, as they have the ability to fix atmospheric nitrogen through a symbiotic relationship with soil bacteria. This unique relationship not only benefits the pulse crop, but also reduces the fertilizer requirement for wheat or barley crops grown the following year. Life cycle analysis studies have shown that pulses grown in a four-year rotation reduce greenhouse gas emissions from the entire crop rotation by 20%, and non-renewable energy use by 24%.

“A large land base, ample fresh water, great soil stewardship, and low pest pressures all contribute to the low impact that Canadian food producers have on the environment,” says Kurbis. Focusing on the health of the planet and keeping people healthy through better food choices, says Kurbis, are trends that are going to increasingly shape the future of food and agriculture in Canada. He says that their success in agriculture is largely due to the ability of farmers to innovate to overcome difficult economic and environmental conditions.

From growing pulse crops, to the adoption of conservation tillage practices, to improved nutrient management, Canadian farmers have invested in technologies that have made their farms more sustainable, both economically and environmentally. The key now, says Kurbis, will be working towards conveying sustainability information on mainstream products for consumers worldwide—and “harmonizing” measurement systems. “At Pulse Canada, we have been doing research aimed at identifying which of many different methods of measuring sustainability are most likely to be used commercially on mainstream food products in the future,” says Kurbis.

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The Next Eco-Trend a Food Safety Nightmare?

Reusable grocery bags are common place—shoppers have learned to love them, use them, wash them, and even collect them. There have been a few minor issues regarding the safety of reusable grocery totes, including unsafe lead found in materials in recycled bags and things like poultry leaking and contaminating the bag and its future contents. Remedied respectively by a recall and tossing bags into the wash, these are now non-issues. But the newest eco-trend has the Health Department and The Lempert Report up in arms.

A new movement to make local grocery shopping even greener is creating a lot of fear: reusable containers. It's called BYOC—bring your own container—and according to the *Chicago Tribune*, the process involves bringing glass jars and bottles, plastic tubs, and even cloth bags to the market to fill with bulk foods. The practice is allowed in a handful of places in the U.S., and is believed by eco-conscious consumers to reduce waste, avoid advertising, reuse resources, facilitate the purchase of whole foods, and save money. (Often stores offer a small amount of cash back when you bring your own bag or container.) Despite all of

the supposed benefits, there is a litany of concerns.

The Lempert Report believes there are many problems with bringing jars from home to fill in the grocery store. First is the threat of contamination. If a jar is previously contaminated and a customer uses it as the scoop, the entire bin is now a risk to other shoppers. On top of that, cross contamination is now a huge issue. How can an operator ensure customers with food allergies or religious food restrictions are able to eat from the same bin? The possible downsides are huge.

Some retailers are successfully employing the BYOC experience. For instance, San Francisco's Rainbow Grocery allows customers to tote away deli items like ravioli, tofu, pickles, and olive oil. Rainbow Grocery staff told the *Chicago Tribune* that they have never seen a container-related health problem. They say they are clear that customers should wash their own containers and it is their responsibility.

Overall this eco-trend seems like it could cause more harm than good, and the *Lempert Report* believes stores should be cautious about employing this practice.

Nancy China's Sweet Start

Nancy China had a whole 'nother life before recently joining HFIA as its new Administrative Manager. Over 31 years, she has worked for three medium to large law firms, and in that time was entrusted to do "everything" at one time or another before she retired. She comes to HFIA after a four-year respite with an excellent background in bookkeeping, and with solid experience in staff, administrative, and office management.

A Castle High School graduate, Nancy earned an Associate Degree in Accounting from Cannon Business School. During her career at the law firms, she was promoted to office manager. Her last position was Human Resources Manager, at which she oversaw payroll, benefits, and everything employee-related. After leaving her firm in 2007, Nancy pursued her passion for traveling, visiting Japan, China, Mexico, Australia, New Zealand, Canada, New England, Alaska, and Europe, and still has designs on a trip to Tibet in the future. She also began to do volunteer work, and got really busy serving with a multitude of organizations, including Hawaii Meals on Wheels, Pali Momi Medical Center, Kapiolani Medical Center for Women and Children, Men's Leadership of Hawaii, and others. She still volunteers with the Boy Scouts of America, Aloha Council, in activities planning. Nancy, who has three grown children

and four grandchildren, likes to keep fit with early morning walks several times a week.

"Nancy was excited about getting back into the workforce," says Gary Hanagami, HFIA Executive Director. "She's an eager learner and very enthusiastic about making a difference with HFIA and working with our members, vendors, and supporters." Nancy got off to a sweet start at an HFIA social when she sent some of her homemade desserts to the function. Everyone enjoyed them, especially her almond float.

When asked for the almond float recipe, Nancy said that it is so simple that she is "quite embarrassed" to share it. "All you need is a package of Lobo brand almond flavor agar dessert mix that you can find in Chinatown," she says. "Boil water, add mix, and chill. Cut it into small squares, and add one can of fruit cocktail. That's it! My Chinese friends love it and said it is so hard to make, but I just use the mix, and it's really simple."

Please join in welcoming Nancy China as she begins a whole 'nother career with the HFIA family. Nancy can be reached at 808-256-8848 (cell) or at nancychina808@gmail.com.



DOT...DOT...DOT...

A Collection of Local & National News & Views...

DID YOU KNOW... according to a July 7th article in *Reuters*, Mississippi is the most obese state, while Colorado is the least. In the article by *Lisa Baertlein*, "The number of obese U.S. adults rose in 16 states in the last year, helping push the obesity rates in a dozen states above 30 percent... By that measure, Mississippi is the fattest state in the union with an adult obesity rate of 34.4 percent. Colorado is the least obese—with a rate of 19.8 percent—and the only state with an adult obesity rate below 20 percent... according to an annual report from the *Trust for America's Health* and the *Robert Wood Johnson Foundation*." Hawaii's adult population came in at a slim 47th place, with a relatively low index of 23.1%, bettered by Massachusetts (22.3%), Connecticut (21.8%), and the District of Columbia (21.7%), before Colorado. Overall, the south central and south eastern states fared the worst, following Mississippi in order were Alabama (32.3%), West Virginia (32.2%), Tennessee (31.9%), and Louisiana (31.6%), which from here on will be known as the "FAT Five."

TIMES SUPERMARKETS... announced in late May that CEO John Quinn suffered a stroke. John reportedly is doing well

and a full recovery is expected. While he suffered some motor skill problems, his decision making, hearing, and speaking abilities remain intact, and continues to remain engaged in key decision making and direction of the company. We wish John a full and speedy recovery.

DID YOU KNOW... that according to *Convenience Store News*, the following new beverage trends will emerge in 2011: 1) "D.I.Y. Flavor"; 2) "Parental Discretion Advised"; 3) "Iced Coffee Is Hot"; 4) "For Medicinal Purposes Only"; and 10) "Drinking Ourselves Thin." Is it me or is having three of the top ten trends involving the functional aspect of beverages (parental discretion, medicinal, and dietary benefits) a bit over the top?

YOUNG'S MARKET COMPANY OF HAWAII BESTS BETTER BRANDS... in a recent trade announcement, Better Brands, one of the leading liquor companies in the state, has changed their dba to Young's Market Company of Hawaii. George Szigeti, president of Young's market of Hawaii and former HFIA chairperson, announced that "For over 40

...continued on page 12

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years, we have had the privilege of serving the business community in Hawaii, and today's announcement signifies our national commitment to our customers and business partners. While we have changed our corporate name and logo, our commitment, passion, and our uncompromising standard of performance by all of our employees remain the same."

DID YOU HEAR... The Supermarket Guru, Phil

Lempert, stated in a June 21st article that traditional food retailers have gotten more aggressive in the HBC categories, especially in the OTC arena, according to Nielsen's data, posting double digit gains over the prior year, albeit on a relatively small sales base. It's due in large part to shoppers' desires to reduce the amount of shopping trips and foul weather on the mainland...focusing attention in this area has longer term benefits. He goes on to state, "If supermarkets pursued the health and beauty care business as aggressively as drug stores pursue the food business, they could restore some lost trips and market share." Seems like I've heard this espoused by one of our senior local marketers before....

CAN YOU BELIEVE... that in an article in *Inc. Magazine*, "An Australian public servant is suing her employer for compensation after being injured having sex during a business trip." According to *Australia's Daily Telegraph*, the woman "...works for ComCare, the Australian government's... workplace safety organization. During sex (for the record, not a part of her job) with a male friend (not connected to her job), a glass fitting tore from the wall above the bed and struck her face. The woman, who cannot be named, suffered injuries to her nose, mouth, and a tooth, as well as a "consequent psychiatric injury." The article goes on to state that "ComCare originally rejected her claim for the November 2007 incident, saying that sexual activity was not an ordinary part of an overnight stay, such as showering or sleeping." Needless to say, we will refrain from commenting further about the lawsuit, the agency's responsibility, or even the appropriateness of the agency's name... this is simply too good to be true! Is there insurance coverage for something like this? Find this and other coverage tidbits at our September general meeting...

UNITED NATURAL FOODS AND SAFEWAY... in *Drug Store News*, UNFI and Safeway announced that a three-year agreement was reached for the distributor to provide non-proprietary natural, organic, and specialty products. UNFI "...said it will assume distribution to all of Safeway banners, effective this October... [and] are in the process of finalizing a transition plan with Safeway in order to provide them with excellent service levels and support, while ensuring there are no disruptions to any of our existing customers." Safeway's merchandising president Kelly Griffith said "... [Safeway] is looking forward to the new partnership, which will provide a variety of specialty, natural, organic, and regionally relevant products that will meet our customers' needs."

DID YOU READ... according to a recent *New York Times* article, Korean grocery stores, the most dominant small format grocers in New York, are rapidly closing stores throughout the five boroughs. According to the article by **Sam Dolnick**, "Korean greengrocers have embodied a classic New York type—the immigrant entrepreneur—and become as much a staple of city life as the yellow cab and the pretzel vendor. Spike Lee and Jerry Seinfeld found early inspiration in them. The Rev. Al Sharpton led boycotts against them; Rudolph W. Giuliani's first mayoral campaign used them as a key symbol." Dolnick goes on to say "...the original wave of Korean grocers offered jobs and advice to new immigrants who opened shops of their own..." As in the case of most immigrant entrepreneurs, they focused their attention on underserved, primarily minority areas where the larger supermarkets did not, bringing fresh foods to these areas. In addition to increased costs and competition from corporate rivals, "The stores are also succumbing to the same impulse that prompted Mom and Pop to open them in the first place—the desire to see their children do much, much better." As when most paradigm shifts occur, we either evolve and progress or stay the course to extinction....

DID YOU KNOW... that 40% of refrigerated frankfurter sales occur between Memorial Day and Labor Day, my favorite time of the year, when back yard grilling and hotdog eating merges into football and tailgating? According to *Facts, Figures, & the Future*, by **Phil Lempert**, hotdog dollar sales are currently running 2.7% higher than the prior year in U.S. food stores through the 52-week period ending June 11, 2011. Although the dollar sales were up, the result came at the expense of equivalized (16 oz.) volume, which was down slightly by .8%. Interestingly enough, gains came from the "better for you segment"... declines in private label by 8.2% was replaced by gains in products with "Fat presence" claims, posting 14.2% sales improvement over two years ago, and an impressive 22.2% gain from the prior year. Phil goes on to state that "Preservative presence" and "No MSG" claims sub-categories have both posted significant gains over previous two years and year ago sales. No matter how you cut it, dem dogs have bite!

On a final note, if you have information regarding your company, a product, or event you want promoted...we also are interested in getting your opinion, comment, criticism, or editorial feedback. We'll be happy to list your comments with your name, or not, if you so desire, as long as we can verify the information came from you. Please keep in mind we may not be able to print your entire message due to space limitations. We also need to have your information a month before we go to print. Our next magazine is our Holiday issue targeted for November.

A hui hou kakou malama pono.

New Members

HEMIC

PROFILE: A private mutual insurance company owned by its policyholders, HEMIC (Hawaii Employers' Mutual Insurance Company) is the largest writer of Workers Compensation Insurance in the State of Hawaii.



REASON FOR JOINING HFIA: To better understand the issues facing our current and future policyholders in the food industry.

UNIQUE TO THE COMPANY: HEMIC has paid multimillion dollar policyholder dividends to qualifying members for four years running. HEMIC also owns and operates a managing general agency, HIMI (HEMIC Insurance Managers, Inc.), that provides property, liability, and auto insurance to Hawaii employers.

LOCATION & SERVICE AREA: HEMIC provides employers with workers compensation insurance, loss prevention services, and claims handling throughout the State of Hawaii.

CONTACT INFORMATION

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UNIFIED GROCERS, INC.

PROFILE: Unified Grocers, Inc., is the largest wholesale grocery distributor in the western U.S. Unified and its subsidiaries, which generated approximately \$4.1 billion in sales in FY 2010, offer independent retailers all the resources to compete in the supermarket industry, including grocery products and professional services. With approximately 3,000 employees and about 500 Unified members (shareholders), the company supplies around 3,000 stores.

REASON FOR JOINING HFIA: As Unified Grocers' business in Hawaii continues to grow, they feel it is important to actively participate with members and customers in the communities they serve. HFIA is a great opportunity to form business and personal relationships with food industry peers.

UNIQUE TO THE COMPANY: Unified Grocers offers competitively priced, private brands of Western Family, Special Value, and Natural Directions to its members and customers. As a cooperative, Unified members are the owners of the company and play a vital role in how the company operates.

LOCATION & SERVICE AREA: Unified Grocers' headquarters are in Commerce, California. It has five distribution centers in California, and distribution centers in Oregon and Washington.

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↓ DOWN TO EARTH Goes ↑ Up in Kapolei

BY JASON Y. KIMURA



Whether you are a vegetarian or not, Down to Earth, Hawaii's only all vegetarian organic and natural foods store, has something for virtually everyone. Its mission to "facilitate positive change by promoting healthy living, a vegetarian lifestyle, respect for the environment, and sustainable organic farming" is balanced by "providing high-quality organic and natural products at affordable, down to earth prices." A testament to the success of Down to Earth's way of doing business is its brand new flagship store in Kapolei, at which a grand opening was celebrated in July. The company now has six stores. The other stores are located in Honolulu, Kailua, and Pearlridge on Oahu; in Kahului on Maui; and in Hilo on the Big Island.

"Our expansion is in response to consumer demand," says Mark Fergusson, Down to Earth's Chief Vegetarian Officer (and Chief Executive & Chief Financial Officer). "Customers from Kapolei and Makakilo have been asking us to come to their neighborhood for years. We're thrilled to be able to do that as our mission is to help improve the health of Hawaii's island communities." The new 10,000 square foot store in Kapolei Commons is the largest Down to Earth store, and is the first one to be designed from the ground up. "While the other stores were retrofitted [to fit existing spaces]," said Robin Wisch, Kapolei store manager, "we had the opportunity to design everything, including the footprint and layout."

The Kapolei store has the new look of the company's remodeled stores on King Street in Honolulu and on Hamakua Drive in Kailua. The graphics feature Down to Earth's new logo, which emphasizes the company's local roots and its slogan, "Love Life!"



Robin Wisch and Mark Fergusson in front of the new Kapolei DTE.



(Far left): Kahu Kaleo Patterson blesses the interior of Down to Earth Kapolei.

Robin Wisch shows off the Kapolei store's brand new bulk bins.

The décor also prominently displays a message developed by University of Hawaii Hawaiian language experts: “E Mālama I Ka ‘Āina, E Ola Pono,” which translates as, “Cherish the Land, Live in Health and Harmony.”

The Kapolei store has its own first-class kitchen, where Down to Earth’s all-vegetarian deli items are prepared. “[The store] features a hot table with delicious entrees and our acclaimed salad bar, fresh juices, and smoothies, a great made-to-order sandwich menu, fresh grab-and-go options, and a wide variety of mouth watering desserts made daily,” said Fergusson.

New features at Kapolei for the health food chain include a gardening supply section and a community room. Down to Earth’s “Love Life! Community Outreach Team” will conduct free vegetarian cooking classes and nutritional seminars. The cooking classes are held weekly, and the community room is available to local businesses and other organizations that need a place to meet. Groups can cater vegetarian food for their meetings. The store hopes to establish business relationships in the community through the room, says Wisch.

Down to Earth was founded in Wailuku, Maui, in 1977 with the goal of “helping to improve the health of Hawaii’s island communities,” as Fergusson puts it. The company has remained committed to this goal through the 30 years since its founding. “Eating delicious all-vegetarian organic and natural food is good for you and the environment,” he explains. “Our aim is to help you live longer, have more energy, maintain a healthy weight, feel good and look great, and save money on health costs.”

Fergusson says that to support good health, Down to Earth carries a wide selection of organic foods and groceries,



Tom Berg, City Councilman, West Oahu, Robin Wisch, Kapolei Store Manager, Dr. Haaheo Guanson, Mark Fergusson, DTE Chief Vegetarian Officer, State Representative Sharon Har, and State Senator Mike Gabbard.

including dairy products and fresh local organic produce. Their well-known bulk foods, which let customers buy the amount they want and eliminates packaging and marketing costs, includes a wide variety of beans, grains, flours, cereals, candies, and other items. Other categories of merchandise include natural and organic body care products, vitamins, supplements, herbs, and complimentary remedies, many of them produced in Hawaii.

Down to Earth is unique from most other stores that promote organic products. “We are dedicated to offering products that are environmentally friendly and healthy for you,” says Wisch. “We don’t sell alcohol and also don’t believe in killing animals.” Its offerings are carefully reviewed to ensure that animal products have not been used to produce vegetarian items. For example, the cheeses sold at Down to Earth do not use rennet (used to separate the curds and whey in milk)

derived from animals. Thus, it is one of only a few true vegetarian stores in the U.S. “We are a true natural food store,” Wisch adds.

The Kapolei store has generated 50 new jobs, and “team members,” as they are called, all live in the area. Wisch explains that the team-oriented concept creates an environment in which everyone needs each other and takes care of one another. “We really believe in the old way of doing the grocery business,” he says. “Team members are encouraged to know customers by name and make friends with them.” Concludes Fergusson: “Down to Earth is and will continue to thrive.... Expanding the market for healthful foods will benefit the people of Hawaii and we expect our business to grow.”

Located in the Kapolei Commons shopping area, Down to Earth Kapolei is at 4460 Kapolei Parkway, Suite 320. Store hours are 7:30 am to 10:00 pm, 7 days a week.



Home Grown

Sustainable Agribusiness
in Hawaii

BY JASON Y. KIMURA



Sitting in the middle of the vast Pacific Ocean—and the Ring of Fire that generally defines its borders—is a group of islands that is home to nearly 1.3 million people and a destination for 7.6 million visitors a year. “What if Hawaii is cut off by an earthquake on the West Coast, or by a tsunami?” the question has been asked. Not only are we 85 to 90% dependent on imported food, there’s only an estimated 10 to 14 days of food in the state. Shouldn’t we therefore work to make our agriculture sustainable and produce more or all of our own food?

Other events can also affect Hawaii’s food supply. “When there’s not enough stock, it affects world produce,” says John Schilf, noting that prices are going up. Schilf, Foodland’s Director of Produce and Frozen Foods (HFIA’s Executive Board Secretary), gave as examples the drought in the Midwest and the earthquake and tsunami in Japan. Anything produced in the Midwest is suffering, and virtually everything Japan produced is gone, and it will take time for these areas to recover. If we rely too much on other states or countries for our food and prices rise dramatically, we could be in trouble.

“The community understands we’re really dependent on imported food and energy,” says Russell Kokubun, Chair of the Hawaii Department of Agriculture. “It’s a growing concern.” The former state senator notes that Governor Neil Abercrombie wants to see an “agricultural renaissance” in



Hawaii. Agribusiness in Hawaii has been feeling its way forward since the demise of the sugar industry. Searching for a crop to replace the once ubiquitous sugarcane fields led not to a single crop, but to diversity.

There are other reasons to develop a sustainable agribusiness in Hawaii. “Buying local is essential,” says Claire Sullivan, Coordinator for Community and Vendor Relations, Whole Foods Market. “From an economic standpoint, there is a clear relationship between buying local and the local economy.” Kokubun agrees: “Agriculture plays a huge role in our economy. There are many businesses that are cascading supporters of agriculture.” Mark Fergusson, Down to Earth’s Chief Executive & Chief Financial Officer, says that his customers prefer local produce because it is fresher and better for the environment. “It consumes less energy in transporting products to our islands,” he says. “Purchasing from local vendors supports our local communities.”

However, just because something is grown or produced in Hawaii may not be enough to entice the majority of consumers to buy it. “It’s hard to compete against price,” admits Dan Nellis, Operations Director at Dole Foods, of the generally higher retail prices. “It’s good to have branding, but the consumer also needs to be educated. [Buying local] is better for our economy, and it’s fresher. Also, if consumers are worried about sustainability, they have to know that farmers are not growing [produce] for the public’s peace of mind—they’re growing it to make a living. People have to recognize that they have to pay for it.”

“In order for Ka Lei Eggs to survive, the community needs to buy our eggs, and I need to support [those buyers],” says Lois Shimabukuro, President and CEO of the well-known local egg brand. “If consumers support local, it enables the agricultural community to provide food for the next generation—as long as we support each other.” Although many

locally-grown produce items have premium pricing, Kokubun thinks it will shift. “As the cost of oil continues to rise, our products become more [competitive],” he says. “The concept of cheap oil and cheap food is going away. However, the more important point is that even though [local produce] is more expensive, people have to understand why that is and that it supports a farmer in Hawaii.”

It’s generally accepted that Hawaii farmers are currently producing 10 to 15% of the food the population consumes. The unofficial but accepted goal is to boost that to 20 to 30%.

Buy Local, It Matters

A number of groups have been promoting locally grown food, including state government, grass roots groups, wholesalers, and retailers. The Department of Agriculture’s “Buy Local, It Matters,” a media campaign that extends to markets and restaurants, aims to encourage residents to support Hawaii farmers by making conscious decisions to purchase locally grown produce. This year, sustainable agriculture was incorporated into an overarching state sustainability plan called Hawaii 2050, which covers everything from energy to agriculture to recycling to housing. Of five specific major actions, one is to “develop a more diversified economy by increasing production and consumption of local foods and products and providing incentives to foster sustainability-related jobs and industries.” There is a push at the Department of Agriculture to do

everything it can to return Hawaii to its agricultural roots—not the monocrop one of sugarcane, but one of new, diversified crops.

Another Department of Agriculture initiative is the Hawaii Seal of Quality branding program that is designed to protect the integrity and value of local products and help Hawaii's "genuine"

group seeks also to effect corporate change. Restaurant partners were asked to offer menu items using local ingredients, and retail partners were asked to make changes in the way they source, display, and market local food items.

Foodland and Down to Earth were sponsors of the event, offering special prices on local produce. Down to



Tish Uyehara of Armstrong Produce with Hamakua Springs Country Farms cocktail tomatoes.



Armstrong Receiver Ernie Grune with cartons of Sugarland tomatoes and papayas.

fresh and processed products compete equally and fairly with "look alike" products from elsewhere. Since the program started with 12 companies in 2006, it has grown to 42 companies throughout the state, and includes a wide range of agricultural products, such as fresh fruits, vegetables, seafood, meat, flowers, plants, coffee, macadamia nuts, honey, jelly, candies, ice cream, seasonings, and *noni*.

This September, the social action network Kanu Hawaii promoted its "Eat Local" campaign. The theme for Eat Local Challenge 2011 was "Return to Local Abundance," and was aimed at involving thousands of islanders in an effort to "build a more sustainable, secure, and healthy local food system." Building on the success of the past two years, the challenge was expanded to the entire month, and featured weekly mini-challenges to buy and eat local.

Kanu Hawaii is not only after changing personal habits. People who participate in the Challenge received information about food policy issues, and were encouraged to advocate on local food and agriculture policies. The

Earth also offered special vegetarian cooking classes and in-store recipe demos. "At Down to Earth, we hope our efforts will help and inspire people to support the local food movement by becoming familiar with the issue, spreading the word, and buying local produce," said Fergusson.

Other producers have gained recognition and successful branding through their own marketing efforts. Lois Shimabukuro's father, Gary Shimabukuro, owned Ka Lei Eggs. Associated Producers Corp., Ka Lei Eggs' parent company, used to bring in local eggs from small farms on the Big Island. When the farms began closing down, Gary's family, who had a farm in Leeward Oahu since the 1930s, was approached to supply all of the eggs, and the brand became known as Ka Lei Eggs. That was in 1975. When Lois joined the company as president and CEO in 1986, nobody knew Ka Lei Eggs. However, she was a business major with a knack for marketing.

Shimabukuro did a market study and found that most consumers didn't recall what brand of eggs they bought,

but remembered what supermarket they bought them from. At the time, supermarkets also did not differentiate between local and mainland eggs, but Shimabukuro insists that freshness makes a big difference in taste. Her goal was to make Ka Lei Eggs a household brand. With a new logo and a redesigned, more recognizable carton design, she began her branding efforts and changed the course of how Ka Lei Eggs were marketed. "You have to understand how a consumer thinks to grab their attention," she explains.

Today, 100% of the company's eggs are still supplied by the Shimabukuro family farm. Ka Lei Eggs are shipped to every island in Hawaii except Niihau. When people find out that Shimabukuro is in the food business and they ask what kind of food, she simply says "eggs." Now, they often say, "Oh, Ka Lei Eggs?"

In addition to being in Hawaii's supermarkets, Ka Lei Eggs has two outlet stores—one in Kalihi and a local themed one in Kaimuki, which in itself is a supporter of local products. It sells local produce, mostly from Nalo Farms,

and local gourmet items. From the Big Island, there are specialty honeys (macadamia, *ohia*, Christmas berry) black salt, blush *ala'e*, and lavash. From Maui, the store brings in jams and jellies, Hashimoto persimmons, and Kula lavender. Molokai sweet potatoes can be found, as well as Kahuku corn and Manoa lettuce.

"Our environment allows our food to taste better," Shimabukuro believes. "What you put into a bird makes [the eggs] taste better." Ka Lei Eggs spends a lot on its chicken feed and has a special formula that began with Gary Shimamukuro. Lois' sister Phyllis Shimabukuro-Geiser, a poultry vet, enhanced it using her knowledge of avian science.

Today, more and more people agree with Shimabukuro and believe that locally grown produce is better than their imported counterparts.

The Buyers are Many

At least for the foods currently produced in Hawaii, willing buyers are not the problem. "Farmer's markets are

burgeoning," says Kokubun. "People want to interface with growers. Hawaii regional cuisine encouraged much more diverse types of food and have increased availability." There's also a rebirth of interest in Hawaiian foods, such as taro, ti root, and ginger root. A list of featured items at Down to Earth for the Eat Local Challenge shows just a portion of locally grown produce and where they come from:

Mangoes: Ululani Farms,

Ho'olehua, Molokai

Solo Papayas: Diamond Head

Papaya, Puna, Big Island

Apple Bananas: Sugar Land Farms,

Waialua, Oahu

Avocados: Johnson Farms, Puna,

Big Island

Pineapples: Hali'imaile, Maui

Thai Watermelons: Aloun

Farms, Ewa, Oahu

Organic Papayas: Kumu

Farms, Molokai

Organic Apple Bananas: Ono

Farms, Hana, Maui

Corn: Kahuku Farms,

Kahuku, Oahu

Okinawan Sweet Potatoes: Xing-long Farms, Papaikou, Big Island
Tomatoes: Sugarland Farms, Kunia, Oahu

Local Lettuce: Various farms on neighbor islands

"On the up side, all agree that the market demand is huge," Kokubun continues. "On the production side, there's a long way to go." According to Fergusson, the biggest issue is availability and consistent supply. "There's not a lot of farmers offering a wide variety," he says. "Demand is outstripping supply." High demand in the marketplace usually increases production, but other issues are in play.

The Laborers are Few

The Department of Agriculture knows what those issues are, and they are promoting the three key components: the producers, or farmers; the availability of land; and water/irrigation. "The governor's benchmark is whether or not young people get into the game," says Kokubun. "I talked to a lot of farmers around the state and I

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am encouraged that there are a lot of young people getting into agriculture. I want them to set the tone for others." The Department of Agriculture is trying to encourage the process with loan programs for producers who have sound business plans and collateral.

Still, it's hard to fund farms, according to Tish Uyehara of Armstrong Produce, and it's hard to find enough labor. "We source locally as much as we can," she says, "but there are not enough local growers." Armstrong's role is to bring produce from farmers to retailers. If the retailer is large, it's difficult for growers to make deliveries. The food wholesaler also takes care of food safety issues

"Local produce is in great demand from customers," says Uyehara, "so we comb the islands for produce." There are no size restrictions—as long as items meet quality standards. Uyehara says that some producers supply just one restaurant or one supermarket, but they'll take it. "It's more about consistency," she says.

Armstrong controls the transportation of produce from farms to their temperature-controlled warehouse, and to retailers. Open 24 hours a day, their facilities, located in Honolulu, Maui, and Kona, are built to take the best care of the produce as possible at the time it is in their custody. Armstrong's closed facilities remain at about 60

down to the 11lb. size."

To ensure strict quality standards, Armstrong staff, including Uyehara, who is Armstrong's marketing director and a jack-of-all-trades, visits all the farmers they deal with. "As relationships are nurtured and develop, we hope to encourage farmers to grow more," she says. "It's different from buying from the mainland." But Uyehara cautions that it's not that easy. "Expansion takes a small farm into a different realm." Labor, transportation, food safety, and other issues become much more complicated, and many farmers may be reluctant to make the jump.

Recently, Foodland moved to local bananas for all their stores statewide. They still buy imports because there's not enough supply, but they are



Oswald Pantaleon, Produce Manager, and Brandon Ogawa, Produce Clerk, with locally grown produce at Foodland Farms in Aiea, Hawaii.

while the goods are in its possession. If a grower goes directly to the retailer, then the grower is also responsible for these issues. It's also easier for retailers, instead of taking deliveries from dozens of growers.

Armstrong is one of the biggest supporters and promoters of local produce. According to Uyehara, it's a part of Armstrong's legacy. Its founders were farmers and they passed on their connectedness to local growers. The company has 125 to 130 local producers statewide, representing about 25% of the produce they supply to customers. From a production standpoint, half or more of the local producers are on Oahu.

degrees Fahrenheit in the receiving area—much colder in other areas depending on the produce—and is kept spotless. Workers can be observed on lifts wiping down even the steel-lined ceilings in some areas, and there is a HACCP (Hazard Analysis & Critical Control Points)-certified area for repackaging produce for supermarkets and other Armstrong customers. Food safety and traceability is taken seriously at Armstrong, which has a computerized tracking system that can tell where produce came from, when it came in, who it was sold to, and if there is more in inventory. "We can go one step forward, and one step back," says Uyehara. "We can trace [items]



James Channels, Director of Produce and Floral, with locally grown produce and signage at Foodland Farms in Aiea, Hawaii.

helping farmers grow their businesses to meet demand. Recently, Foodland has added local roma tomatoes and round eggplants to their produce. For smaller crops like lettuce, the supermarket chain coordinates with Up Country Maui and Big Island farmers to get supply into the stores. "We carry more local varieties in produce than any other supermarket," says Schilf.

Sometimes, Foodland takes lower margins on some items to show commitment to local farmers, says James Channels, Director of Produce and Floral at Foodland. Currently, they are working with Big Island ranchers on producing ground beef. Sales started with gradual builds in test stores, and

now the Big Island beef is selling in all stores. The cost is a little higher than imports by 20 to 25%, admits Channels, but demand is greater than supply, and the real challenge is in getting enough product. The selling point of local beef, he says, is that people recognize that supporting local is important. "We are taking it one step further by working with ranchers on free range Certified Angus Beef," he says. "We'll be on track for local sustainability. There is very little pork or chicken, though." Foodland also buys fish off the dock every day. "Some local fishermen work for us specifically through our distributor," says Schilf. "We are also committed to them. They know they have an outlet for whatever they catch."

Times deals directly both with big local farmers like Sugarland and Aloun Farms and the small farmer who supplies just one item. "Times believes in building relationships with farmers," says James DeJesus, Produce Director at Times Supermarkets. Known for its fresh produce, Times buys local

Asian vegetables like *won bok* and mustard cabbage, and local favorites such as cabbage, papayas, cantalopes, honeydews, and watermelons. During the summer, the supermarket switches to all local. "Our philosophy is that we'll buy any local item if it meets our quality standards. We want to keep local farmers in business. Without them, we wouldn't have better pricing with freight. Asian vegetables are cheaper. Heavy fruit like melons are also cheaper if grown locally." Over in Kauai, Times didn't change anything at Big Save with regard to the farmers because they didn't want to cut off small farmers, even if they are able to supply only one store.

Whole Foods' buying strategy is special, says Sullivan, because of the direct relationship they have with producers. The store buys from 250 local business suppliers and producers, including from 75 farms directly. Other produce is obtained through Armstrong Produce and other distributors who work with small producers. "We have robust partnerships," says

Sullivan. "Instead of making one phone call to a distributor, we're willing to make 30 calls. It takes time and energy, but we have developed rich relationships over time."

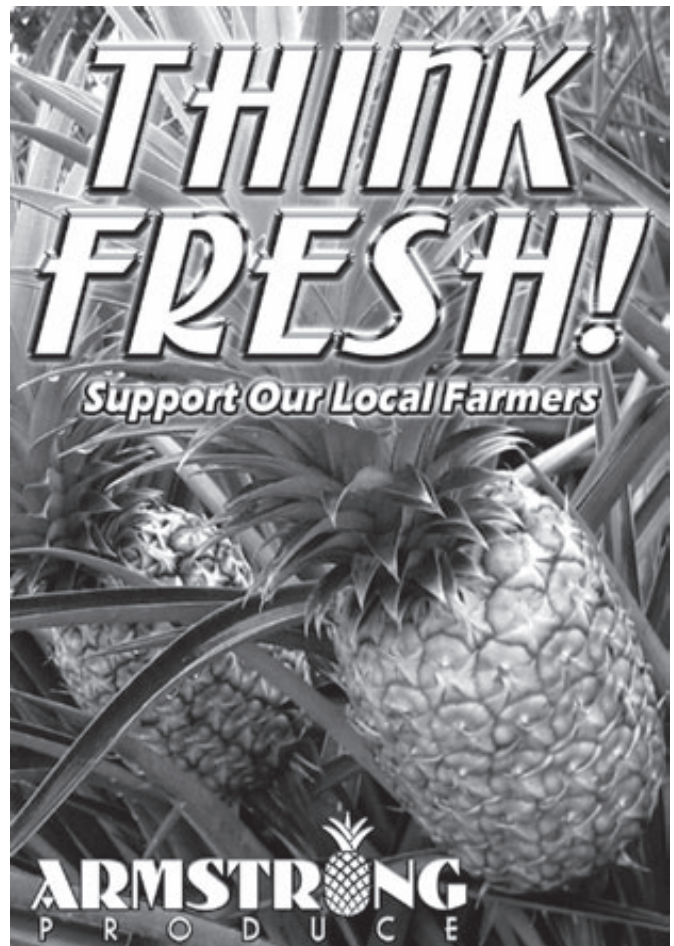
In the last fiscal year, the Kahala Whole Foods store purchased 33% of its items from Hawaii farms; the Maui store purchased 44%. "We can grow every single crop in Hawaii that we're selling, even peaches, pears, and plums," insists Sullivan. "I don't know if we can produce the volume, but these items can be viable by using the many micro climates in Hawaii." They also carry local seafood and meat, including lamb when it's available, and also local milk and butter. Whole Foods invests in communicating where produce is grown with clear signage. Their goal is "to have local representation in every category in robust a fashion as possible," according to Sullivan.

"We prefer local vendors and seek them out," says Fergusson of Down to Earth. About 30 to 40% of the produce at the stores is locally grown,

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and we buy from them even if it's only a crateful. A large portion of it is bananas, avocados, and papayas, but over the years, production of other products like lettuce, cucumbers, kale, fresh herbs, snap peas, sprouts, and tomatoes has improved. "Each year, we purchase about \$2.5 million in products from 400 local vendors, including 172 farmers and growers," he says. "The trust and loyalty we have developed with them means we will continue to have access to the freshest local fruits and vegetables."

Land, Water & Other Challenges

According to the U.S. Department of Agriculture (USDA) Census of Agriculture last taken in 2007, there were 60,408 acres of farmland in Hawaii, down 15% from 2002. On the positive side, the number of farms increased from 794 to 967, up 22%, in the same time period. The average farm size was 62 acres. However a more telling picture is given by the median size farm, which is 5 acres for the state, and 4 acres on Oahu, showing that most farms are under 10 acres. By comparison, the median for the U.S. is 80 acres, and it's hard to find a comparable median to Hawaii's, even among the smaller states. The 2007 market value of products sold was almost \$126.6 million, down 29%.

"It's hard to find ag land at the right size and right price," noted Sullivan of Whole Foods. The cost of land has to be right for a farm to be viable, and sometimes, leasing terms are not favorable to farmers. "One to five years is too short," she says. "It's hard to get loans and to invest in land that may not be available later." Focusing on Whole Foods' specific need for organic produce, Sullivan explained that organic farms need to improve the health of the soil, which takes three to five years. Getting organic certified takes three years. "Farmers need to be on the land for 20 years to make the investments necessary for viability."

The Department of Agriculture is trying to help clear some of the hurdles. The State of Hawaii has a growing amount of state land to lease out, and the lands are being put



Lois Shimabukuro, President & CEO, Erlinda Ramos, and Lilia Mallanao, Head Sales Clerk at the Ka Lei Eggs outlet in Kalihi. Annie Duma prepares cardboard cartons in the background.

under the Department of Agriculture. About 100,000 acres across all Hawaii counties (approximately 800 acres on Oahu) are already designated or about to be designated as Important Agricultural Lands (IAL), which will be dedicated to agriculture in perpetuity. The goal is to have enough to potentially sustain the population, says Kokubun, who indicated that the designation process is about three years old. The state and the Department of Agriculture are also setting up water systems like the Waihole Ditch. "The more land, water, and farmers we have, the better our chances. These measures will be the counterbalance to development." (Even aquaculture has migrated to the Department of Agriculture, except open ocean leases, which are with the DLNR.)

Uyehara, who was at the Department of Agriculture during the transitional time when they were looking for replacements for sugar, says that many unexpected diversified crops like dragon fruit have come to market. Dole Foods has had a central role in the transition, and is a major producer of local products. When the sugar industry went out of business, Dole turned much of its land to diversified agriculture, at first to flowers and tree crops like mangoes and avocados, which are still grown,

but eventually, more lands were leased to farmers. "The goal is to instigate a farming economy from a plantation economy," says Dan Nellis, Dole Foods Operations Director. "We're trying to create more businesses in the region." Plantation land is being leased for ridiculously low amounts, discloses Nellis, but trucking, refrigeration, and infrastructure costs money, and fertilizer and fuel have to be imported.

Some of the crops are premium items like Waialua Coffee, a full-bodied strong aroma roast with less acidity than Kona coffee, and Waialua Estate Chocolate, a high-end gourmet niche product. In addition to coffee and cacao, Dole supports a wide variety of produce, which includes pineapple, papaya, asparagus, lychee, banana, and ethnic and traditional vegetables, potatoes, onions, and more.

"The North Shore lands, including Dole lands, produce as much food as any part of the state," says Nellis. Pineapple continues to be successful, and almost all of it sold in Hawaii is grown here. "Dole excels in service and distribution," Nellis says of their pineapple production. Quality control at the plantation provides markets with the ripeness level, size, and color when they want them. "Dole is the number one producer of pineapple in Hawaii in terms of tonnage and boxes."

The progress of diversified agriculture is encouraging, but there are other challenges. DeJesus of Times feels that some local farming is decreasing because of the raw materials that need to be shipped in. Although Kokubun is encouraged by the many people who are going into farming, some of the smaller farmers are giving up when their children don't want to take over. "We get whatever we can, but we're still dependent on many types of mainland produce like peaches and apples," DeJesus says. Recently, Times has brought in local hydroponic tomatoes and Asian greens.

Although Hawaii may increase the production of its own food supply, DeJesus's point about raw materials is

going up. That's why local producers need the commitments [from us to buy their products]." Some say that to do another 10% in sustainable agriculture will be a feat. There is no good answer to the question of how realistic sustainability is for Hawaii because of the complexity and variables. Under current conditions, we're not there, says Sullivan of Whole Foods. "We need land, water, and labor," she says. "Hawaii is dependent on imported fertilizer. We need to purchase local nitrogen, but we're working toward that. Hawaii Earth Products, a composting company, just got a permit. We could use waste from the fish auction and slaughter houses." These efforts could be a part of the solution, she

says. We need to share refrigeration and distribution channels that are suitable for small farmers.

By definition, a locally grown product becomes a commodity when it replaces an import. "Tomatoes are replacing imports," noted Uyehara. "The same is true of watermelons, cucumbers (some replacement), green onions, Asian greens, pineapples, papayas, and cabbages." However, the bulk of greens are imported, and some think that if agriculture grows, it will be in the direction of gourmet and specialty items. Hawaii produce can receive a premium, but it has to be somewhat on par with the mainland, unless the product is unique with no competitors. Sullivan notes that Whole Foods customers prioritize, and organics are trumping cost and origin, some price and some local—but the ideal is if one product can hit all of these priorities. "I think that's where we're heading," she says, indicating that the cost will come down with greater economies of scale. "We don't have the majority of what we want yet because we're still growing out of the old ag industry."

Fergusson says that pricing of local produce at Down to Earth is already very competitive, so perhaps the future of sustainability lies somewhere in the middle, with some true local commodities and some premium items. "Products have to be between commodity and premium, but with enough differentiation so you can charge a little more," opines Gary Hanagami, Executive Director of HFIA. "Retailers and consumers can't focus only on the bottom line. Wholesalers and retailers should consider creating—sustaining, if you will—something in the middle."

Gov. Abercrombie said in a recent speech, "Food security is the primary goal. I'm under no illusions that we're going to produce a hundred percent of our food. That isn't going to happen, but what we can do is see to it that we have the sufficient capital, sufficient land, sufficient water, sufficient educated people in order to do it." Agriculture, he says, should have as broad a definition as possible, and take an *apua'a* approach, and accept all comers, from the mountains to the sea.



Mark Fergusson, Chief Executive & Chief Financial Officer, in front of fresh produce at Down to Earth in Kapolei.

well taken. Shimabukuro of Ka Lei Eggs deals with the issue daily. Once a pretty inexpensive item, eggs have gone up in price dramatically. "The price of corn for feed has gone up about 40%," she says, "and soy prices have increased as well. There are surcharges for practically everything, including packaging, because there are no manufacturers here, so everything has to come in on the barge."

"We think there's an upswing, but it's difficult because of cost," agrees John Schilf. "Fertilizer and supplies have to be imported and the cost is

says, but now there is a price differential, while demand continues to outstrip supply.

Premium, Commodity, or...?

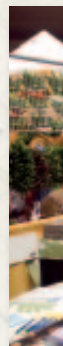
"If we do it a little at a time, prices may come down," Dan Nellis of Dole speculates. "The difficulties are not insurmountable. We can move to sustainability, but its not going to be overnight." We've got to work harder and smarter to be more competitive with mega farmers, he

Made In Hawaii— It's a Festival!

It's heartening to see so many original and creative things to wear, eat, drink, decorate, and more, brought to you by 400 individual exhibitors and all made right here in Hawaii. Produced by the Made In Hawaii Association and sponsored by First Hawaiian Bank, the Made In Hawaii Festival attracts visitors, residents, and buyers from around the world. Products include food, books, gifts, fashions, plants, art, crafts, produce, and more.

Briefly, the phrase "Made in Hawaii" applies to goods that are manufactured or produced within the State of Hawaii and have at least fifty-one per cent of its wholesale value added by production within the State.

This year, 38,000 attendees walked through the Neal Blaisdell Center gates to see the spectacle. The Festival also showcased award-winning performers on the entertainment stage in the Pikake Room, while Hawaii's top culinary artists provided cooking demonstrations coordinated by HONOLULU Magazine on stage in the Arena. This year's Festival, which was the 17th annual, took place from Friday, August 19 through Sunday, August 21.





HFLA Executive Director Gary Hanagami awards a certificate for 160,000 miles to Kristie Mashino, who was the winner of the Hawaiian Airlines drawing at the Made in Hawaii Festival. The prize is enough for two round trip tickets to Korea or four round trips to Disneyland—or to wherever she and husband Kevin choose. Guess which trip daughters Lyndsy (left), 6, and Ashlyn, 7, will lobby for.



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BY JASON Y. KIMURA

There may be big box stores, full-scale mainstream supermarkets, and fast food and convenience stores with brand equity recognized virtually everywhere, but there are three Maui mainstays that have carved out their own niche and are viable, well-loved alternatives. With beginnings in the early part of the 20th century, both Pukalani Superette and Ah Fook's Super Market literally came out of the ashes to continue family legacies, and have adapted to the changing retail environment to remain relevant in the 21st century. Although established much more recently, Minit Stop has almost 30 years under its belt and has carved out a unique blend of convenience store offerings and local style take out food.

Pukalani Superette, affectionately known as Puk Sup (pook soop) by regulars, tailors its inventory to changing times. "It's about knowing your customers," says Myles Nakashima, who co-owns Pukalani Superette with his brother Aric. "I spend a lot of time talking with people, and even asking point blank what they want to see on the shelves." It's not all about business, however. Pukalani Superette can be counted on for the intangibles of an old time market, like warm smiles, friendly conversations, and being known by name if you are a regular. It has become a true part of the Maui community, which it supports in many ways. For example, the brothers have made donations to numerous organizations, including every school and church.

Although Pukalani Superette counts its 1955 incorporation as its official birth date, the store's family origins date back to the 1920s. Myles's and Aric's grandparents, Takeo and Kome Tanizaki, immigrated from Japan to Hawaii to work on a plantation. They were able to open a small store in Wailuku in 1924, but it was lost to a fire. In 1927, they built Tanizaki Store in Pukalani adjacent to the current building. The business was typical for that era, with two gravity-flow gas pumps in front and a small store in back carrying simple things that people needed.

Tanizaki Store was carried on by Myles's and Aric's mother, Sumiko Tanizaki Nakashima, and their aunt. In 1955, big things were afoot. Sumiko gave birth to Myles, and a couple days later on December 13, a new and larger store—the current Pukalani landmark—opened its doors, and the name was changed from Tanizaki Store to Pukalani Superette, although the business's corporate name is still Tanizaki, Ltd. The new building cost \$17,500 to build (well over \$100,000 in today's dollars).

As the older brother, it was Aric's destiny to run the store; Myles's parents wanted something else for him. However, Aric was getting burnt out on running the store, so Myles



(From top): Myles Nakashima outside of Pukalani Superette. Raymond Hew outside of Ah Fook's. Minit Stop gas station on Dairy Road.

came back as a co-owner in 1991. Being an owner has its perks, says Myles, who puts in a good 60-plus hours a week to do his part in running the store, which is open weekdays 5:30 am to 9:00 pm, Saturdays 7:00 am to 9:00 pm, and Sundays 7:00 am to 8:00 pm.

One advantage Pukalani Superette has is that its Up Country location separates it from big box stores in Kahului. However, Foodland, Long's Drugs, and other stores are in the area, so the store still has to run a tight ship. Pukalani Superette is committed to consistent advertising, and the brothers have a conservative fiscal policy while progressive employee benefits have retained many staff, now numbering 63, for a long time.

With the retail environment on Maui being one of bargains driven by big box stores like elsewhere in Hawaii, Pukalani Superette remains price competitive. Owning the land they sit on helps the Nakashima brothers keep it that way. However, the rising cost of fuel is an issue. This year, Maui hit an all-time high of \$4.86 a gallon at gas stations—the highest in the state. If gas prices stay high, prices will go up, and there will be a decrease in sales. People tend to buy bulk food and stay home and eat it, rather than buying

prepared food, notes Myles. Running a tight ship means strict due diligence, like checking items received in back to make sure purchases match discounts given in the store.

Today, the load is lightened somewhat. Jerry Masaki was hired as store manager, and is credited with bringing Puk Sup into the 21st century. There was always a place to cook even decades ago to make the store's *inari* and *maki* sushi, but the cooking area was given a major renovation about 12 years ago to a full commercial kitchen, and the Nakashima brothers ventured into the catering business. Local favorites like chicken *hekka*, chili chicken, *chow fun*, *lau lau*, potato mac salad (traced back to Sumiko's recipe), and "all kinds of stuff" are offered. They've become known for their *tako poke* in Maui. Also available are tasty prepared dishes for breakfast, lunch, *pupu*, or dinner—a weekly menu is being worked on for the pukalanisuperette.com website.

Prepared foods make up 20% of Pukalani Superette's business, says Myles of the 3,500 square foot retail space. The margins are about the same as produce and groceries, but prepared foods bring in money and people. The core grocery and produce business has perhaps changed somewhat in content, but not in spirit. While the store carries basics that don't change much—soaps and household cleaners, baking goods, canned foods, coffee (although now more gourmet)—other items reflect the lifestyles of a new generation of Up Country residents. An article from *The Maui News* written on the store's 50th anniversary in 2005 noted that some of these items include "bundled firewood, chicken feed, wild Alaska salmon, diapers, lentils, mustard seed, greeting cards, fresh

flowers, fishing equipment, cough drops, extra virgin first cold press olive oil, ice, beer, tofu scramble, baked goods, Carr's Table Water Crackers" and more, "not to mention every staple a home might need from light bulbs to aspirin to hamburger."

Local farmers supply most of the fresh produce, which is packaged in small units so people don't have to buy more than they need. "We're celebrating the longevity of being in the same business," Aric was quoted as saying at the celebration. "The essence of Tanizaki, Ltd. is not gone."

Coincidentally, as Pukalani Superette was preparing to celebrate its 50th anniversary in 2005, another Maui landmark store's future became uncertain. On February 28, firefighters were called to Kahului Shopping Center, Maui's oldest. When the fire was put out 24 hours later, half of the shopping center, including Ah Fook's Super Market, lay in blackened ruins. Ah Fook's was also about to celebrate the 50th anniversary of its incorporation in 1955. It took a year and a half to reopen the store, and longer to get it up and running as it is today. What was once a 10,000 square foot space became a 3,000 square foot one (still at Kahului Shopping Center but in a new location), including the work area.

However, Raymond Hew, Ah Fook's president, was able to regroup not only in opening again, but in finding niches for



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the store's much smaller space. "We can't really compete in every way, but we can pick our niches," he said. "[For example], we can't carry all the types of fresh fish, but we can concentrate on *aku*, *ahi*, *akule*, and *opelu*." Ah Fook's carries a good selection of Asian foods and a *lot* of local stuff. "[We carry] what people request," Hew says. What the store concentrates on, it does well, living up to its tag line of "service, quality, bargains."

The story of Ah Fook's began in 1906, when Tam Ah Fook emigrated from China at 19 years of age. People called him "Mr. Ah Fook," although his last name was really "Tam"; he followed the Chinese custom of placing his last name first. Tam married Margaret Fong, who came from a family of merchants. In 1917, the couple opened a store at the corner of Kaahumanu and Puunene avenues in Kahului. The store included a small grocery, a butcher shop, a restaurant, and a boarding house for single men, many of whom worked for Tam. According to Norma Koyanagi, who started as a server for the restaurant in 1942, it was a big restaurant famous for its stew. "When Kahului Railroad was across the street, the railroad workers would come for lunch," the summer 2005 issue of *Maui No Ka Oi* magazine quoted Koyanagi as saying. Mrs. Ah Fook was the cook, and after the restaurant was closed, she still made pies and Chinese foods to sell in the store.

When Tam Ah Fook died in 1946, his wife Margaret, who lived till 1975, became the president, and his son George and other relatives kept the store going. Many relatives worked at the store. Hew is a nephew of Margaret Tam. His mother occasionally worked at the store, and his father was Ah Fook's accountant. That was common at Ah Fook's. A man would be working in one department, and his wife and children in another. The *Maui No Ka Oi* article quotes a Amy Mizoguchi Fujimoto's recollection: "Those were the days when the boys bagged the groceries, pushed the cart to the customer's car, loaded the groceries into the car and pushed the cart back to the store. They did that for every customer . . . and were reminded by dad to 'smile and say thank you.'" Another memory is from Fujimoto's sister, Marilyn Umetsu: "Folks would come in from the back and sit in the kitchen area where the cooked foods were prepared," she recalls. "They'd sit on wooden orange crates and eat some of the food and talk story: fishermen with their catch and sand on their feet, and farmers with boxes of produce, and salesmen all dressed up, along with the butchers and other employees. Mrs. Hew, Raymond's mother, would personally deliver the paychecks and thank

me for the hard work I did for the store."

There is a tremendous amount of goodwill and love for Ah Fook's. After the fire, many were worried that the supermarket would be gone for good, and when Hew vowed to reopen, it couldn't be soon enough for its customers. Today, Ah Fook's packs into its relatively small space fresh produce, meats (including Maui Cattle Co. free range, island grazed beef), *poi*, *lomi* salmon, Amano *kamaboko*, *char siu*, dairy products, frozen foods, alcoholic beverages and soft drinks, tobacco, fresh flowers, sundries, rubber slippers, and even Ah Fook's logo T-shirts touting the store as "the coolest spot in town," to name a few. "We have very good prices, says Hew. "The parking is good, it's easy to shop because we're small, and we try to keep perishables very fresh."

Carving out a different sort of retailing niche on Maui and the Big Island is Minit Stop. It's a convenience store for sure, similar to 7-Eleven, but it does an estimated 30 to 35% of its business in prepared food, especially including its signature Maui Fried Chicken and monster potato wedges. In addition, its original business, selling gasoline, is still a company mainstay; Minit Stop can often be counted on for the best prices. The business's winning formula has allowed it to expand to eight locations across Maui (not including a 24-hour self-serve gas station) and four stores on the Big Island—with another one coming soon.

In 1973, the Union Oil Co. asked Jimmy Haynes to start a Maui fueling franchise, which became Maui Petroleum. He pioneered the first self-serve gas station on Maui in 1978. As Maui grew, Haynes developed a network of convenience stores and gas stations known as Minit Stop. The first Minit Stop convenience store was opened in 1982 at 333 Dairy Road in Kahului, across the street from one of Haynes's gas stations.

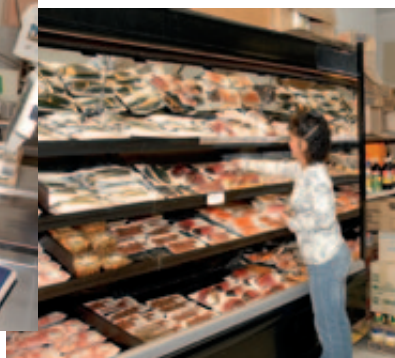
Using a Haynes family recipe, now a closely guarded secret, Minit Stop also offered its famous fried chicken, and used the same double-breaded formula for its potato wedges. The wedges are created from one pound potatoes, which make six big wedges each. The success of the chicken and potato wedges prompted the expansion to other foods, including plate lunches of chicken katsu, chicken katsu curry, hamburger steak, and Minit Stop Chili. Daily specials were also added, including roast pork, beef curry stew, *lau lau*, and other items. Portuguese bean soup, sub sandwiches and wraps, *musubis*, *bentos*, and salads (everything from *somen* to macaroni to chef's salads) are also available.

Prepared food accounts for about 40% of each Minit Stop store's retail space, which range in size from 3,200 to 11,000 square feet. Each store has its own kitchen, and food production is overseen by food service manager Henry Takahashi, an executive chef who has 30 years of experience in the hospitality industry. Maui Petroleum grew to rank as 128 in Hawaii Business magazine's Top 250 companies. Years later, Haynes expanded to the Big Island by acquiring Hawaii Petroleum.

The biggest challenge for Minit Stop in the current retail environment is unemployment, says Kim Robello, Minit Stop's marketing manager. "The market is contracting right now because of the economy," he says, "and there is more competition." More people are bringing home lunches, and retail dollars are being stretched by big box stores and fast food restaurants, noted Robello. "[Because of] the softness in discre-



Merle Hew of Ah Fook's prepares dried fish for sale.



Ah Fook's fresh fish section.



Carmie Manuel, Manager of the Makawao Minit Stop, shows off a box of Maui Fried Chicken.



Minit Stop's convenience store shelves.

tionary dollars, we've modified our menu to offer people meals for less than \$5." Robello says modestly: "We've been here a long time, so we have a fairly decent reputation. We ask ourselves frequently if we're reaching our standards."

As if the economic pressures weren't enough, another issue came down the pike for Maui retailers beginning in January of 2011: a ban on plastic bags. (The small plastic bags used for produce and meats are still allowed.) "In the beginning, there was a lot of confusion and mixed feelings," says Myles Nakashima of Pukalani Superette. "Now I'd say half the people will bring their own bags, some won't take a bag, and others will say they need one." Even when customers bring in their own bags, it creates an issue. Customers' bags are all different: Some are big, others are too small, some are stiff, while others are floppy, making bagging groceries more difficult.

For now, Nakashima isn't charging for paper bags, but he doesn't know how long the store can do that, as each bag costs about 10 cents. For now, it's not too bad financially, he says. Cashiers try to supply customers with empty cardboard boxes, because one box will save five or six bags. Nakashima tries to look at the bright side. "[The ban] is costing everyone money and it's more hassle, but there are less and less T-shirt bags flying around," he noted. "Before the ban, trees and shrubs around the landfill were filled with T-shirt bags, and if they don't get caught, they end up in the ocean." Still, he doesn't know whether to feel proud or feel like the "saps of the state." Either way, somebody has to pay for the ban, and that puts more pressure on retailers and consumers, especially during an economic downturn.

Ah Fook's is having a different experience. "When [the ban] started, people made an effort to bring reusable bags, but now they don't seem to be keeping up, so we give them paper bags," said Raymond Hew. Ah Fook's has begun charging 10 cents for the larger bags to prevent losing too much money. "When cashiers ask customers if they brought their own bag, the most common answer is that they forgot it in the car." Many customers simply carry their purchases out, bagless. Hew also thinks that people tend not to reuse paper bags like they do plastics. "The intention of the law is good, but maybe it needs to be altered," says Hew, who likes HFIA's stance on the issue.

HFIA has long advocated that neither the state legislature nor the county councils should ban plastic bags because it hurts consumers by increasing the cost of goods. Banning plastic bags does not help the environment because all evidence shows

that consumers simply switch to less environmentally friendly paper bags, which generate 70% more air pollutants and 50 times more water pollutants than plastic bags. However, fighting outright bans without providing an alternative solution has been fruitless, as evidenced with the ban's passage on Maui and Kauai, so HFIA's alternative solution is a fee. While still less than desirable, a fee does not pass the financial burden on to the consumers via the cost of goods, but allows the onus to be placed directly onto the bags by allowing consumers a choice. A tax on plastic bags is not intended to charge consumers for using bags or to burden them financially, but to encourage shoppers to avoid a fee in the first place by using reusable shopping bags.

Kim Robello of Minit Stop also likes "HFIA's common sense approach." The convenience store chain created a Minit Stop reusable bag, as many supermarkets and other stores have, but it's not a perfect solution for them. Although customers are adapting, says Robello, they still complain. So far, Minit Stop isn't charging for paper, but the real issue is carrying out plate lunches, a major segment of their business. People want plastic bags for plate lunches for obvious reasons. The stores have been giving out empty beer boxes to help customers carry their lunches. Robello is quick to note that his neighbor island customers are being gracious to Minit Stop and understand that the plastic bag ban is simply the law.

Chalk up one more for another type of law: the law of unintended consequences.

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Convention Committee Chairs: Bonny Amemiya, Faith Freitas, Wendy Fujio, Mike Walters, Jay Higa, Derek Kurisu, Stan Brown, Lauren Zirbel, Gary Hanagami, Mike Kaya, and Alan Nakamura

HFIA members new and old came together to hear keynote speaker Gib Arnold, play games and golf, and give Dick Botti a good natured roast. After some golf and dancing at Stella's Ultra Lounge the day before, the Convention got down to HFIA business. Changes to the Board and Bylaws were officially voted in, and set the organization on its way by commissioning a highly engaged Board, whose next task was to define and set up Government Relations & Advocacy, Member Relations, Member Education, and Industry and Community Relations standing committees. The Executive Committee will set the direction for HFIA to fulfill its mission to promote the interests of food and beverage retailers and suppliers through government relations, advocacy, education, industry, and community relations. "Your success is our success!" said Gary Hanagami, HFIA Executive Director, who said the organization is taking to heart members' industry concerns. He spoke of growing the member base and other major revenue sources for HFIA.

Keynote speaker Gib Arnold, UH Men's Basketball Coach, told hilariously dubious stories of his telemarketing days when he was successful in "getting a man up from his dinner table, buying something he doesn't need and can't afford, and having him give up his credit card number in five minutes." It was all to illustrate that you can build trust in a few seconds and make average people do great things, but also that motivational talk doesn't last; it must be tempered with love, which does last. "You have to find a happy medium between the two."

If everybody felt like they could conquer the world after the inspiring story of how Arnold fulfilled his dreams of being a coach, they didn't have to get to it right away, as the rest of the weekend was fun and games...and food...and more food. After all, it is the Hawaii FOOD Industry Association, isn't it?



Carl Hebenstreit, President of Trade Publishing, roasts Dick Botti.



Cecilio and Kapono bring back memories for many.



Dick Botti and Paula Aono are recognized for their years of service to HFIA.



Conventioners dance at Stella's Ultra Lounge.



Beau Oshiro, Suzan Tenorio, and Mike Walters



Dick and Gwen Botti with Meryl and Gary Hanagami



Gib Arnold, UH Men's Basketball Coach, gives insights from his life experiences.



Bonny Amemiya, HFIA Executive Board Chair



Dick Grimm, Hawaii Foodbank, and Gary Nakamatsu, Matson, with Leighton Horiuchi and Sandy Horiuchi of Itoen (USA), Inc.



Peter Yukimura, Chad Shimamura, Gary Villanueva, Jodi Minamishin, and Ron Cloutier



HFIA Board Chairs: Gary Yoshioka, Glenn Tamura, Wayne Yamada, Ron Shima, Bonny Amemiya, Herb Tamura, Barry Taniguchi, Gary Hanagami, Roger Godfrey, Tyler Ching, Derek Kurisu, Paul Kosasa, Mike Walters



Stan Brown, HFIA Executive Board Treasurer



Ken Yonemura, Karen Onishi, Pam Lee, and Barney Higa of Higa Food Service.



George Szgeti, Mike Kaya, Barry Taniguchi, and Keith Nabale



Sherry Villanueva and Gary Villanueva of Porky Products with Verna Oshiro, Carl Oshiro, Liz Christensen, and Brian Christensen of Pintsize Hawaii.



Lauren Zirbel, HFIA Lobbyist



Katy Erickson, Frito-Lay of Hawaii, Jessica Sherlock (guest), Cecilio Rodriguez, and John Erickson, Frito-Lay of Hawaii.

HFIA-Budweiser Food Challenge's Great Food, Great Beer

Food and drink and Gib Arnold and Dick Botti Roasts aside, the other big event at the Convention was the 2011 HFIA-Budweiser Food Challenge: "Great food, Great beer." Since we all know that beer is the 5th food group, this year the Challenge had a new twist: rather than the usual "Iron Chef" theme, it was "Five Ingredients or Less." The five teams started with two mandatory ingredients: beer & shrimp. Up to three additional "hard" items could be added. Seasonings, sauces, herbs, spices, cooking oils, etc. were considered "soft" items and were allowed in unlimited quantities. The three judges scored the teams on the basis of taste, originality, and appearance.

And the winners were....**First Place:** Foodland; **Second Place:** Higa Market, Ltd.; **Third Place:** Times Supermarkets; **Fourth Place:** RSM Hawaii; **Fifth Place:** ABC Stores. Here are Foodland's winning recipes:



The winning team: Foodland



All the chef contestants were lauded for their creations.

"Who Dat?" Leffe and Shrimp Gumbo

Main Ingredients

Leffe Blond Abbey Ale

1½ pounds raw, whole, head-on medium-sized (31-50 count) shrimp

½ pound andouille sausage, cut into 1/4-inch pieces and browned

½ cup peeled, seeded and chopped tomato

Roux (see recipe)

Roux

4 ounces vegetable oil

4 ounces all-purpose flour

Shrimp tails

Seasonings

2 quarts chicken broth

½ cup diced green peppers

2 tablespoons minced garlic

1 tablespoon kosher salt

½ teaspoon freshly ground black pepper

1 teaspoon fresh thyme, chopped

1/8 cup onion powder

2 tablespoons celery seed

¼ teaspoon cayenne pepper

2 bay leaves

1 tablespoon file powder

Peel the shrimp and reserve the tails and shells. In a pot, heat one tablespoon of oil and sweat the shells and tails for 1 minute. Add in the chicken broth and simmer for 12 minutes. Reserve.

Combine oil and flour. Cook on medium high heat until the roux is dark brown. Gently add the green peppers and garlic and cook, moving constantly for 7 to 8 minutes. Add the tomatoes, salt, black pepper, thyme, onion powder, celery seed, cayenne pepper and bay leaves; stir to combine. Gradually add the chicken broth while whisking continually. Decrease the heat to low, cover and cook for 20 minutes. Turn off the heat, add the shrimp and sausage and stir to combine. Add the file powder while stirring constantly. Cover and allow to sit for a few minutes prior to serving. Add Leffe Blond to taste, gently mix, and serve in soup bowl.



Moderator Derek Kurisu and judge Tyler Ching were cut ups at the Food Challenge

"A-Lotta Chelada" Mexican Shrimp Cocktail

Main Ingredients

½ cup Budweiser Chelada

12 large shrimp, cooked and chopped (1/2 lb)

2 plum tomatoes, finely diced

1 California avocado, diced

½ cup diced cucumber

Seasonings

½ cup ketchup

¼ cup cilantro, rough chopped

1 tablespoon fresh lemon juice

1 tablespoon fresh lime juice

1 teaspoon salt

½ teaspoon black pepper

Combine all ingredients and adjust to taste. Serve in Martini Glass, top with Budweiser Chelada and garnish with lime wedges.



Second Place winners, Higa Foods.

The Last Word...

BY GARY HANAGAMI, EXECUTIVE DIRECTOR

According to Wikipedia, “A food desert is any area in the industrialized world where healthy, affordable food is difficult to obtain. It is prevalent in rural as well as urban areas, is most prevalent in low-socioeconomic minority communities, and is associated with a variety of diet-related health problems. Food deserts are also linked with supermarket shortages.” Until recently, few would suggest that Hawaii Kai (average household income of \$119,000; over 35% of its 29,870 population and 10,700 households hold college undergraduate and graduate school degrees) would become a “food desert.” Yet it has with the recent closing of Foodland in the Koko Marina Shopping Center.

In June, State Representative Gene Ward conducted a town hall meeting amidst a storm of protests from area residents to discuss the implications of losing the long time supermarket, which is to be replaced by a Walgreen’s on July 10, 2012. During the meeting, Jenai Wall, Foodland’s CEO, thanked the gathering for their support, and indicated that they will work towards a sublease arrangement with the new tenant. Concerns resonated throughout the gathering about Safeway’s ability to handle the surge in demand as Hawaii Kai’s only other supermarket. The fears soon were realized during the first weekend after Foodland’s closing when both Costco’s and Safeway’s parking lots were filled to capacity and shoppers were turned away empty handed to find alternative venues to satisfy their grocery needs.

While residents are settling into new shopping routines and protestors still hold banners admonishing Koko Marina for the loss of Foodland, the aura of the new desert has cast its shadow over Hawaii Kai. In the area grocery shopper’s vernacular, it’s no longer only a question of “what to buy,” but also “where to buy it.”

Local trivia experts quickly fire off the answer when asked, “what company has the motto “Baked Fresh in Hawaii since 1851?” The answer is quite simple: there’s only one, and its “Love’s Bakery,” which just celebrated its 160th birthday. Currently under the local ownership of Mike Walters (former HFIA chairperson), Byron Chong, Alan Yamada, and Jean Hagi, WCYH, LLC, acquired control of the company from former owner First Baking Company of Japan in 2008. A long and storied history of Love’s Bakery’s humble beginnings starting as a family bakery by Robert Love to its present day ownership is well documented in a recent article by Sarah Pacheco titled, “Freshness in Every Bite,” with company perspectives provided by Dottie Pugay-Correa, Love’s historian. A recounting of Love’s history reminds one of passages from James Michener’s *Hawaii*: From the arrival of an immigrant worker from halfway around the world, along with his young family from Scotland, to just dodging the

razing of Chinatown to cleanse the area of rats carrying the Bubonic plague. What a storied past, and let’s raise a toast to Love’s Bakery’s next 160 years!

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How do you get thousands of shoppers seeking products from hundreds of vendors together over a three-day weekend? That was the challenge answered in two words—controlled chaos—by the 17th annual Made In Hawaii Festival, organized and managed by HFIA, with our title sponsor First Hawaiian Bank, during Admissions Day weekend, September 19th to 21st. We nearly matched last year’s record attendance, with slightly more than 37,000 making it through the turnstiles seeking out products from 400 vendors while being entertained by a number of Na Hoku Award winning performing artists, as well watching and sampling dishes made by Hawaii’s notable chef’s.

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. However, the more prevalent vendors are small operators, some newly formed, that depend on the sales generated through the Festival as their “make or break” sales event of the year. With over 60 new suppliers and nearly 90 vendors from the neighbor islands, the MIHF has carved a significant niche in helping these companies move toward financial success. A special mahalo goes to the many HFIA member buyers who came to the show to review potential product placements and book orders for their retail operations. This is an example of Hawaii helping its own.

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Please extend a warm aloha to Nancy China, profiled earlier in this magazine, as HFIA’s office manager and administrative coordinator. She performed admirably with her trial-by-fire initiation as the invoicing administrator for the Made In Hawaii Festival and handling communications with our vendors. She’ll soon be handling the bulk of our internal communications and administrative tasks. Welcome on board Nancy.



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