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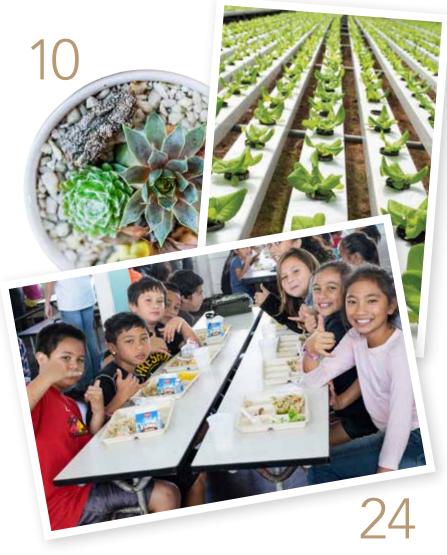




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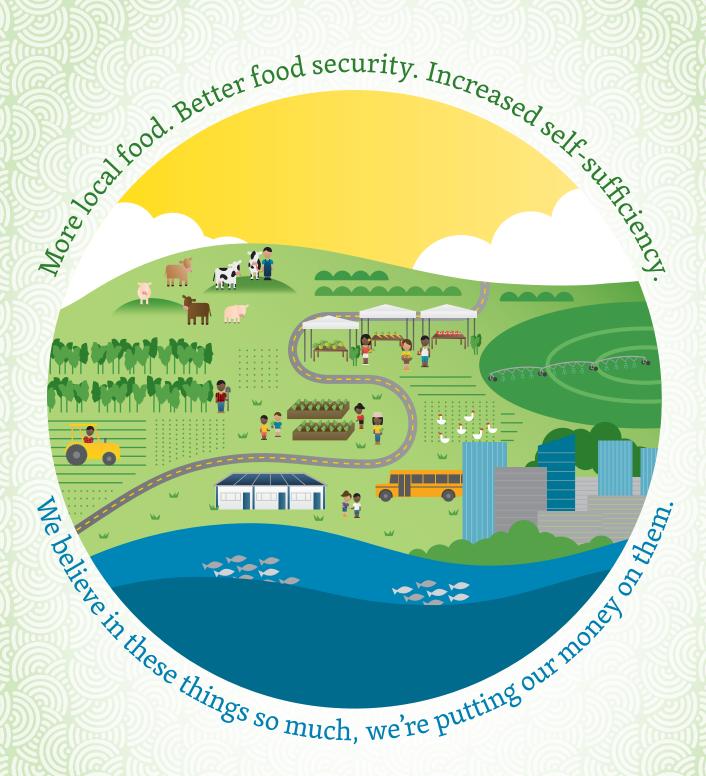
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chair's message True Value

There were a number of bills that caught my attention during this year's legislative session, but the one I paid particular attention to was the one proposing that Hawaii's minimum wage be increased to \$15 an hour. It was obvious that the impact of that bill would be huge, and not surprisingly, it drew a strong response from the business community. I was immensely grateful that HFIA advocated on behalf of Hawaii's food industry and kept its members apprised of the progress of those and other important bills. By creating awareness and educating both the legislature and HFIA members about the potential pitfalls or advantages of various bills, HFIA continues to demonstrate how invaluable it is as a resource to the business community. I know that I would not have been as well informed of the impact of those bills had it not been for HFIA's timely legislative updates delivered in clear language. And being informed was key to being able to prepare for the organizational changes that such bills would have required.

While the minimum wage bills were ultimately deferred this legislative session, they will likely be revived in future ones given that other states have moved forward with increasing their minimum wage. Still, it's comforting to know that there's an organization that has your back when those minimum wage bills come up again. HFIA's strength and value in government relations cannot be overstated. Most of us are too busy to scrutinize the proposed bills that come up before the Legislature every year that may impact our businesses, much less make time to lobby for or against them in person—which is why membership in HFIA makes a lot of sense.

In addition to government relations, HFIA also keeps its members updated on industry trends and issues that have broad impact, whether it's human resources or transportation and logistics, or something that seems to mystify many employers-the millennial mindset. Through HFIA's publication, Hawaii Retail Grocer, HFIA brings a wealth of beneficial information to its members. Thumbing through the pages of Hawaii Retail Grocer, I've had many "aha" moments, ranging from new business leads, new insight into how my organization's processes can be improved, and new opportunities for community involvement to benefit those in need. And yes, the publication is a great vehicle to get the word out about your organization, to attract new customers, or to form new alliances.

Easily the most enjoyable benefit of HFIA membership is its commu-



nity relations aspect. Whether it's the annual Golf Tournament or Social or Convention (the Aulani this year was an all-around winner, I think), HFIA engages its 200 plus members in fun ways, providing opportunities for networking and building camaraderie. A lot of detailed planning and effort goes into these social events— I've been impressed with every single one, and they keep raising the bar!

As chair of HFIA's Executive Committee, I hope to promote the true value that HFIA offers in government relations, member education, and community relations. With new businesses in Hawaii's food industry opening every day, it's important that they know there is an organization like HFIA ready to provide them the kind of support they will need to achieve success.

Mahalo nui loa for your continued engagement and support!

Beau

Aloha to Dick Botti, HFIA Founder

Beloved Hawaii Food Industry Association founder Dick Botti, 78, passed away on June 23 at his home in Waikoloa on Hawaii Island after a year-long struggle with illness. His loving wife Gwen was with him when he passed. HFIA will honor his contributions and life at the 2018 HFIA Convention.

Born in Brockton, Massachusetts,

Dick was a lobbyist, government liaison, small business leader, and founder of Legislative Information Service of Hawaii and the Hawaii Association of Retail Gasoline Dealers, as well as HFIA and many other ventures. He was a gentleman, well liked, generous, an incredibly hard worker, and an inspiration. He was a great man.

Dick is survived by wife, Gwen

Botti; sons, Randy (Ann) Botti of Kailua-Kona, Douglas Botti of Sherman Oaks, California, and Richard (Michelle) Benecchi of Spokane, Washington; stepdaughter, Julie Waters of Kailua, Oahu; brother, Don (Callie) Benecchi of Dothan, Alabama; seven grandchildren and three great-grandchildren; several nieces, nephews, and cousins.

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LEGISLATIVE UPDATE

This summer has been a particularly busy one with a lot of legislative activity from all four county councils. Our biggest challenge this summer came in the form of an updated plastic bag ban, Bill 59 from the City and County of Honolulu, which was initially introduced last year. There were five different versions of the bill, some of which had very problematic provisions, such as not allowing any type of reusable plastic bags at all.

HFIA took a multi-pronged approach to this bill to make sure that we leveraged all possible resources to get the result we needed. We worked with the Government Relations Committee (GRC) to ensure that we had compelling testimony for each different version. HFIA partnered with other stakeholders to respond to negative press with our own editorial in the Star Advertiser. HFIA reached out to our Council members and environmental groups that were pushing the bill in order to work toward a mutually agreeable solution. After several months of hearings, meetings, and spirited debate, we were very pleased to reach an agreement.

Our biggest challenge this summer came in the form of an updated plastic bag ban, Bill 59 from the City and County of Honolulu.

The Council passed a version of Bill 59 that included a bag fee of 15 cents, which will be maintained by the retailers. This was a great success, and we're grateful for the hard work of the GRC and to those who submitted testimony on this issue. Maui County Council also had a bill this summer looking to update their plastic bag ban. In its original form, it would have exempted some plastic bags but also prohibited businesses from providing plastic bags to customers at any point, not just at the point of sale. HFIA presented testimony on this bill and it was deferred, but we're continuing to monitor it in case efforts are made to revise this or a similar measure. We would support a bill with a bag fee on all counties. Maui's bill was amended

> to a 15-cent fee at one point, but it did not get another hearing.

Polystyrene bills have emerged in all four counties. Maui County drafted and moved a ban very quickly

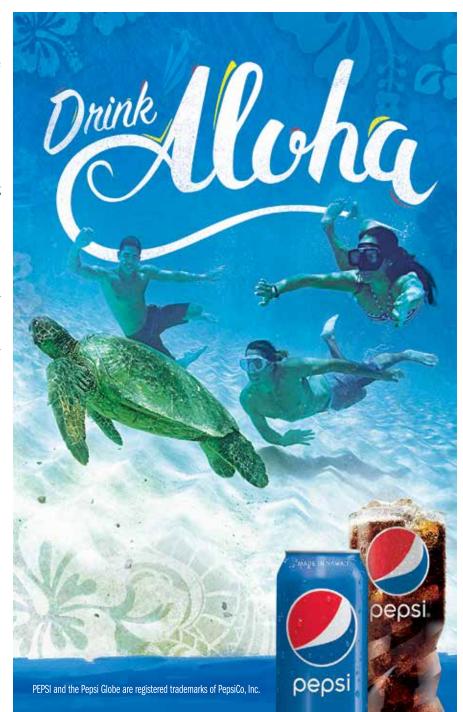
LEGISLATIVE UPDATE

this spring and summer. The bill was amended to exclude meat travs and egg cartons, and was signed into law. HFIA testified that these exclusions would be mandatory for the bill to be workable. Hawaii Island also passed a polystyrene ban bill which exempts egg cartons and meat trays. Two Kauai Council members expressed some interest in introducing a similar bill. A Kauai bill hasn't been introduced yet, but we're closely monitoring their council activities. Honolulu Council and Hawaii County Council both introduced versions of the polystyrene ban late this summer, and have both

recently started to get hearings. The Honolulu version is particularly unworkable because it does not exempt egg cartons and meat trays. It is not reasonable or even legal to require a product to be removed from the original packaging it was shipped in once the product arrives at a local grocery store. Other counties that have passed bills have almost always exempted egg cartons and meat trays.

In addition to the bans this summer, we have seen an array of county bills. Honolulu Council heard a bill that attempted to require food establishments to separate their food waste for composting even though we don't have a composting facility, HFIA opposed this and the bill has been deferred. We also had legislation expanding the sit-lie ban in Honolulu, and funding the redevelopment of the Blaisdell. On Maui, we're tracking a possible ban on sun block, which may be coming up this year or next, and on Hawaii Island we've been keeping members up-todate on the increase to the fuel tax.

We're also closely tracking what counties are planning on including the Hawaii Association of Counties 2018 Legislative Package. Maui is most likely going to include some kind of minimum wage increase bill in the package. We anticipate many minimum wage increase bills next year at the State Legislature. As the summer ends, HFIA will continue to make sure that the voice of Hawaii's food industry is heard by all of our county councils on these and any other measures that could impact our members.



TRENDS

Expo East: Organics are Mainstream and Future Millennials Kids to Create a Boom

By Phil Lempert, SUPERMARKET GURU®

The Natural Products Expo East kicked in Baltimore last month, and there were tens of thousands of trade buyers and brands combing the exhibit floor for the latest and great new product and trends from over 1,400 exhibitors.

Even more important to the industry than the unique and sometimes tasty samples was the findings of two new research reports that clearly sets the directions for all retailers and brands for the future.

The first, Accessibility Of Organics: The Blurring Of Channel Lines In Delivering Organic Products, was presented by Andrew Mandzy, Director of Health & Wellness Strategic Insights for Nielsen, and pointed out how organic offerings are growing throughout the store: the number one growth area being in the deli. The report also shows how the accessibility of organics continue to grow across all retail categories - conventional grocery, warehouse club, supermarket Mass, and value grocery. The only decline, 3.4%, was in the premier grocery channel, which may not be as surprising as it appears since the stores in this channel led the organic boom and typically have overstocked their shelves with organic foods and beverages. The result is, as there are more competitors now selling organics, this channel is culling their offerings to remain as ordering more unique products.

Consumers in the Nielsen study also shared which product categories are most important to be organic. Baby food led the list at 40% saying it was important, followed by yogurt at 15%, and surprisingly only 8% said it was important for milk and 4% saying so for ice cream. However, the fact remains that 41% of the U.S. respondents said that the financial costs associated with eating healthier foods are a barrier to purchase.



This report clearly underscores the fact that there is an interest in buying more organic foods, and as prices come down, there is a huge opportunity for growth (as we have already seen since Amazon has lowered the prices at Whole Foods). Foods that contain an organic claim on the label are up 9.8% over a year ago, according to Nielsen.

The second presentation, from the Organic Trade Association, reports that Millennials are big buyers of organics and as they become parents (OTA predict that 80% of them will do so over the next 10 to 15 years), the organic industry "will see a surge of new organic eaters and consumers—the millennial parents of tomorrow and their children," according to OTA's CEO Laura Batcha.

The facts behind this prediction are that for the first time, OTA's U.S. Families' Organic Attitudes and Behavior Study also surveyed households without children – offering the industry a peak into the future. The 2017 report finds that millennial parents—parents in the 18- to 35-year-old age range—are now the biggest group of organic buyers in America. And that consumers who always or most of the time choose organic are driven by a strong belief that selecting organic for their family makes them better parents.

In the OTA report, as in the Nielsen report, baby food ranked as the top category for which respondents said that buying organic is extremely important, which actually surpassed the fruits and vegetables category for the first time since the survey began in 2010. While it is simply anecdotal and my insights, it goes to reason that if we have a generation of babies and kids that grow up on organics, those eating habits will continue as they age and form their own food purchasing habits.

It's good news for those retailers and brands that focus on delivering organics for a good value. Retailers like Amazon Whole Foods, Aldi, Lidl, and conventional supermarkets with strong organic store brands like ShopRite and Kroger should do very well indeed. Nielsen's study also compared the price of an organic basket of foods – store brand vs. national brands – and found a cost savings of 18%.



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Best of Both Worlds: Incoming Secretary/Treasurer Joe Carter

Joe Carter's got the best of both worlds: a job representing Coca-Cola, one of the world's most iconic companies, and he lives in Hawaii, a place the Bay Area native has come to love enough to call home. Recently, he got an opportunity to pursue

another passion: involvement in the Hawaii Food Industry Association as incoming Secretary/Treasurer. Welcomed at the August Membership and Board Meeting, *Hawaii Retail Grocer* caught up with



Joe Carter

Carter to give HFIA members a more in-depth introduction.

Joe Carter is VP/GM of the Soft Drink Division for Coca-Cola Bottling of Hawaii. The bottling and distribution company recently became a subsidiary of the Odom Corporation, and is one of 67 bottlers across the country that sells Coca-Cola products.

Carter didn't start his career thinking he'd be in the food and beverage industry, much less living in Hawaii. Actually, he always wanted to be a firefighter, and spent two years in college studying fire science and worked for Food 4 Less at the same time. To finish his education, Carter would have had to attend firefighter academy for six months, which would require him to quit his job. However, he enjoyed working at Food 4 Less so much that he decided to go into the grocery business instead.

After 10 years at Food 4 Less, Carter felt it was time to try the soft drink business and decided to give Coca-Cola a shot, since he loved everything about the brand. He started as a merchandiser, then worked in warehouse, sales relief, and as a district sales manager in Northern California at various locations, such as Stockton, Marysville, and San Leandro.

Carter had the opportunity to move to Kailua-Kona on Hawaii Island. It turned out that the move only lasted a year and a half, but during the stint, Carter got a position with Coca-Cola as a sales rep for the restaurants and hotels along the Kohala Coast. After returning to California for a while, Coca-Cola called saying they heard he did a great job in Kona and offered him a job as district manager overseeing their entire Hilo facility, which he gladly accepted. After three years, there was an opportunity to be sales manager on Oahu overseeing all of

Food 4 Less at the same time. To finish his education, Carter would have had to attend firefighter academy for six months, which would require him Hawaii. Carter was later promoted to director of operations and sales, and when Odom took over, he became VP/GM.

> In all, Carter has worked for Coca-Cola for 12 years, 9 of them in Hawaii. "I love the culture here," he says. "I'm around great people—and I never want to go back.

> "HFIA is a great organization," he continues. "I never had the free time to get involved, but I really wanted to be a part of it." Now he's arranged things to make that happen, noting that supporting HFIA is essential in preventing legislation like the regressive soda tax, which would impose a penny per ounce tax on sugary drinks and cause a loss of jobs. However, all the bills HFIA opposes or supports are important, Carter points out, because they are vital to the food and beverage industry.

One of the things that excites Carter about HFIA is that all the member companies stick together. "But we need to increase participation in the community, see more business leaders involved," he emphasizes. "There are so many businesses that should be in HFIA, but aren't. In HFIA, we're all on the same team, even if we're competitors."

WIC Scams May Reach Hawaii

If you are a grocer who is not currently Hawaii WIC-authorized, it's important for you to know that the Department of Health's WIC Services Branch assists retail grocers with WIC vendor applications without charge.

Retail grocers and chains in California have been contacted in a WIC retail store authorization scam that asks for a \$349 fee. The scammers purported to be related to California WIC, according to the U.S. Department of Agriculture. They claim that for the \$349 fee, retailers who meet basic reWIC (Women, Infants, and Children) is a Special Supplemental Nutrition Program that provides Federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. quirements may automatically qualify as a WIC vendor in any state. They also falsely claim they will contact the respective state agency to fill out necessary paperwork and that the USDA will conduct a site visit at the store.

If you have been approached with this type of scam, please notify Hawaii WIC, which in turn will notify the USDA. Please direct any questions to the Hawaii WIC Vendor Management Unit at 808-586-4776 (toll-free from the neighbor islands at 1-888-820-6425) or via email at doh.wic.vendor@ doh.hawaii.gov.



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Talented Food Industry Leaders Join HFIA Board



Maxine Parker DIRECTOR OF GROCERY OPERATIONS Foodland

"You will find stories like mine everywhere at Foodland," said Maxine Parker, reflecting on her 24 years with the company. "They believe in promoting from within and promote based on strength and skill set, not your educational foundation. Without that kind of support, I probably wouldn't have had all the different opportunities to move and grow. I am very grateful for that."

Parker came to Foodland with an

insurance industry background and was first hired as a claims manager. She staved with what she calls "back of the house support," moving to Safety & Risk Management, and then to Human Resources, where she was the director for 10 years. Parker then took the leap to the front of the store and became a district manager overseeing 13 stores. Her next move was two years serving as director of General Merchandise, which covered all non-food and seasonal items. Finally, about a year and a half ago, Parker took on her current position as director of Grocery Operations.

Parker first became an HFIA member during her assistant district manager years and admits that it was more of a social commitment. She enjoyed the fun and fellowship at events like the annual Golf Tournament.

Not too long ago, when Parker decided to attend a meeting, it was a light bulb moment for her. "I found it really interesting and saw that what was going on connected to so many things in my background, from lobbying to workers' compensation," she explained. "I immediately wanted to get more involved.

"Foodland is a big company," she continued, "and things like the plastic bag bill impact us. I've learned that it's really critical to have someone there with a voice, someone who can help to craft the language and who can understand all the implications in the wording of a bill or proposal. I believe my background can help with that."

Though not born a local girl, Parker has called Hawaii home since her dad retired from the military while she was in the fourth grade. She is a graduate of the University of Hawaii and currently lives in Hawaii Kai with her husband and three children. Parker enjoys golf ("though not as often as I'd like") and spending time with her in-laws and family on boating trips to the sand bar in Kaneohe Bay.



Johnny Romero GM MARKET DIRECTOR HAWAII MARKET Pepsico

Sometimes we can get caught up in the daily busyness of working at our business, but new HFIA board member Johnny Romero knows it's a good business decision to not only join HFIA, but to be actively involved. For his line of work, it's all about looking at the big picture.

Romero is GM Market Director,

Hawaii Market for Pepsico. He's been with the company for seven years in all, including three years in Hawaii. Romero is originally from Dubai, United Arab Emirates, where he graduated from high school. He then went to Arizona State University and earned an undergraduate degree in Economics and Business Management. After college, he got a job at Pepsi. Three years ago, the marketing director in Hawaii called Romero and offered him a sales operations manager position. Romero worked his way up and eventually became marketing director, and meanwhile earned his MBA this year from Washington State University in a hybrid program.

Pepsico has always been interested in supporting HFIA, says Romero, because of the relationship between retailers and suppliers, and how they recognize the need to work together in the food and beverage industry as one voice. This voice, he says, supports the common good of providing the best the food and beverage industry has to offer to Hawaii's consumers.

As a board member, Romero will be heavily involved in the recruitment of new members at the grassroots level. He wants to help both small and big companies understand the value of HFIA, and at least to try it for a year. If they do that, Romero feels, companies will be able to see the benefit by being able to network with customers and suppliers, and by learning about new, creative solutions that can help their companies. "It's a good business decision!" concludes Romero.

Johnny Romero and wife Rachel have their first baby on the way. In his free time, Romero enjoys CrossFit and learning to surf.



Hugh Duncan EXECUTIVE VICE PRESIDENT & GENERAL MANAGER Young's Market Company

Why did a very busy, fairly new executive vice president and general manager of Young's Market Company agree to serve as an HFIA Board Member? It's because Hugh Duncan gets it. Duncan knows that it's essential that the companies of the food and beverage industry are on the same page and speak with one voice. There are many upcoming bills in the state legislature that will affect the industry, either positively or negatively, and they keep coming.

Born in New York and raised in Southern California, Duncan earned his degree in Economics from the USC. Originally, he sought a career in stock and bond trading, but after

interning in the field, he realized it wasn't the right direction for him. Instead, Duncan found that he identified strongly with consumer product sales.

Duncan was hired at Gallo Wine Company and entered a management training program in Los Angeles. Gallo quickly saw his potential. After a year, Duncan was running the program as director of training and recruiting, and was district manager as well. He later was offered an opportunity to help run Gallo sales in either Hawaii or Arizona.

Newly married to wife Jennifer, the couple of course chose Hawaii. Duncan's job was to help expand business for Johnson Brothers, whose inventory was made up mostly of Gallo products, but the company had other products too, and it gave him the opportunity to sell those as well.

After three years and making great friends in Hawaii, Duncan was offered a job on the mainland managing Southern California and Hawaii for Brown-Forman. In a fiveyear period, he was given Arizona, Nevada, and New Mexico as well.

Ultimately, Duncan decided to

move back to Hawaii. With an almost constant travel schedule, he decided to focus on his growing family (he has three boys) and felt that there was no better place for family than in Hawaii. He made the move in 2003 as general sales manager with Young's Market Company. After six years, Duncan was offered a job a wine, spirits, and beer buyer for Times Supermarkets. The position quickly expanded to center store, including cookies, crackers, snacks, frozen foods, and beauty personal products.

Duncan came back to Young's as vice president and general sales manager four years ago, and last year, he was promoted to executive vice president and general manager. Looking back, Duncan reflects that the most unique aspect of his career is his experience at the distributor, supplier, and buyer levels, which has given him a 360-degree perspective on how business is done.

"[HFIA] is a great organization," says Duncan, who is excited by his new role. "It brings our industry together and keeps everybody up-todate on the changes that are always happening."



Stacy Waiau-Omori VICE PRESIDENT OF SALES & OPERATIONS Foodland

Stacy Waiau-Omori has spent her entire career in the local grocery business. At the tender age of 16, she was a courtesy clerk at Sure Save Super Markets on Hawaii Island where her family lived during her high school years. While attending college, Waiau-Omori got her first job at Foodland as a cashier. She remained with the company, and over the ensuing 26 years, worked as an office

clerk, GM clerk, front end manager, store director, and district manager. As district manager, Waiau-Omori was in charge of store operations for all five Hawaii Island stores, as well as 11 Oahu stores.

"I am extremely proud to have recently celebrated 28 years with Foodland"

A promotion to director of merchandising led to Waiau-Omori's current role as VP of Sales and Operations. "I am extremely proud to have recently celebrated 28 years with Foodland," says Waiau-Omori. "I feel very fortunate to be working for Hawaii's largest locally owned and operated supermarket, and for a family that truly cares about the people of Hawaii and their employees."

Waiau-Omori has been an HFIA member for several years now and accepted a board position to become more involved and to better support the community, the food industry, and industry partners. She also enjoys the networking event opportunities. "I really appreciate the way HFIA helps to educate people, and their efforts to lobby on behalf of our industry," she said.

Waiau-Omori lives in Windward Oahu with her husband Darin, and her three children range in age from 12 to 21. She enjoys family time, including playing with the family's dogs, reading, cooking, and watching football.



Made in Hawaii Festival Breaks Record, Grows Local Businesses

ENTERTAINM

BY JASON Y. KIMURA | PHOTOS BY L'AMOUR PHOTOGRAPHY

JEWELERS

WELERS

miela, HI

ade in Hawaii Festival numbers are always impressive. Last year's 45,000 attendees was record-breaking, but this year's Festival broke last year's record and welcomed over 50,000 people to the three-day event. The Made in Hawaii Festival is presented by First Hawaiian Bank and produced by the Hawaii Food Industry Association. Many HFIA member companies also supported the Festival as sponsors and partners. In its 23rd year, the MIHF took place at the Neal S.

Blaisdell Center on August 18 to 20. While the numbers are impressive, the Festival's role as a small business incubator is invaluable to entrepreneurs with dreams of bringing Hawaii-made products to market.

"This was a hugely successful year for the Made in Hawaii Festival," said Amy Hammond, the Festival's executive director. "Along with the record attendance and sold out booth space, we received positive feedback from many of our 425 exhibitors who valued the festival's rigorous marketing efforts and the opportunity for business-to-business transactions during

the buyers-only trade show."

As an HFIA benefit, members were invited to attend the Festival during the buyers-only trade show hours with free admission on the first day from 8:00 to 10:00 am, before it was open to the general public. This is a time when buyers are able to interact with exhibitors and take a close look at their products. Hammond noted that the Festival was designed as a small business incubator to give local companies the opportunity to showcase existing products, test-market new products, and reach new customers.



"The main priority of the Festival is to serve as a business incubator," emphasized Lauren Zirbel, HFIA Executive Director. "We want to grow local businesses and improve access to local goods. We are so pleased to offer our members an exclusive look at the vendors prior to the shows opening. I know many of our members have discovered new and innovative products at the Festival. It benefits our members as well as the vendors."

"We are grateful to our presenting sponsor, First Hawaiian Bank, which has supported the Festival since its inception and has helped it grow into the premier 'buy Hawaii, for Hawaii' event for all kinds of companies, large and small, across the state," said Hammond. "We hear success stories each year."

For example, Maui-based Chic Naturals was just eight months old when it brought its dry roasted chickpea snacks to the 2012 MIHF. The company has participated every year since. "We did about \$2,750 in direct sales our first year," recalled co-owner Shaun Bayles. "Sales have increased every year since, and this year we sold just under \$10,000 worth of products over three days – about 25 percent better than our best previous festival. It was pretty awesome."

However, the key value of the Festival has been gaining access to wholesale customers and making business connections that otherwise could have taken months. "Many of our customers are a direct result of the Made in Hawaii Festival, which



Vendor Matt Bowden from Once Again Succulents, Lauren Zirbel, HFIA Executive Director, Amy Hammond, MIHF Executive Director, and Kahu Bishaw at the opening blessing.

really catapulted our company," Bayles said. "The festival is a great opportunity for us to re-connect with our wholesalers and introduce 50,000 consumers to our products." Chic Naturals products are now carried in retail stores across Hawaii, from mom and pop stores to resorts and retail giants like Safeway and Whole Foods.

This year's Festival was the first major show for co-owners Mandy Horst and Janene Willener of Aloha Inspiration. Just 10 months old, the



"The main priority of the Festival is to serve as a business incubator. We want to grow local businesses and improve access to local goods."

- Lauren Zirbel, HFIA Executive Director

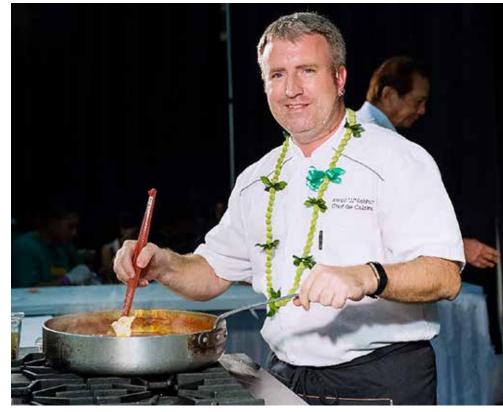
Oahu-based apparel and greeting card company is now working with several large retailers and a luxury hotel on Oahu they met during the buyer's trade show hours who are interested in carrying their products. Horst also said they met interested buyers from the neighbor islands and from as far away as Florida.

A first-time exhibitor Vicki Pillar, owner of Moku Pua Body Care, said, "The Made in Hawaii Festival was a huge success for us in terms of getting several new wholesale accounts."

There was something for everybody, whether you were a buyer or a shopper, or just plain hungry. There was everything from shrimp chips to coffee, pickled vegetables to jam. Poi pounders made pai'ai. Earrings, necklaces, and jewelry abounded. There was every type of clothing and accessory, from T-shirts to muumuu to lauhala hats and handbags. Exhibitors made koa items, pens, quilts, soaps, fine chocolates, and more.

Each year, MIHF cooking demonstrations are held to support local vendors and the Hawaii Department of Agriculture's "Buy Local, It Matters" initiative. Participating chefs must incorporate locally-produced ingredients in their recipes. This year, the Festival showcased eight local chefs who gave on-stage cooking demonstrations of their unique chili creations throughout the weekend in the inaugural Chef's Chili Challenge. Chef de Cuisine J.J. Reinhart of Tropics Bar & Grill at Hilton Hawaiian Village Hotel & Spa won the Challenge, which qualified him for the 2017 World Open Chili Championship. His winning green papaya and coconut venison chili also won him a Golden Ticket to represent Hawaii at the World Food Championships in Orange Beach, Alabama, this November.

"A tremendous amount of work goes on behind the scenes to ensure the continued success of the Made in Hawaii Festival," Zirbel noted. "We



Chef de Cuisine J.J. Reinhart of Tropics Bar & Grill won the Chef's Chili Challenge.



are so grateful for our tireless and committed members who really go to the next level to support HFIA and ensure the integrity of the Festival, which is so important to the community and the food and beverage industry as a whole. I wanted to especially thank Derek Kurisu, who has dedicated so much time to the Festival over the years. He continues to be a huge draw as the emcee of our cooking demos. People's faces just light up when they see him!"

The annual Made in Hawaii Festival is a win-win for everyone. Attendees are able to sample and buy hundreds of local foods and products in one place, and exhibitors get a huge boost to their businesses and make invaluable contacts. As a major fundraiser, the MIHF helps HFIA to serve as the voice of the state's food and beverage industry by actively promoting the interests of Hawaii's food and beverage retailers and suppliers through government relations and advocacy, member education, and industry and community relations.

"We look forward to the continued success of the Made in Hawaii Festival and are already planning for next





Meadow Gold Dairies' Lani Moo, Kawika (Lani's son), and Calci Calcium made an appearance at the Festival. Derek Kurisu, EVP of KTA Super Stores, officiated the cooking demos.



"We are so grateful for our tireless and committed members who really go to the next level to support HFIA and ensure the integrity of the Festival, which is so important to the community and the food and beverage industry as a whole."

year!" said Zirbel enthusiastically. "The event was so successful we have had requests to look into ways to improve the traffic situation around the festival. Next year, we will work more closely with companies like Uber and Lyft, as well as various trolleys and buses to try to alleviate some of the parking concerns. With scheduled renovations approaching at the NBC, Amy and I are in discussions about moving the Festival's location. It's always a challenge to overcome the huge cost of putting on a festival of this magnitude, but it is made possible by the continued support of the community. We are excited for the possibilities associated with additional space. We think the festival can get even better!"

Innovation in Ag

Reversing the Downward Trend In Hawaii Agriculture

BY JESSE COOKE

or a glimpse of the state of agriculture in Hawaii, look no further than the most recent statistics gathered by Jeff Melrose for the state Department of Agriculture and the University of Hawaii at Hilo. His 2015 Statewide Agricultural Land Use Baseline report provides maps that are almost painful to look at. They reveal the extent of the continuing struggles local agriculture faces.

Since 1980, acres in active crop use have plunged by 57 percent, falling to 152,000 acres from 351,000 acres over the past 35 years. Similarly, the amount of livestock pasture land in use has declined to 761,000 acres, from 1.1 million acres over that same period of time, a 31 percent decline.

For years, farmers from every corner of the industry have justifiably bemoaned the rising challenges that make farming in Hawaii arduous for most businesses.

Typical business problems such as retaining customers, surviving escalating costs, and increasing government regulations have resulted in farmers making little progress in their efforts to overcome the local industry's challenges. Others have succumbed to challenges distinctive to the agricultural industry, such as seasonality and drought, challenges that most industries don't think twice about.

On top of those problems, local farmers also have to contend with challenges unique to Hawaii's agricultural industry, such as the high costs associated with land, energy, water, and shipping, as well as labor pool shortages and frequent opposition from residential neighbors.

Even so, there are still reasons for many in the industry to feel hopeful about the future of local agriculture. All it takes is a tour of some innova-



tive farms in Waianae, Central Oahu, the North Shore, and Waimanalo to see this reality. In these regional pockets of local agriculture, the industry can take some comfort from farmers who have successfully adapted to the transition from monoculture to diversified agriculture.

By embracing innovative marketing, value-add, and farm production strategies, as well as the use of shared services made possible by the internet, some farmers have found ways to thrive and continue to do what they love most — grow food for their neighbors. Together, their efforts have meant much to local agriculture, offering enticing possibilities for helping the industry survive and prosper over the long run.

LOW MARGINS PROBLEM

• Building a brand and going direct: Ho Farms is an example of a farmer that had been producing a great product for years. However, it did not benefit from consumer demand until it bypassed middlemen and sold direct to grocers. Now, everyone who appreciates a good, local tomato knows Ho Farms, including how it grows great cherry and grape

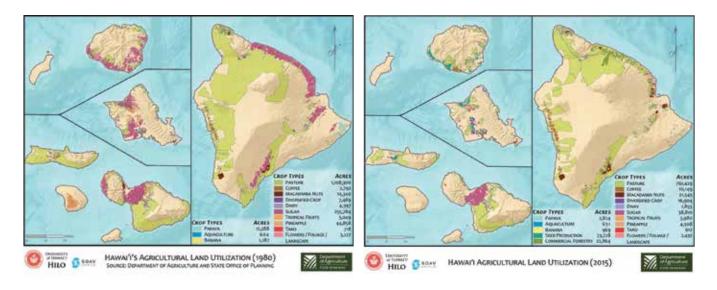
tomatoes. Ho Farms created a brand, a story about that brand, and thus earned a well-deserved premium price along the way.

• Agritourism 101: Kualoa Ranch has been another farm leading the way for local agriculture. The ranch has emerged as a tourist destination, being named one of the top things to do on Oahu, including its TripAdvisor ranking of number one for outdoor activities in Kaneohe.

In 2006, Agritourism generated more than \$38 million in revenue for Hawaii farmers. That is big business when you consider that the farm gate value reported by the USDA's Hawaii Vegetable & Melon Crops Report totaled \$45.4 million in 2015. If you are a farmer, you should think seriously about ways to cater to tourists. Those tourists become direct sales opportunities at retail prices, eliminating the need for the middleman.

• A little value-add goes a long way: Another innovation leader is Nalo Farms, who produces the iconic Nalo Greens, but also provides value-added services to local farmers, as well as for its own produce.

By investing in an automated Food Safety Modernization Act (FSMA) certified produce washing and packing facility, Nalo Farms is now competing in the packaged salad mix



market. Its triple-washed, readyto-eat, packaged salad mixes can be found at Foodland and Whole Foods, next to imported salad mix industry giants like Taylor Farms and Fresh Express. Compare the packaged salad mix prices to the typical lettuce prices in the produce section, and you'll see that it's not hard to figure out why a little value-add can make a big difference on margins.

LACK OF SCALE PROBLEM

• A small-scale farm with BIG customers: Ili'ili Farms grows a variety of leafy greens using aquaponic farming. Through this farming method, seasonality — along with the fluctuating production that goes with it — is virtually eliminated.

With less than one acre of land, Ili'ili has been able to provide produce year-round with consistent volume and consistent quality — key requirements to do business with large customers like Foodland, Times, and Alan Wong. Ili'ili also combats its scale disadvantage by producing value-added products, such as salad mixes in its Food Safety Certified packing facility. By providing "grocer-ready" packaged product in consistent volume, Ili'ili garners premium prices, more than four times the price of typical raw produce.

• Creating virtual scale: Farm Link Hawaii has been behind breakthroughs in technology that are helping to create virtual scale for small local farmers. It aggregates production from more than 70 small and backyard Oahu farmers through its online platform. By aggregating production from multiple small farms, Farm Link is able to provide grocers with the volumes and consistency they need to meet the demands of shoppers.

Through Farm Link, local farmers are able to work together and reach customer markets that

would be otherwise impossible. In fact, Foodland is Farm Link's largest customer. For grocery store procurement

departments, Farm Link provides a single contact point for orders, which is far more efficient than having to fulfill orders from 20 different small farmers across Oahu.

• Providing much needed shared services: Oahu Fresh helps small local farmers sell directly to end consumers that are members of its subscription service. The demand for local produce has been so strong that Oahu Fresh has expanded its customer base to restaurants, hotels, and grocers.

Providing services such as logistics, refrigerated hauling, marketing, and branding — that would break the budgets of small-scale farmers — Oahu Fresh has helped many farms create a brand identity, expand their customer bases, and achieve higher prices. You can find local goods from Oahu Fresh at Down To Earth, Koko Head Café, and Senia Restaurant.

COST AND AVAILABILITY OF LAND PROBLEM

• **Doing more with less:** As for problems stemming from cost and availability of land and water, Kunia

Country Farms has tackled these, in large part by practicing aquaponic lettuce farming.

Using this farming method, Kunia Country Farms can produce more than 150,000 pounds of lettuce and leafy greens on a single acre of land, which is incredible given the typical yield for conventionally grown lettuce in Hawaii is around 15,000 pounds per acre. The volume and consistency of its production allows the farm to supply salad mix for Zippy's Restaurants year-round.

Kunia Country Farms saves a lot on its water bill as well, with water use at less than a fifth of the water needed to grow lettuce conventionally. Another cost saving comes from eliminating the need for imported fertilizers. Water to grow the plants recycles continuously in and out of large fish tanks that hold tilapia.

LABOR SHORTAGE PROBLEM

• Making the work of farming a little easier: Aside from cost and land availability, there is a labor-shortage problem facing farmers. Kawamata Farms, which grows tomatoes in a Dutch-style hydroponic greenhouse, is an example of a farm that has overcome this problem through automation and innovation that eases the intensity of physical labor.

Using a cart and rail system for harvest operations in an indoor greenhouse, workers don't need to carry around heavy baskets of tomatoes continuously in the hot sun. Kawamata Farms has also invested in a conveyor system for washing, weighing, and sorting, helping to reduce its labor requirements and save costs in the long run.

Kawamata Farms provides 20,000 tomatoes weekly to Hawaii's market year-round. This consistency in production not only helps to win grocer customers like Costco, but also provides farm laborers with consistent work, which is rare in an industry in which work is often seasonal and part-time.

FOOD SAFETY PROBLEM

• A cleaner way to farm: Rounding out the list of problems is increasing food safety regulations. Mari's Garden practices hydroponic lettuce and leafy green production. Its method of hydroponic farming is done above ground without the use of

KEY CHALLENGES FACED BY HAWAII AGRICULTURE

Local agriculture is getting squeezed these days by a number of key challenges. Here are a few examples:

Low Margins. The prices received by farmers for their crops can be shocking when compared to the prices consumers pay at the grocery store. Have you noticed how expensive packaged imported baby green salad mixes are? It's \$6 for a 5-ounce pack of baby greens, which comes out to \$21 a pound...that's for lettuce, not lobster! Did you know the average farm gate price paid to Hawaii farmers for leaf lettuce is \$2 a pound? Are you shocked by this? Well, if you aren't, you can bet local farmers are definitely shocked.

Lack of Scale. When you • exclude crops that are primarily exported, such as coffee, macadamia nuts, papaya, sugarcane, pineapple, seed corn, and sweet potato, you can probably count on two hands the number of farmers growing food for island consumption on more than 100 acres of land. This becomes startling when you consider the average size of farms in the U.S. is 435 acres. Scale is important; it means more volume, more efficiency, more crop diversity, less risk, and in the end, it often means survival. With scale comes a more diverse customer base. No longer bound to just farmers' markets, more volume and crop diversity allows farmers to sell to grocers, restaurants, and hotels, who all require consistent volumes every week regardless of the season. Larger scale overcomes seasonality by the ability to diversify crop varieties, making some kind of crop always available to bring to market vear-round.

• With the median house price in Hawaii at \$730,000, you can imagine how tough it would be to find 10 to 20 acres of land at something resembling affordable on Oahu. Yet 10 to 20 acres is often not enough to make farming profitable. Another issue is the increasing retirement rate of local farmers. Many of these farmers want to continue farming on their land. However, their choice ends up being to lease land to a young farmer at \$400 per acre annually, or to sell the land to a developer for \$2 million. What would you choose?

• Farm Labor Shortage: The average age of Hawaii's farmers is nearly 60, compared to age 41 for the average worker in the state. That's a lot of farmers near retirement age. Farm work is often inconsistent, being tied to the seasons and whether planting or harvesting is going on. This inconsistency leads to a need for parttime labor, but less so for full-time positions. The average wage paid to a Hawaii farm worker is \$14 per hour. It may seem like decent pay, but think about the nature of the work: Waking up at 5 am; working outside in the sun for eight hours; and continuously bending over and hauling around loads. Compare that to a job that pays \$10 per hour, where you can sit and type in a nice air-conditioned office.

• Food Safety: The Food Safety Modernization Act (FSMA) entails a host of new regulations for farmers. Many of these regulations add significant additional costs to farm operations that already suffer from financial hardship. FSMA is complex to say the least, containing rules and requirements for farmers, distributors, manufacturers, and retailers. Its Rules and Guidance document pertaining to growing, harvesting, packing, and holding of produce for human consumption is more than 210-pages long and contains more than 230,000 words. This is iust one of 15 Rules and Guidance documents for FSMA.



soil, and in an enclosed greenhouse. Going indoors and taking soil out of farming mitigates the risk of disease and pests that live in soil.

Given the headlines about rat lungworm disease nowadays, this aspect of indoor hydroponic farming should give more comfort to consumers. Just as significant is that without soil, the cleaning of produce to meet FSMA (Food Safety Modernization Act) standards is much easier and requires much less labor, which is a big cost savings for farmers.

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MEMBERS UPDATES



Pasha Hawaii Announces Construction of Two New Containerships

Pasha Hawaii has announced that two more ships will be joining its fleet, which provides service to the Hawaii/ Mainland trade lane. The two new Liquefied Natural Gas (LNG) fueled containerships will be built at Brownsville, Texas-based Keppel AmFELS, a subsidiary of Keppel Offshore & Marine (Keppel O&M). The contracts were inked on August 23, 2017.

Construction on the two vessels began immediately, with delivery of the first vessel expected in the first quarter 2020, and the second in the third quarter of 2020.

The new, 774-foot U.S. Jones Act vessels will carry 2,525 TEUs, including a fully laden capacity of 500 45-foot containers, 400 refrigerated containers, and 300 40-foot dry containers, with a sailing speed of 23.0 knots. TEU stands for Twenty-Foot Equivalent Unit, which can be used to measure a ship's cargo capacity. One TEU's dimentions are equal to a standard 20 foot long by 8 foot tall shipping container. The ships' hulls have been fully optimized using computational fluid dynamics (CFD), and will be one of the most hydrodynamically efficient hulls in the world.

"This contract with Keppel allows Pasha Hawaii to continue to move forward in our commitment to providing the best resources possible for our customers and Hawaii's shipping industry while minimizing our environmental footprint," said George Pasha IV, President and CEO, The Pasha Group. "We are proud supporters of the Jones Act and look forward to working with Keppel's team of highly skilled shipbuilders."

The new vessels will fully operate on LNG from day one

when put into service, dramatically reducing environmental impact and increasing fuel efficiency. Energy savings will also be achieved with a state-of-the-art engine, an optimized hull form, and an underwater propulsion system with a high-efficiency rudder and propeller.

When compared to conventional fuels, LNG is a much cleaner alternative fuel for shipping and offers significant environmental benefits, including the reductions of up to 95% of sulphur oxides, nearly 100% of particulate matter, up to 90% of nitrogen oxides, and up to 25% of carbon dioxide from engine exhaust emissions.

"We are pleased to have been chosen to build these two LNG-fueled containerships [using] our innovative design for operation in Pasha Hawaii's fleet," said Simon Lee, President of Keppel AmFELS. "Keppel O&M is at the forefront of designing vessels that run on LNG propulsion systems and has the experience in LNG vessel conversions, as well as the expertise in newbuild specialized vessels. We look forward to building these ships which will have a direct impact on American jobs at our shipyard and suppliers across the country."

Pasha Hawaii is a wholly owned subsidiary of The Pasha Group, a family-owned, third-generation, diversified global logistics and transportation company. The Pasha Group is one of the nation's leading Jones Act shipping and integrated logistics companies.

One of the nation's leading domestic ocean shipping companies serving Hawaii from the continental U.S., Pasha Hawaii owns a fleet of six fully Jones Act-qualified vessels and operates out of multiple port terminals. Pasha Hawaii is a partner for many of the nation's leading retailers, manufacturers, and U.S. government agencies, providing containerized and roll-on/roll-off cargo services that leverage its unique combination of ocean transportation and inland distribution capabilities to deliver goods vital to Hawaii and its economic prosperity.

Advanced Digital Advertising System Offered by OPI

Oahu Publications, Inc. (OPI), announced an exciting new in-store video marketing opportunity. OPI is the parent company of the *Honolulu Star-Advertiser* and *MidWeek*. Managed by OPI, the out-of-home Digital Billboard Network (DBN) provides retailers and vendor advertisers with specific demographic reporting on who is viewing their video advertisements and the exact times specific demographics are viewing them. Detailed, monthly demographic reports allow retailers and advertisers to adjust their content strategy and coincide messaging by time of day to match the perceived wants and needs of viewers.

The daily audience of the entire DBN rivals that of a local radio or television morning show, reaching a wide audience. DBN is located at all Oahu Jamba Juice locations, selected Longs Drugs, Aloha Island Mini-Marts, Hele Convenience Stores, L&L Hawaiian BBQ, Tamura's Wahiawa, Tamura's Fine Wine in Kaimuki, and Yokocho in Waikiki.

"Tamura Enterprises is pleased that the *Star-Advertiser* is partnering with us on this innovative and latest technology in digital advertising to enhance our customers' shopping experience," said Bruce Yokochi, Director of Sales & Merchandising for Tamura Enterprises, Inc. "More importantly, this advanced technology will help Tamura's make better decisions in meeting customer needs through critical demographic data."



Customers watch DBN digital advertising at Tamura's Market in Wahiawa.

For more information on how the Digital Billboard Network can grow your business, please contact OPI Chief Revenue Officer Dave Kennedy at 808-529-4818 or at dkennedy@staradvertiser.com.

C&S Wholesale Grocers Family of Companies Respond to Hurricanes

C&S Wholesale Grocers, Inc., its employees, family of companies, and business partners responded quickly after Hurricanes Harvey and Irma and their back-to-back destruction, particularly in Texas and Florida.

The company's response took shape in several ways:

Employee Donations and Corporate Match

In response to offers of help, C&S launched WE STAND WITH TEXAS, a campaign to collect donations from employees across its family of companies: C&S, ES3, Hansen Distribution Group, Grocers Supply, Davidson Specialty Foods, FreshKO, and Symbotic.

To inspire participation and pledges, all donations were matched dollar-for-dollar by the company and will be directed to three organizations:

• American Red Cross: providing clean water, safe shelter, and hot meals

- United Way of Greater Houston: focusing on immediate and long-term disaster relief
- Friends at C&S: offering financial assistance to employees in need

Additional Funds

C&S made financial contributions specific to Hurricane Irma response and recovery to the American Red Cross, the United Way Disaster Relief Fund, and Friends at C&S.

Food and Water

In partnership with Feeding America, C&S and Grocers Supply donated more than 7,838 tons of water and food, including high-demand items such as canned fruit and vegetables, juice, cleaning supplies, and batteries.

To help vulnerable children, product donations were made to the Texas Diaper Bank and to the Ronald McDonald House in Houston.



Farm to School

To Bring Fresh, Better Food to Hawaii's Students

cross the nation, farm to school programs are reconnecting students to a better understanding of the food

system and where their food comes from. In Hawaii, the Hawaii State



Department of Education (DOE), the Hawaii Department of Agriculture, and The Kohala Center have been working collaboratively to launch Hawaii's own Farm to School Initiative, which has many

Shan Tsutsui

partnerships with private organizations as well.

Spearheaded by Lt. Governor Shan Tsutsui, a pilot went live in January of this year at The Kohala Center, which serves three Hawaii Island public schools. "This pilot project not only encourages healthy eating but also educates our students about where their food comes from, moving Hawaii toward food sustainability," ex"This pilot project not only encourages healthy eating but also educates our students about where their food comes from, moving Hawaii toward food sustainability."

- Shan Tsutsui, Lt. Governor, State of Hawaii

plains Tsutui. "[I wanted] to help our local agriculture and farm industry. By increasing local ingredients and products in our public school meals, we are able to spend our dollars to support our State's agriculture and farms." As father of three, Tsutsui knows that parents want their children to eat well, and believes Farm to School is one avenue that can help make that happen by introducing them to healthier and more enjoyable meals. "I wanted to improve the meals that our students were eating in school," he said. Farm to School also introduces students to new fruits and

vegetables that they and their families will then be more willing to incorporate into their own diets.

The Farm to School Initiative's goal is to address the supply and demand issues surrounding the purchasing of local food for our state school cafeterias, which can be thought of as the largest restaurant chain in Hawaii. The project began in the Kohala School Complex, which is a perfect place to have a learning and menu-creating lab because a single kitchen serves three schools: Kohala Elementary, Kohala Intermediate, and Kohala High School.

As a rural community, Kohala is committed to increasing local food production. The project team conducted an evaluation to guide larger implementation of successful Farm to School strategies (kitchen skills, procurement strategies, community connections, new menus, etc.). Successful strategies learned in the pilot will be rolled into the next phase—a larger complex—and ultimately scale Farm to School into the Department of Education's statewide operations. Now that the initial phase of the Kohala pilot has been completed, the program will expand to 5 to 6 additional schools on Hawaii Island and Maui during the 2017 to 2019 school years, and begin to evaluate Oahu schools. The goal is to be statewide by 2020. The change in project schools aim for 40% locally produced food; 60% fresh; a 10% decrease in plate waste; and a 5% increase in the number of students eating school meals.

The DOE's large volume requirements compared to local food production levels in Hawaii are one of the most significant challenges. The Hawaii State DOE is the only statewide school district in the country and ranks as the ninth largest school district in the nation. As the single school food authority, the DOE's School Food Services Branch is



responsible for procuring food for all 256 regular public schools and feeding approximately 110,000 students and school staff each day. To date, local farmers and distributors have been unable to meet the DOE's demand for produce for the entire state.

To address this issue, the project enables the DOE to experiment with shifting from a district-wide procurement model to a more localized approach. The DOE will be able to create more manageable-sized markets for local farmers, either directly or through local distributors. Doing this also allows the DOE to experiment with more localized menus. Currently, the DOE's menu planning committee sets statewide menu cycles. The pilot project allows the testing of tailored menus by geographic location, taking into account foods that are produced in that area. An RFP for produce by geographical area will be released.

Some of the successful experimental menu items that the Kohala Complex produced include pizza, kalua pig with cabbage, Hawaiian plate (lau lau, sweet potato, lomi tomato, citrus fruit, and poi), and chicken adobo slider with green papava slaw. Menu items are created through student surveys and the types of produce available from local farmers. In Kohala, locally sourced produce has included bananas, cabbage, cucumber, lettuce, green onions, sweet potatoes, tomatoes, tortillas, navel oranges, and tangerines. Meats such as chicken, pork, and beef have also been locally sourced.

"It's possible to feed kids fabulous food and be cost neutral," says Chef Greg Christian, who was contracted to help get Farm to School started in Kohala. "The kids win, the farmers win—everybody wins."

Hawaii's Farm to School Initiative

Main goals:

1. Increase the DOE's purchasing of local food for school breakfast, lunch, and snack programs.

2. Increase student participation in child nutrition programs, which means creating menus and meals that students want to eat.

3. Increase student consumption of healthy foods in school meals.

4. Cost-neutrality over time. Implementation costs will be covered by increased student participation and cost-savings generated by decreased waste and increased efficiencies. This was achieved in Phase 1 in Kohala. Although there was an increase in purchasing for fresh/local ingredients, there were cost savings.

Major Components

1. Menu Development: New recipes with fresh, local food developed by cafeteria staff and students

2. Staff Training: Production planning, teamwork, cooking skills, waste systems, customer service, and taste testing

3. Data Tracking: Participation, consumption and waste, profit and loss, and local procurement

4. Waste Management: Controlling overproduction and plate waste

5. Supply Chain Development: Network with local growers and distributors

6. Procurement: Innovative procurement to support buying local while complying with state and federal laws

7. Nutrition Education: Connect new menus to nutrition education in school gardens, cafeterias, and classrooms

8. Community Outreach: Actively engage parents and community members

HFIA Rides Trail to Paniolo Country

STORY & PHOTOS BY JASON Y. KIMURA

In 1832, John Palmer Parker contracted Mexican vaqueros, expert horsemen with generations of cattle experience, to teach locals the ways of the cowboy on his Hawaii Island ranch. The paniolo lifestyle was born in Hawai'i. Thus was also borne the theme for HFIA's 2017 Convention: Paniolo Country.

Once again held at the Aulani Disney Resort & Spa, the Convention was a marvelous mix of resort amenities and HFIA Convention Committee magic. The weather was again perfect for all the outdoor activities, including the Spahk Da Green Golf Tourney on Friday, which was followed by early evening wine tasting hosted by Southern Glazer's Wine & Spirits, Asian cocktail tasting by Lotus Spirits, and the HFIA-Coca-Cola Food Challenge. As the sun began to set, attendees wandered over to the Get Your Boots On Chairman's Reception for great barbecue and Paniolo Country line dancing.

Saturday's activities followed up with an early morning HFIA Annu-

al General Membership and Board of Director's Meeting and keynote speaker Pono Shim, President & CEO of the Oahu Economic Development Board (see story on page 32). The afternoon was Hang Loose with folks splitting up to visit the Hospitality Room (well stocked by member companies), Shoot for Da Stahz Family Games, or simply enjoying the Aulani Resort. With the afternoon free, attendees were ready for early evening wine tasting by Young's Market Company and beer tasting by Anheuser-Busch Sales of Hawaii, followed by the main event of the day: the HFIA Hall of Fame Banquet and Ni'o Award presentation. This year's event honored the late Charles Kawakami, former president of Big Save Supermarkets and Mehehune Food Mart, Inc., and introduced Beau Oshiro of C&S Wholesale Grocers as the new Chairman of the Executive Committee. The event was held right on the sandy beach, with a stunning sunset for a backdrop.



Lisa DeCoito, Aloha Petroleum, and Miyuki Hirano-Hollingworth, CenterScale Automation



A HUGE Mahalo for the generous support of our 2017 Convention sponsors!

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Carl Fukushima, Safeway, and Teri Luna, Hawaii Foodbank



Gail Hayashi, Hawaiian Airlines Cargo, Paul McCully, Matson, and Jasmine Tamanaha, Hawaiian Airlines Cargo



Elliot Peters, Darryl Chinen, Asa Tamura, Travis Abe, Richard Rutz, and Robson Piiohia, Southern Glazer's Wine & Spirits



Dwayne Fujitani and Shellie Hayashi win the "Top it Off" Food Challenge for Pasha Hawaii with a burger with cheese, an over easy egg, onions, shrimp, lettuce and more, with a side of SPAM fries to boot. C&S, Coca-Cola, Safeway, Higa Food Service, and Foodland also competed for the trophy.



The two Chads: Chad Cohen, Coca-Cola, and Chad Shimamura, Pacific Wine & Spirits



Jerry Maruquin, Joe Carter, and Mahealani Maruquin, Coca-Cola Bottling



Len Isotoff, Matson, and John Erickson, Meadow Gold Dairies



Chef Keoni Chang and Darin Omuri of Foodland offer a Tropical Ulupalakua Sangria with their Paniolo Kanak Attack Food Challenge dish.



Chairman's Reception









Kids in front: Arien Crabtree and Aria Crabtree; adults: Josh Crabtree, Sheldon Wright, Sharissa Crabtree, and Pauline Higa-Wright, Higa Food Service



Jeanine Fuentes, Maile Miyashiro, and Trisha Kishida, serve up the C&S Mango Kiawe BBQ Craft Burger.





Family Games



Georgeanne and Derek Kurisu, KTA, with Kim Tran and Glenn Muranaka, Meadow Gold Dairies







Cheryl Jones, Safeway, with Anthony Maranto and Melody Yurth of Young's Market Company



Sarah and Phil Nguyen, HFM Foods



Gary and Sheryl Villanueva, Porky Products



New Chairman Beau Oshiro, and wife Suzan surrounded by C&S staff members.



Mike and Kathleen Kaya, Steven Sasaki, and Nick Rapuza, Meadow Gold Dairies



Paul Yokota, FHC Enterprises, Joy and Todd Oda, Koha Foods, and Sandra Ogino, Advantage Webco



Derek Kawakami speaks on behalf of his late father Charles Kawakami of Big Save, Inc., who was inducted into the HFIA Hall of Fame.



Beau Oshiro of C&S is officially installed as HFIA Executive Committee Chairman



Mike Kaya, Meadow Gold Dairies, Paul Kosasa (accepting award for Wendy Fujio, ABC Stores), Larry Ishii, American Savings Bank, Jay Higa, Star Advertiser, and Miyuki Hirano-Hollingworth, CenterScale, are honored with the HFIA Pono Award for Outstanding Service.



NEW MEMBERS

Central Pacific Bank

Company Profile: Established in 1954, Central Pacific Bank is a Hawaii-based financial institution with branch locations statewide. The bank has a long, proud history of providing exceptional service to its customers and contributing to the community.

Central Pacific Bank is the primary subsidiary of Central Pacific Financial Corp., a Hawaii-based financial institution. Central Pacific Financial Corp.'s stocks are publicly traded on the New York Stock



Exchange under the symbol "CPF."

Reason for Joining HFIA: Commercial Banking Officer Denise Haruki says, "I joined HFIA because I feel it will be a good way to support my clients in the food industry. By being connected to the industry, I can better understand my clients' needs and can better serve them. It's also a great way to network and meet others in the industry."

Unique to the Company: Central Pacific Bank Employees are committed to creating value for its customers, employees, community, and shareholders by living its Core Values: Teamwork, Integrity, Exceptional Service.

Location & Service Area:

960 Mapunapuna Street Honolulu, Hawaii 96819 Statewide

Contact Information:

Denise T. Haruki Vice President and Senior Commercial Banking Officer, Commercial Banking West

Phone: (808) 544-5488 Cell: (808) 375-2907 Fax: (808) 831-3895

Email: denise.haruki@centralpacificbank.com Website: www.centralpacificbank.com

Rimfire Imports

Company Profile: Rimfire Imports began operations on Maui in November 1984 as a specialty food distributor and wholesaler. The goal of the company is to fill an expanding need for gourmet specialty





IMPORTS



foods within the Resort/Fine Dining market statewide. After establishing a growing market on Maui, local sales representatives were employed in 1986 on Kauai and Hawaii Island to ensure service and delivery to neighbor island customers. The company expanded laterally as a broader product base was established to gain a greater market share in institutional foodservice.

Sales volume quickly increased, requiring expansion of facilities, equipment, office, sales personnel, and inventory to support the growth. A retail sales program was instituted to introduce specific product lines to chain supermarkets and independent grocers statewide. Employment of sales personnel on Oahu completed statewide representation. In 1988, greater attention was given internally to cost controls, such as receivables, purchasing, inventory, labor, and supplies

Because of the ever-changing selection of food from around the world, inventory growth follows a customer-driven desire to offer a versatile menu to their customers. With a small group of twelve employees, Rimfire Imports has the flexibility to adapt to and inspire new directions in the foodservice industry.

Reason for Joining HFIA: Rimfire Imports joined HFIA primarily to support local businesses in Hawaii's food industry, but is also interested in the networking benefits.

Unique to the Company: A locally owned gourmet food distrubutor in business for over 30 years, Rimfire Imports remains committed to the specialty food niche in service to its customers in Hawaii. Rimfire Imports specializes in exclusive product lines, including premium cheeses, caviar, truffles, couvertures, charcuterie, and much more.

Location & Service Area:

Located on Maui, but services statewide.

Contact Information:

Lehi Livingston, General & Sales Manager Address: 781 Eha Street; Wailuku, HI 96793 Phone: 808-242-6888 / 800-832-0933 Fax: 808-242-9217

Waking the Sleeping Bear with Aloha

BY JASON Y. KIMURA

ono Shim, the keynote speaker at the 2017 HFIA Convention, had a message for leaders: Seek to connect with others with the "Aloha Response." When people hear that, they may think that they've heard it all when it comes to showing aloha. On the contrary, Shim gave a deep, deep message that resonated with his audience; it was far from just another "technique" or "tool" to deal with others.

Shim is President and CEO of the Oahu Economic Development Board. In 2009, he was asked to take over the leadership of Enterprise Honolulu (now the Oahu Economic Development Board), a non-profit organization that supports a healthy economy on Oahu by being a leading agent in the growth, retention, and recruitment of businesses that support jobs in Hawaii. At the time, the organization was in serious financial trouble and was viewed unfavorably by the community. Shim has transformed the organization's culture using principles collectively known as ADHOC (Aloha Defines Hawaii's

Organizational Culture). Today, the Oahu Economic Development Board is financially stable and is considered an influential leadership hub in the state.

A gifted storyteller known for using illustrations to connect with his audiences, Shim believes that the majority of the social issues facing individuals, organizations, and communities across the globe are symptoms of deeper problems that can and must be addressed today. Shim's Hawaii leadership philosophies were taught to him as a child by Auntie Pilahi Paki, proponent of aloha and keeper of the secrets, whose teachings were both spiritual, mystical, and profound. These philosophies form the backbone to Shim's ideas, actions, and words. He shared them with HFIA convention attendees in a powerful presentation.

"We're the type of community that doesn't like to wake the sleeping bear," said Shim, explaining that we don't like to change the status quo. "I'm a disruptor, but when I wake up the sleeping bear, the bear says 'good morning,' [and isn't pissed off]." His response to the sleeping bear, he continued, is, 'we go eat!" "Can you find the Aloha Response?" he asked. "Seek to connect first."

Shim told a story of his childhood, about the time Auntie Pilahi Paki, proponent of aloha, began to pass her secrets to him. Paki (1910 - 1985) was a beloved Hawaiian poet and philosopher, linguist, educator, spiritual guide, songwriter, and author. Her

understanding of the word Aloha led to the adoption of the Aloha Spirit Bill by the legislature in 1986. Paki carried the cultural library of the Hawaiian people, related Shim. Like cloud computing, he explained, these cultural experiences, energy, and knowledge are retained somewhere, they get passed on to others. When Shim was 13, he was

brought by his father to a meeting of Hawaiian leaders. Someone asked about Kahoolawe in anger: They took our island, the last place our navigators stopped before heading out to sea, and bombed it for 30 years. What are we supposed to do? Paki didn't answer the question directly, but shifted the energy in the room so that everyone left in peace. "Pono, come walk with me," she said. "I'm going to share something with you that you can't share with anyone until I say." Paki taught him the deep meaning of the word Aloha. She told Shim to think Hawaiian before he learned to speak Hawaiian.

Shim explained that Hawaiian words have three interpretations. Most people can understand the first two, but the esoteric, or spiritual, was passed to a select few. It was these third, deep meanings or principles he was given by Paki, who famously said, "In the 21st century, the world will search for peace and they'll look to Hawaii because Hawaii has the key and that key is Aloha."

What's fascinating is Paki's deeper definitions for the words that spell ALOHA. (See sidebar for the literal, then the esoteric meanings.) She also gave Shim the definitions out of order, beginning with Ahonui. "You are waiting for the moment," Paki

Akahai – Grace (kindness, be expressed with tenderness)

Lokahi – Unbroken (unity, to be expressed with harmony)

'Olu'olu – Gentle (agreeable, to be expressed with pleasantness)

Ha'aha'a – Empty (humility, to be expressed with modesty)

Ahonui – Waiting for the moment (patience, to be expressed with perseverance) said to him. Ha'aha'a: "Nothing can come in until you are empty." That is, all connection begins with a moment of emptiness, which one must find. Paki then gave Shim the other definitions: Akahai, Olu'olu, and Lokahi. One of the secrets of living Aloha is that one must live all of the principles. If you are not doing one, you are not doing any.

Paki instructed Shim to practice and find the Aloha Responses in life. He practiced for 34 years, waiting for the moment, before sharing what Paki taught him. Paki died 1985, but it was only in the past 7 years that Shim "got a message from her that it was time to share." "Auntie said, 'don't try to change others—work on yourself," shared Shim. The Aloha Response is not about imposing your values on others, or telling them what to do, or using leadership "tools" on them.

The Aloha Response, said Shim, is about connecting with others; it is not a repository of information. The Aloha Response in dealing with others is the difference between "Reference" and



Auntie Pilahi Paki, keeper of the secrets

"Reverence." "Everyone wants to be relevant," said Shim, explaining that people too often use Reference to gain relevance. "Reference means to borrow." Reference is rooted in credentials, ideas, needs, policies, arguments, values, culture, religion, political parties, heritage, agendas, environment, and belongings. It involves competition with others, and winning that competition to gain relevance. Commonly used methods of response include arguing, defending, playing politics, complaining, protesting, challenging, etc.

In contrast, Reverence is *"to be,"* and it is where we must live. It is remembering and knowing who you are. It is the "I am" that defines culture, values, ideas, and belonging, rather than the other way around. Reverence builds trust and connections to give people relevance, and it is the means through which we can give the Aloha Response.

There are two types of "storms," says Shim. The first is that we forget who we are, or an entire group of people forget who they are. Yet, we all have who we are within us. It's in our DNA, according to Shim. The second storm is extremism and militancy. "Most of the time, we throw our efforts to solving the second storm when we should be solving the first," he said. When people remember who they are, there is an opportunity. People can be given relevance through the Aloha Response.



THE LAST WORD

BY LAUREN ZIRBEL & ALEXIS CHAPMAN

This summer's Made In Hawaii Festival was the biggest and best yet, setting new records for attendance and revenue. The 2017 Festival was a fantastic celebration of Hawaii-made products and foods. We give a big mahalo to our great MIHF team members who work tirelessly behind the scenes to make the Festival what it is, as well as to all those who attended. We especially thank the wonderful HFIA members who present each year—you are the backbone of the Festival.

The continued growth and success of the Made in Hawaii Festival shows that there is a strong demand for locally made products, and that our local customers know the value and importance of our Hawaii businesses. Once again this year, we followed the Festival with the Made In Hawaii Show, our exclusive After Hours Networking Event that helps us connect our retail and supplier businesses with exciting, new Hawaii-made products. Held on September 26, the 2017 Made in Hawaii Show was preceded by a valuable team building management seminar. The MIHS was a great opportunity to appreciate two of the things that make doing business in Hawaii great: innovative local products and our strong business network.

Of course, as we all know, doing business in Hawaii has its challenges as well, most especially the big regulatory burden from both the state and county governments. This summer, in addition to the updated and upcom-



ing bans discussed in the Legislative Update in this issue, HFIA has also been using the Weekly Update to help members keep up-to-date on some new health regulations from the State Department of Health (DOH) that went into effect this year. First, we had the new prohibition on latex gloves, which began in January, with enforcement starting this summer. The requirement for all food handlers to wear gloves has only been in effect since 2014, so there has been a lot of change on this front in a short amount of time. HFIA is glad to be able to provide resources to members on alternative types of gloves to use and why it's so important to avoid latex, which may cause dangerous allergic reactions in some customers.

We've also been working to make sure all our members are prepared for a range of new state safety rules for food establishments which came from the DOH Sanitation Department and went into effect at the beginning of September. One of the biggest changes is the new requirement that during work hours, at least one employee working at food establishments, including at food preparation businesses, must have an official Food Handlers Education Certification. This change and several other parts of the new rules are designed to ensure that all Hawaii businesses are operating at the same baseline level when it comes to food safety, and to that end, HFIA will continue to make sure our members have the most current information



on the rules, as well as access to other resources to continue to maintain the highest standards.

In addition to state-level safety changes, there are also some federal changes coming soon that we're going to be keeping tabs on for our members. Most notably, the FDA's new Food Safety Modernization Act (FSMA) will go into effect starting with some provisions next year. This is the most dramatic change to food safety regulations in decades, and is major a paradigm shift away from responding to food safety issues after they arise and toward proactively working to prevent food-borne illnesses and address other safety issues. At the end of this summer, the FDA began releasing compliance guides for various business types which will help guide them through the changes they'll need to make when the rules take effect. HFIA will continue to give our members access to this information, and provide whatever other resources we can to ensure that when implementation time does arrive, the process is as smooth and easy as possible.

We know that our member businesses already take great care when it comes to food and customer safety, and that as a business owner, it can be frustrating to have to make a lot of changes when you have a system that you know works. But as long as these regulations keep changing, HFIA will continue to do the work of getting the information and making it accessible so you can focus on your business rather than on researching regulatory changes. We'll continue to create opportunities for our great Hawaii business community to work together and leverage our collective knowledge to bring added benefit to our HFIA community and all of our customers here in Hawaii.



IT'S THE LAW: Do Not Sell Tobacco Products or Electronic Smoking Devices to Anyone Under 21



Act 122, Effective January 1, 2016

1. All vendors must display this sign at points of sale. Free signs available by calling (808) 586-4613.

2. Always ask to see I.D. and do not sell to anyone under 21 years of age. Undercover inspections will be conducted for enforcement.

3. Know that if you sell to persons under 21, you will be fined.



Questions? Contact the Tobacco Prevention & Education Program, Hawaii State Department of Health at (808) 586-4613. find out more at http://health.hawaii.gov/tobacco/retail



If you're shipping perishable goods to Hawaii, you should know that Matson introduced refrigerated shipping to the Islands of Aloha and that no one in the business has more expertise in handling chilled and frozen cargo. In addition to the industry's most advanced fleet and most skilled employees, we offer computerized online tracking, a national refrigerated cargo sales team, and the largest quantity of top-quality, advanced refrigeration equipment in the trade. And, after 130 years of service to Hawaii, our dedication to the islands is stronger than ever. How cool is that.







For more information, call our Customer Support Center at (800) 4-MATSON or visit matson.com. And be prepared for a warm reception.