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the magazine of the hawaii food industry association



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The Chair's Message

BY BONNY AMEMIYA



Aloha HFIA Members,

If 2012 is the year to LEAP forward, then HFIA has taken the lead by jumping in with both feet and appointing Lauren Zirbel as HFIA's Executive Director and holding a SELL OUT social event on January 26 for our members and guests. Again, our Social Committee did an outstanding job bringing together 250 people from across the food industry for a fun-filled evening of camaraderie at the Honolulu Country Club where guests enjoyed each other's company amidst great food, games, and prizes. In addition, each guest took home a grocery bag FILLED with wonderful food and beverage products to share with family and friends. All of this would not have been possible without the generous support of our many loyal corporate sponsors and donors!

Our four Standing Committee Chairs and their members continue to develop and work on issues and projects in their respective areas. The Government Affairs and Advocacy Committee, better known as the GRC, is knee-deep in a number of legislative issues and is making good progress and advocating for a bag fee versus a plastic bag ban. We still have a long way to go before a bill is passed, but it's encouraging to see positive support for a fee bill from the media and community groups. Mahalo to Alan Nakamura, Lauren Zirbel, and the GRC members for their participation in bi-weekly conference calls and for keeping HFIA support going through the ups and downs in moving this bill forward.

We are also very excited to share the progress that has been made on our HFIA website redesign. While most of the site's content is still under construction with new content and member logos being added, we welcome you to check out our brand new look at www.hawaiifood.com and give us your feedback. If you ever visited the old site, you'll agree that, like your favorite beverage, the changes are refreshing!

Our Member Education Committee headed up by John Schilf is working on a Spring Education Event that promises to take you away from the classroom and into the field. Consider for a moment that for over 1,000 years, the Hawaiian people produced enough food to support an estimated population of one million, according to a June 1, 2011 *Hawaii Independent* article. Today, less than 10% of Hawaii's food comes from local sources. The goal of our field trip is to raise awareness of some of the daunting challenges the local farming industry faces...scarcity of ag land, water, infrastructure, labor, and food safety concerns—and to experience first-hand what innovative companies are doing to attain a more sensible and sustainable food system in Hawaii.

We are also working on a bigger educational component to the 2012 HFIA Convention (June 8 to 10 at the JW Marriott Ihilani) by developing a series of presentations and workshops on relevant business topics for members. Topics being considered span from green technology to the risks of social media to Ron and Arnie Koss, authors of *The Earth's Best Story, a Bittersweet Tale of Twin Brothers Who Sparked an Organic Revolution*. The

workshops will be a wonderful, cost-effective way for your employees to participate in this year's Convention activities. A Convention flyer will be sent to you soon.

Also new at this year's Convention is the revisiting of the HFIA Hall of Fame. Stan Brown and Miyuki Hollingworth and the HOF Committee members are in the process of accepting nominations and working through the evaluation process. If you're interested in assisting with either the Convention or Hall of Fame, please contact Lauren Zirbel or Nancy China.

Mike Kaya, our champion DOG (Director of Golf) has been busy working on the Annual Golf Tournament, which will be held at the Ewa Beach Golf Club on Friday, March 16. Mike has been organizing HFIA golf tournaments for as long as I can remember with very little assistance and recognition for all of his work. We know Mike as an extremely capable, humble person, but above all, he's been a great friend. We offer our congratulations to Mike, who after 26 years, is hanging up his Meadow Gold hat at the end of March. (Not to worry though, Mike will still retain his title at HFIA!)

Last, a huge mahalo to Derek Kurisu of KTA, head of the Industry and Community Relations Committee, for all of his work. When Derek makes a commitment to do something, he really puts in 100%! Despite his incredibly busy schedule on the Big Island, Derek has taken the initiative to form an industry group informally known as "Hoku," which in Hawaiian means "Star." Derek explains the significance of the name: "If we work individually, we are only a collection of dots. By working together and aligning ourselves correctly, we can connect the dots and form a brilliant star!" Through Derek's vast relationships and strong local connections, HFIA has brought together the leaders of the Hawaii Farm Bureau, the Hawaii Manufacturers Association, the Hawaii Restaurant Association, the Hawaii Chamber of Commerce, the UH College of Tropical Ag and Human Resources (CTAHR), the State Department of Agriculture, the State Department of Education, and the Hawaii Technology Development Corporation, just to name a few. Through monthly meetings, the goal of Hoku is to first understand each other's positions on issues, work together to find practical solutions, and to join together with an amplified voice in dealing with new legislation. Great job, Derek!

As you can see, through the leadership and initiative of our incredible committee chairs (Alan Nakamura, Stan Brown, John Schilf, and Derek Kurisu), our Executive Director, Lauren Zirbel, and through the endeavors of all of our committee members, HFIA is making a huge leap forward in all areas of our mission. We look forward to including a member of your company on one of our standing committees and to seeing you at our upcoming events.

Mahalo to all for your continued support. Ahui Hou!
Bonny Amemiya

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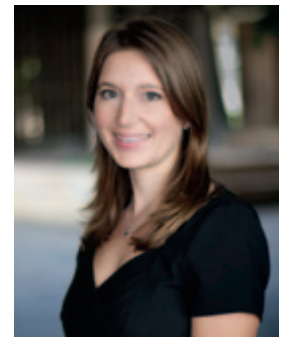
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Legislative Update

BY LAUREN ZIRBEL



This legislative session has been filled with a spirit of “Kumbaya” in comparison to last year. Many of the issues industry expected to come to a head this year have simply dissolved into nothing...for now! This is likely because every single state-elected official is up for re-election and no one wants to increase taxes. But that doesn’t mean HFIA hasn’t been hard at work protecting your business’ interests. HFIA has testified on and tracked many bills that directly affect the food industry. There are both good and bad bills still moving along at the State Capitol.

On the bad end of the spectrum, the House is still considering a bill that would require employers to provide meal breaks for employees who work more than a total of five hours a day. This bill, HB1699, imposes penalties for failure to provide meal breaks. The bill was passed by the House Judiciary committee but must still be scheduled and passed by the House Finance Committee in order to cross over to the Senate. A bill to increase the minimum wage was also heard and passed out of its first committee in the House, but has not been scheduled in its next committee to this date. Thankfully, Representative McKelvey chose to defer a measure in the House Economic Revitalization and Business Committee, which would have required employers to provide a minimum amount of paid sick and safe leave to employees.

HFIA opposes labeling mandates across the board, and as such, opposed a bill which received a hearing this year, which would have established labeling requirements for Hawaii-grown tea. Thankfully, Senator Baker deferred this bill in her committee. HFIA also opposed bills which received a hearing this year that would have increased the tax on sugar and mandated a warning label for all products containing aspartame. Senator Green deferred both of these bills.

One of the major positive bills HFIA is pushing this year is the fee assessment on all single-use bags. This bill will help retailers on the neighbor islands deal with the tenfold increase in cost they are seeing due to plastic bag bans. Honolulu County is threatening to follow the neighbor islands down the path of plastic bag bans, so it is imperative that the legislature pass a fee bill this year to create some uniformity between counties. Without a fee bill, consumers will not decrease their use of single use bags, but instead shift to using an equal amount of paper bags at increased cost to retailers, and ultimately, to

consumer food prices. This not only does nothing to help the environment, it unfairly impacts consumers pocket-books—increasing everyone’s most basic cost of living: food. Single-use bag fee legislation has had overwhelming amounts of supportive testimony at the state legislature this year. Retailers, businesses, environmental groups, the Department of Land and Natural Resources, and consumers have voiced strong support for this legislation.

HFIA is supporting a bill that serves as an alternative to harmful legislation introduced and deferred this year that would have made pseudo ephedrine (PSE) prescription only. This bill brings Hawaii into a network that is used across the United States and is completely free, called NPLeX. NPLeX can be accessed on any computer with access to the Internet, and it allows up-to-the-minute tracking of PSE sales. This tool has helped law enforcement control individuals who are not using PSE for its intended purpose. The House Committee on Judiciary has moved the bill forward as has the Senate Committee on Health.

HFIA is in strong support of the efforts made by the legislature in addressing the unemployment insurance tax increase with HB 2069. This bill sets the maximum weekly benefit amount at 75% of the average weekly wage from April 1, 2012 to December 31, 2012. The bill also sets—for calendar year 2012—the employer contribution rate at Schedule F. HFIA supports keeping the employer contribution rate at Schedule F for two years because businesses are still trying to recover from the recession and cannot afford increases in their UI tax.

HFIA will continue to keep you up-to-date on hearings, and on opportunities for you to submit testimony on bills that affect your business. We greatly appreciate your support of our legislative advocacy!



Safeway Center Opens Grand

BY JASON Y. KIMURA

The address—1234 S. Beretania Street—seems like a Hawaii version of one of those made up street numbers used as an example on a form, but the new Safeway in the heart of Honolulu is a grand reality. The store celebrated its grand opening with a VIP event on December 16, 2011. Mayor Peter Carlisle joined Safeway Chairman, President and CEO Steve Burd at the event. “The new Safeway Beretania store will provide the community with new jobs and convenient retail options,” said the mayor. “I appreciate Safeway’s continued efforts

to include the community in their plans throughout this project.” The new store employs 210 “team members.”

Located at the former Schuman Carriage auto dealership site, the 65,000 square foot store is built on a “podium” with most of its nearly 240 parking stalls underneath, a reverse of the roof parking design used at Safeway’s Kapahulu Avenue complex, which opened in 2007. The store is only one of two podium Safeway stores in the nation; the second is located in Washington, DC. Safeway operates 1,694 stores in the United States and Canada, including 19 stores in Hawaii, and had annual sales of \$41 billion in 2010.

Approaching the building from the street, the unusual supermarket design is an impressive landmark along Beretania Street that can’t be missed. There are two major entrances from under the building. To the left facing the front are enclosed entry and exit escalators leading to the supermarket’s huge retail space. Special escalators alongside the regular ones transport shopping carts up and down either empty or laden with groceries, and keep them level with the ground. In the middle, enclosed by a small lobby, is a single industrial-looking elevator large enough to accommodate several shopping carts. To the right of the building is also a wide staircase leading up to a lanai cloistered by soaring arches. The lanai, which is meant to be accessible mainly from inside the store, has seating and tables for customers to eat prepared foods or sip Starbucks coffee. As the sun sets, the lanai offers a picturesque cityscape through opulent architecture.

Inside, the store is even more impressive; it’s hard to take it all in at once—or to decide what to explore first. Aisle upon aisle stacked with groceries virtually disappear into



During the grand opening ceremony, the Safeway Foundation made donations totaling \$15,000 to two Makiki community institutions—Queen Kaahumanu Elementary School and Maikiki Community Library. The Safeway Foundation focuses its philanthropic efforts on causes such as hunger relief, education, health and human services, and people with special needs. The foundation supports these causes through the generous contributions of Safeway employees and customers.

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(Left) Safeway Center Store Manager Freeman Chin in the produce section; Tiffany Fujii, PharmD, in front of Safeway Center's pharmacy.

perspective to the back of the store. It's not just more of the same; there are many products new to Hawaii shoppers. "Every product available at Safeway is here," said store manager Freeman Chin, who was referring to items in the entire Safeway product line. It would take something of a treasure hunt to discover everything the store has to offer.

Much easier to discover is Safeway's "Lifestyle" format, with boasts inviting decor and a warm ambience that highlights high-quality fresh products as well as proprietary brands, with its own prepared food offerings, including sushi, signature sandwiches, salad bar, and hot soups. The new store offers hundreds of organic, natural and local products, Safeway brands, as well as expanded seafood, meat, and bakery departments.

The fresh produce section is an expansive array of fruits and vegetables—including lots of local produce—enhanced with large mauka-facing windows near the ceiling that allow shoppers to see the Koolaus. To the back of the store is an eye-popping seafood display case with sumptuous cuts of fresh fish and other seafoods. The seemingly endless display case continues to varieties of poke and other pupu selections and then to select cuts of meats, followed by a selection of prepared items that are ready to pop into the oven or on the grill. Following the perimeter of the store leads you to the pharmacy, which is richly decorated in wood paneling. Also of note are the bakery, deli, and hot foods areas, located along the right wall from the front of the store. Baked goods and ready-to-eat foods are prepared in the store. In front and also to the right is a Starbucks Coffee concession, near which is a door that exits onto the aforementioned lanai.

Both sustainable design and construction strategies went into the plans for the new Safeway Beretania, tying in to Safeway's Lifestyle theme, which promotes sustainability and staying healthy. Compared to the former Beretania store, the new store has energy efficient features, including strategic refrigeration, high-efficiency LED lights, waste composting, and material recycling. The new store will be open 24 hours a day, and the in-store Bank of Hawaii branch offers extended hours for added convenience. There are also several stand-alone establishments in the parking area, including an American Savings Bank branch, Panda Cuisine, and a T-Mobile store. "We are delighted to deepen our long-standing relationship with our neighbors in the Makiki area with this contemporary new store," said George Glukfeld, Hawaii District Manager. "We hope it will better meet the needs of 21st century families."



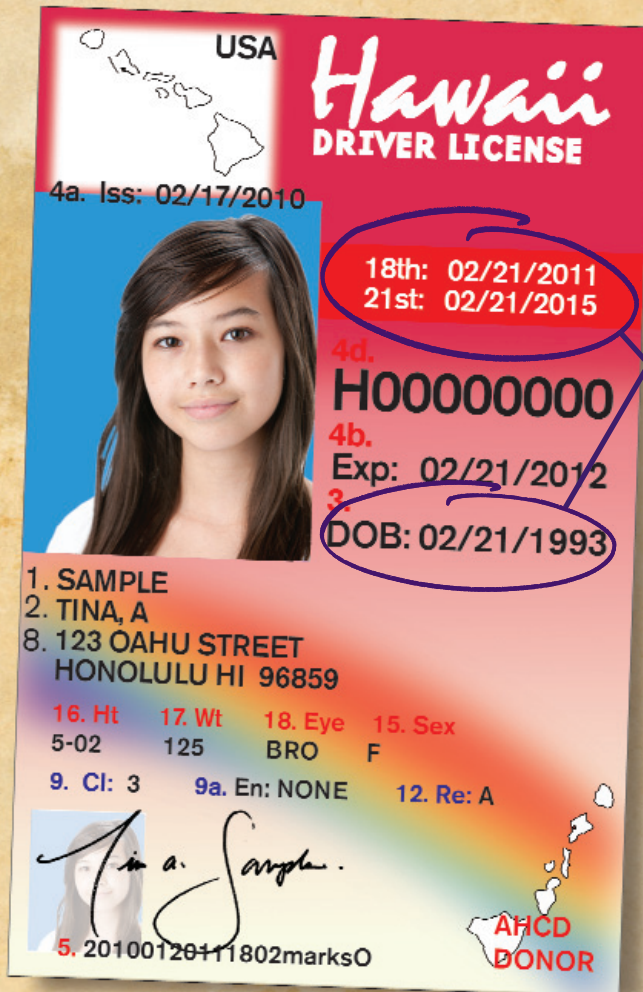
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HFIA Members Educated on COOL, NLSP & UHERO

BY JASON Y. KIMURA

Late last year, HFIA held an education meeting for members covering industry issues that affect wholesalers and retailers alike and brought information on a service that may help companies be more savvy with what's happening in the economy. The session was held at the new Frito-Lay distribution center in Waipahu.

Jeri Kahana, Manager of the Commodities Branch, State Department of Agriculture, talked about the changes and requirements of Country of Origin Labeling (COOL). The purpose of COOL is to provide consumers with information about the source of specific food so they can make more informed decisions on what products they want to buy. The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) requires retailers to provide country-of-origin labeling for beef, lamb, pork, fish, perishable agricultural commodities, and peanuts. Implementation for all covered commodities except wild and farm-raised fish and shellfish was delayed until Sept. 30, 2008, but the Food, Conservation and Energy Act of 2008 (2008 Farm Bill) expanded the list of covered commodities to also include chicken, goat, ginseng, pecans, and macadamia nuts. Covered commodities include muscle cuts of beef (including veal), lamb, chicken, goat, and pork; ground beef, ground lamb, ground chicken, ground goat, and ground pork; fish and shellfish; fresh and frozen fruits and vegetables; pecans; peanuts; ginseng; and macadamia nuts.

Processed food items are exempt. These include items that are combined with at least one other covered commodity or substantive food component, or have undergone further processing which changes the commodity's character, such as cooking, curing, smoking, restructuring, or roasting. Retail businesses that sell fresh and frozen fruits and vegetables with an annual invoice value of more than \$230,000 a year are required to label products under COOL. Exempt businesses include food service establishments that sell ready-to-eat foods, butcher shops, fish markets, and exporters.

The regulation requires country of origin labeling by retailers "of covered commodities conspicuously located at the final

point of sale," said Kahana. If a product is from multiple origins, then all countries of origin must be listed. Labels must use "commonly understood designation, such as "Product of Hawaii, USA" or "Product of USA." Acceptable origin abbreviations are those recognized by U.S. Customs, but font size is not specified. State or regional designations are acceptable in lieu of U.S. ones, but this only applies to fruits and vegetables, nuts, and ginseng.

Origin labels can be in the form of a placard or sign, label, sticker, band, twist tie, pin tag, or other format. Retailers may also use a stamp, mark, or other clear and visible sign on the package, display, holding unit, or bin. State, regional, or locality labeling programs (only for fruits and vegetables; nuts; and ginseng), such as Hawaii Seal of Quality, are allowed on a case-by-case basis.

Although retailers are responsible for the labeling, the law requires suppliers of covered commodities to provide origin information to them. Country of origin may be specified on invoices, bill of lading, placards on bulk containers, or on individual packages. All records must be legible and maintained electronically or in hard copy format, and be kept for at least a year by both suppliers and retailers. Records must be provided to the USDA within five business days when requested. If the origin is not specified on the invoice, country of origin labels must be kept with records.

Kahana indicated a new requirement: pre-labeled product record keeping. "pre-labeled" includes labels indicating country of origin, method of production (seafood only), name and place of business (city and state) of manufacturer, packer, or distributor on packages sold to consumers. Invoices for pre-labeled commodities need not specify the country of origin, but if individual labels on a commodity do not have all of the "pre-labeled" information specified, then records (invoices or the master container) must indicate the country of origin.

If you have any questions about COOL, contact Kahana at jeri.m.kahana@hawaii.gov or at 832-0707, or Keith Otsuka at keith.h.otsuka@hawaii.gov, or at 832-0709.

Next, Glenna Owens, with the State Department of Education, National School Lunch Program (NLSP), spoke

about childhood obesity and changes in school lunch requirements, which now include a nutrition component. The NLSP, administered by the USDA, has been in effect for over 30 years, and includes Hawaii's 256 public schools. The NLSP is a federally-assisted meal program operating in over 101,000 public and non-profit private schools and residential child care institutions. It provides "nutritionally balanced, low-cost or free lunches" to over 31 million children each school day. In 1998, Congress expanded the NSLP to include reimbursement for snacks served to children in after school educational and enrichment programs and includes children through 18 years of age. The Food and Nutrition Service administers the program at the Federal level. In Hawaii, the NSLP is administered by the DOE.

In May of 2011, First Lady Michelle Obama joined members of the Childhood Obesity Task Force to unveil an action plan: "Solving the Problem of Childhood Obesity Within a Generation." One of the action plan's initiatives is to provide healthy food in schools through improvements in federally-supported school lunches and breakfasts; upgrading the nutritional quality of other foods sold in schools; and improving nutrition education and the overall health of the school environment. School lunches must meet the applicable recommendations of the Dietary Guidelines for Americans, which recommend that no more than 30 percent of an individual's calories come from fat, and less than 10 percent from saturated fat. Regulations also establish a standard for school lunches to provide a third of the Recommended Dietary Allowances of protein, Vitamin A, Vitamin C, iron, calcium, and calories. School lunches must meet federal nutrition requirements, but decisions about what specific foods to serve and how they are prepared are made by local school food authorities. For more information, call Glenna Owens at 733-8400.

Now for some news that can help your business.... Carl Bonham, economics professor at the University of Hawaii at Manoa, presented UHERO Forecast Project Reports. UHERO is the acronym for University of Hawaii Economic Research Organization. The Forecast Project provides

(continued on next page)

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

A Collection of Local & National News & Views... BY LAUREN ZIRBEL

COFFEE FIGHT...a proposed bill at the state legislature that would eliminate inspection and certification requirements for green coffee beans shipped from Hawaii is pitting farmers against blenders.... The bill is the result of problems caused by the shortage of Department of Agriculture inspectors available to certify coffee in a timely matter. The shortage of inspectors is causing delays in coffee grade certification and hurting the coffee industry's bottom line....

WHOLE FOODS KAILUA...the natural, organic food supermarket will debut its third Hawaii store on April 18th...the Kailua store is hiring approximately 140 employees and has engaged in extensive community beautification as the building offers numerous plant and tile mosaics with Kailua themes. Whole Foods will donate 5 percent of its net sales on designated days to local non profits. Kaneohe Ranch Co., the land owner, has invested \$12 million in the modernization of the area, which also houses Executive Chef, a local retailer offering high-end cookware, Fighting Eel boutique and a Paul Brown salon.

DID YOU KNOW...that Governor Abercrombie has released about \$1.25 million for the University of Hawaii to develop a food product center on Maui? The facility will help local farmers and entrepreneurs by providing them equipment and space to do research and process foods. Abercrombie stated that the Food Innovation Center will also create jobs and provide more locally produced goods for Hawaii residents. The administration also hopes that the on-island facility will improve Hawaii's food security. The center will offer students a chance to learn about various aspects of food processing, such as product design, food safety, and marketing. The center will be developed on the site of Maui College's former cafeteria.

CONGRATULATIONS TO THE NEW PRESIDENT OF RSM SALES, JOHN SCHILF!...John took over the position of president in early 2012 and is enjoying the challenging job. John is HFIA's Secretary and is in line to be HFIA's Chairperson in 2014!

CUTTING COSTS...The U.S. Department of Agriculture will close 259 offices and research laboratories to save an estimated \$150 million. The effect on the food industry is yet to be calculated....

FIRST LADY MAKES NEW NUTRITION ANNOUNCEMENT...on February 10, 2012, First Lady Michelle Obama unveiled new efforts to expand Chefs Move to Schools, a program that teams up chefs and schools to educate children about healthy eating. Joined by renown chef Tom Colicchio, six Top Chef chef contestants, and members of the Dallas Cowboys at Kleberg/Rylie Recreation Center in Dallas, Mrs. Obama participated in a Top Chef-style cook-off with students from the Dallas Independent School District, which has earned more Healthier U.S. School Challenge Gold Awards than any other district in the country.

EATING RED ISN'T JUST FOR VALENTINES DAY...Red fruit and vegetables are always popular for Valentine's Day, but a U.S. food expert said they are also some of the healthiest produce to eat all year long. The red color in fruit and vegetables reveals phytonutrients that reduce the risk of prostate cancer, lowers blood pressure, reduces tumor growth, lowers low-density lipoprotein—the “bad” cholesterol—scavenges harmful free-radicals, and supports joint tissue. Tomatoes and watermelon contain lycopene, considered a powerful anti-carcinogenic that is also good for eye and prostate health. Heating tomatoes in tomato sauce, canned tomatoes, and ketchup increases the levels of lycopene...

From all of us at HFIA, we wish you a healthy and prosperous 2012!

the Hawaii community with analyses on economic, demographic, and business trends in the State and the Asia-Pacific region. The primary activity of the project is the interpretation and projection of statistical and other data on the changing economic and business environment in the State, its four counties, and principal external economies. According to the UHERO website at www.uhero.hawaii.edu, “summaries and analyses are disseminated through forecast reports and public forums. UHERO develops and maintains high-frequency industry-level statistical models of Hawaii, its four counties, and key external economies to support rigorous forecasting exercises. The quality of the forecast project is enhanced by academic peer review and publication.”

If you're thinking about a bunch of indecipherable graphs and charts chock full of numbers, it's not as dull as it sounds. “Subscribers say the reports are timely and accessible,” said Bonham. “A lot of

effort goes into making what's happening in the economy understandable. [Many subscribers] read the reports cover to cover.” Subscribers value the reports because UHERO is independent—they're not the State or a bank or the tourism authority, he added. The annual subscription is \$1,000, but the fee gives access to everyone in a subscribing company. There are rarely any subscription cancellations, noted Bonham.

Subscribers have access to the following informative reports:

- 1st Quarter. Annual Hawaii Economic Forecast: Review of economic conditions and detailed three-year forecast for the state economy.

- 2nd Quarter. County Economic Forecast: Review of economic conditions and detailed three-year forecasts for the four counties. Includes second-quarter State update.

- 3rd Quarter. Annual Hawaii Construction Forecast: Review of construc-

tion industry conditions and three-year forecast. Includes third-quarter State update.

- 4th Quarter. Global Economic Forecast: Review of economic conditions in the world economy with particular focus on Asia. Includes forecasts for major countries and regions. Includes fourth quarter State update.

Subscribers use the information in planning, internal reports, in talking with analysts, getting a loan, and more. “In some cases,” said Bonham, “people are just plain interested in the same way one might read the *Wall Street Journal*. They find the reports interesting and entertaining.” Subscribers are also supporting students. Eight graduate students who are working on their PhDs do the research, and three or four undergraduates collect data for the UHERO Forecast Project. For more information or to subscribe, visit www.uhero.hawaii.edu, or email Carl Bonham at Bonham@hawaii.edu.

Nutrition Label Placement Affects Product Usage

BY PHIL LEMPERT, THE SUPERMARKET GURU®

Obesity continues to be a growing health threat. In fact, a 2008 study estimated that by the year 2030, 85% of all Americans will be overweight, and more than 50% of adults will be obese. Nutrition labels can act as an important aid in helping consumers eat healthier, and have been found to decrease daily intake of calories, total fat, saturated fat, cholesterol, and sodium—and to increase intake of fiber. But many consumers don't understand the nutrition labels on the products they buy, and a large percentage of them don't even read the labels at all. The question is why?

Researchers at the University of Minnesota set out to discover if nutrition facts labels are optimally designed to help consumers make healthier food choices. More specifically, they looked at how the locations of components on Nutrition Facts labels relate to a consumer's viewing of the labels and individual components of the labels.

To do this, researchers designed a simulated grocery



Nutrition Typical values (cooked as per instructions)	per 100g	per 1/4 pack
Energy kJ	1007	
Energy kcal	241	
Protein	8.4g	
Carbohydrate	20.6g	
of which sugars	1.8g	
of which starch	18.8g	
Fat	13.7g	
of which saturates	5.7g	
mono-unsaturates	5.9g	
polyunsaturates	1.5g	
	0.9g	

shopping experience on a computer and applied eye-tracking technology to precisely measure viewing habits. The two primary research questions in this study were: how does self-reported Nutrition Facts label viewing compare with viewing precisely measured via eye tracker? And, how is location related to viewing of nutrition information?

Results of the study were published in the *Journal of the American Dietetic Association*. Researchers found that more than 70% of participants viewed one or more Nutrition Facts

(continued on next page)

New Members

PACIFIC BIODIESEL LOGISTICS

PROFILE: Pacific Biodiesel Logistics is a wholly-owned subsidiary of Pacific Biodiesel. Recognized as Hawaii's renewable energy pioneers, Pacific Biodiesel Logistics collects and recycles used cooking oil and grease trap waste from restaurants and other food service facilities. These waste products are delivered to one of Pacific Biodiesel's refineries in Hawaii, processed into premium quality biodiesel, and sold locally.



REASON FOR JOINING HFIA: With service on Oahu, Maui, and Hawaii Island, Pacific Biodiesel welcomes the opportunity to spread the word about how restaurants and food service facilities can have a more positive impact on both the environment and Hawaii's economy through waste oil recycling.

UNIQUE TO THE COMPANY: All used cooking oil and grease trap waste collected by Pacific Biodiesel is guaranteed to be recycled locally. Clients of Pacific Biodiesel Logistics become members of the "Restaurants for Renewables" program, reflecting to customers their support for Hawaii's energy independence and a cleaner environment.

LOCATION & SERVICE AREA: Pacific Biodiesel Logistics operates trucking fleets on Oahu, Maui, and Hawaii Island, all with services islandwide.

CONTACT INFORMATION

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KOHA FOODS

PROFILE: Koha Foods is a distributor and importer of Asian goods that sells to both retail and food service accounts. Top selling items include Melona Ice Cream Bars and Nongshim Ramen.

REASON FOR JOINING HFIA: To get a better understanding of the issues facing the retail industry and to get more in tune with the needs of its customers.

UNIQUE TO THE COMPANY: Koha Foods started out as a Korean-based distributor. KOHA stands for Korea-Hawaii.

LOCATION & SERVICE AREA: Koha's warehouse is located across from Costco in Iwelei. The company services all of Oahu and sells to all islands.

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label components either often or almost always. More than half also looked at each of the five label components at the top of the label—servings, calories, total fat, saturated fat and trans fat. On the other hand, few participants looked at all of the components on a single label.

Interestingly, the divide between what participants self-reported for viewing and what they actually viewed was quite wide. While 33% self-reported that they almost always look at calorie content, only 9% actually did so. Similarly, participants self-reported that they always look at trans-fat content (20%), sugar content (24%) and serving size (26%). Only 1% of participants actually looked at each of these components on almost all labels.

Another crucial discovery was the importance of label location. Labels in the center column received 30% more view time than the same labels when located in a side column. Significantly more participants viewed the components located toward the top of the Nutrition Facts labels versus those at the bottom as well.

The study shows that consumers have a limited attention span when it comes to reading Nutrition Facts labels. And since they stick to the top few lines, they may miss important nutrition information that could be stored lower on the list. For example, fat and calories may be at the top, but sodium and sugar are often toward the bottom. Therefore, it may be time to restructure the labels to keep the most crucial data at the top. This was actually how the labels were designed in the first place. However, current health data—especially

health concerns about sugar and sodium intake—could warrant a higher list position for certain items.

D.J. Graham, study co-author and research associate in the Division of Epidemiology and Community Health at the University of Minnesota, Twin Cities, believes that their findings suggest front-of-package labels are more likely to be viewed by consumers because they are more prominently displayed, can be read quickly, and have fewer nutrients represented. The Institute of Medicine agrees. Last month, the IOM's expert panel on front-of-package nutrition labeling recommended that a single, uniform front-of-package labeling system be added to all food products.

Graham says that it is now up to the FDA to decide whether they will mandate such a label or not. More research is currently underway and additional grant proposals have been submitted to extend this research. One of the next questions to answer is if eye-tracking technology translates from the computer to the “real world.” Researchers are also interested in looking at what happens when families shop together, and how social processes interact with label viewing patterns.

Graham adds, “There is research evidence that individuals who view nutrition information tend to make more healthful food selections and eat more healthful diets. There is even some evidence that this link between viewing labels and healthy eating may be true, independent of motivation to eat healthfully. Therefore, by placing nutrition information in a location where it is more likely to be seen, improvements to diet are likely to follow.”

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HALL OF FAME: A Lifetime of Achievement

BY JASON Y. KIMURA

If an organization forgets its history, then it forgets its heritage. But it must also be grounded in the present while looking to the future. For these reasons, the Hawaii Food Industry Association is looking back to the eight inductees of its Hall of Fame, for these individuals are in a class of their own, borne out of a different era of the food and beverage industry, encapsulating within their stories an earlier era of innovation, tenacity, growth, and change. Now HFIA, in its 40th anniversary year, will begin to induct other exceptional individuals to its Hall of Fame, which will speak to the present, but will also build on this heritage for future generations.

In June 2012, HFIA will induct a ninth member into its Hall of Fame, the first new inductee since the honor was established in 1995. The individual who will receive this honor will have distinguished themselves by having made significant contributions in their respective fields, and will have achieved much over the course of their lifetime. This individual's inauguration will be commemorated at the 2012 HFIA Annual Convention to be held from June 8 through 10, 2012, at the J.W. Marriott Ihilani Resort & Spa.

HFIA members were encouraged to participate in the Hall of Fame by nominating members past or present. The HFIA Hall of Fame eligibility criteria are printed at the bottom of page 22 for your reference.

What follows are brief descriptions of the original eight HFIA Hall of Fame inductees and their accomplishments. It is hoped that this will remind you of the caliber of the original eight inductees and that it will inspire you to think about those who you feel are deserving of this prestigious honor.



Dick Botti, HFIA

Richard "Dick" Botti devoted 40 years of his life to lobbying, business ventures, salesmanship, and 100-hour work weeks before his semi-retirement in 2011. He is a jack-of-all trades who invented his own legendary career in which he consorted with Hawaii's iconic governor, John A. Burns, and powerful legislators; he put on conventions, founded LISH and HFIA, testified over a thousand times at the Capitol, and got numerous bills beneficial to business passed, while killing hundreds of harmful ones. He helped create

Rainbow Fever, the Made in Hawaii Festival, and supported laws that made the Hawaii Foodbank possible.

Born in Massachusetts, Dick Botti's family moved to California when he was 10. Foregoing a complete college education, he moved to Hawaii in 1968 to take over the state's chapter of the nonprofit NFIB (National Federation of Independent Business). Working on a purely commission basis, Botti, a born salesman, went



door-to-door throughout the state, from Kauai to the Big Island, to recruit new members and renew current ones. Without enough money to stay at a hotel, he camped out instead. After two years, the Hawaii chapter of the NFIB had the highest retention rate of any state, and the membership grew from 1200 to 1900.

Shortly after, Botti quit and struck out on his own, taking what he had learned to establish LISH (Legislative Information Services of Hawaii) in 1970. LISH was created to provide small businesses with a way to get information on laws and regulations from one source in an easy-to-understand format. Sensing that politics was an important avenue, Botti also turned LISH into a multi-organization management company and accepted lobbying contracts that didn't conflict with the interests of business. After learning the subtleties of wining and dining, he became a respected lobbyist.



HFIA Hall of Fame Committee members: Lauren Zirbel Bonny Amemiya, Miyuki Hirano-Hollingworth (Chair), Alan Nakamura, and Gary Hanagami. Other committee members include Stan Brown, Faith Freitas, and Tyler Ching.

At its height, LISH represented about a dozen business associations, including such diverse groups as the fashion industry, gasoline dealers (Botti started both the Fashion Industry and Gasoline Dealers' associations), publishers, auto body and fender shops, collection agencies, night clubs, and morticians. In addition, LISH took on lobbying contracts from doctors, direct marketing, a pharmaceutical company, and more. But when LISH was only just beginning to gear up, Botti also established the Hawaii Food Industry Association from scratch in 1972. "He saw a need," said Botti's wife Gwen. "LISH was the first. Then HFIA became its flagship organization."

One of Botti's biggest lobbying successes was the glass advance disposal fee program of the mid 90s. HFIA supported a half cent tax (which later went up to 1 cent) on all glass at the wholesale level, which successfully took 35 percent of the glass out of the

waste stream. Botti also worked with late senate president John Ushijima to pass the bill that established the small claims court in Hawaii.

When Botti first started HFIA, he got Foodland, Star, Times, and Chun Hoon as a core group, and went to the neighbor islands to recruit other stores like KTA, Big Save, Big Way Ooka, Noda, Sure Save, and anything else smaller. "HFIA is so vibrant because [wholesalers and retailers] have been able to put aside the [differences between] seller and buyer and work together," says Carl "Kini Pono" Hebenstreit, president of Trade Publishing. "To a large degree, Dick fostered this."

"Botti's focus shifted to HFIA after he founded it," said Paula Aono, who became his "partner and associate." At one time, there were nine staff members for LISH and HFIA—both sales people and office staff. "LISH did everything [for its members]—

held conventions, held board meetings, took minutes, did their books, paid bills, answered phones, received faxes..." said Aono, remembering how hard it was to do everything for everyone. "Dick has tremendous organizational skills." He has also been described as a top lobbyist who maintains a delicate balance in the political world, fulfilling all his commitments with an unforgiving group.

Dues were not enough to keep HFIA afloat, and Botti didn't want to bleed members to death. HFIA's third president, Woodie Reed of Holiday Mart, came up with a money-making idea to produce customized grocery bags for supermarkets with paid advertising on the main panels. HFIA made over \$30,000 a year on commissions and advertising. The idea did well for 10 years, until plastic bags became more popular. Advertising was done on those too, but the program eventually died. "You have to run a nonprofit

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like a regular business, or it won't succeed," says Botti.

Botti's biggest success was the Made in Hawaii Festival, a brainstorm of Representative David Morihara, whose father, an HFIA member, had a grocery store in Maui. The Hawaii-only products exhibition began modestly in 1995 with 84 exhibitors in a small portion of the exhibition hall at the Neal Blaisdell Center. Growing every year, it expanded into the whole exhibition hall, then burst out into the

atrium and Arena to become one of the most successful programs it the state.

The food retailing industry has been turned upside down more than once in the last three decades, and HFIA has had to learn to survive. In recent years, dues, the Made in Hawaii Festival, the HFIA convention, and golf tournaments have brought in money, but major budget cuts had to be made. Botti did everything and anything to save money, including being photographer, editor, and writer for the HFIA magazine.

In his 40 years in the business, Botti dealt with new presidents and administrations, powerful business leaders, and strong personalities. He had to remind industry leaders about the impact their decisions would have. He dealt with conflict between members' interests, and managed to weather through all of the food industry's challenges. Botti showed that even without much formal education, "you can do anything in life if you want to do it," as he aptly put it.

John Fujieki, Sr., Star Market, 1917- 2001



A founding member of HFIA, John Fujieki, Sr., served as HFIA president for two consecutive years. He turned a mom-and-pop Kakaako grocery store into the islandwide Star Markets chain, and through his company, provided continued support of HFIA for 25 years.

Fujieki was born in Honolulu in 1917. In 1929, his parents, Tsunejiro and Mika Fujieki, who had emigrated from Japan, established the Kakaako Meat Market. Fujieki and his brothers,

Richard and George, expanded it into a general grocery store, and after World War II, the business grew to include four stores. The first Star Market opened its doors in Moiliili in 1954, and Fujieki became president of the company. Under his guidance, Star had grown to 10 stores on Oahu, Maui, and Kauai, and employed 800 people.

Fujieki also ventured into the restaurant business, and owned Kenny's Burgerhouse and Kenny's Coffeehouse in the Kamehameha Shopping Center in Kalihi. His son, John Fujieki, Jr., said that his father was instrumental in the success of both restaurants.

Although he had become an extremely successful businessman, Fujieki's friends said that he never

forgot his humble beginnings. He liked to help the underdog get a leg up in business, and showed that a person didn't necessarily need a lot of education, and that you could be successful with hard work and good planning. Fujieki took care of his customers, employees, and clients. Former Star employees remember that he always took the time to thank them for taking care of Star.

Active in the community, Fujieki served on the board of Kuakini Health Systems. He also founded the Fujieki Family Foundation Fund to support Kuakini Health Systems, the Rehabilitation Hospital of the Pacific, and the American Diabetes Association of Hawaii.

George Miura, Times Supermarkets 1933 – 1994



George Miura was a founding member of HFIA and its first president of the board. He held the position for three terms, a record which has not been surpassed to this day. Miura is remembered for his humor, love of golf, and his special technique for handling volatile situations.

Before coming to Times, Miura was an accountant at Teruya Brothers, which at the time was the parent company of Times Supermarkets. He then became controller at Times, was promoted to executive vice president, and eventually became president, a position he held

until his death at age 61. Miura had a keen mind for numbers—he was able to see things in numbers—but was anything but bookish. Greater was his effect on people. He was a great motivator, was inspirational, and everyone wanted to be around him.

Bruce Yokochi, who credits Miura with his rise to vice president of marketing and sales while he was at Times, remembers when he and a contingency of Hawaii people attended the FMI (Food Marketing Institute) convention in Chicago with Miura. Yokochi says he was able to see Miura's human side, how he took care of people, hosted them, and made sure everyone was included. "He treated everyone with respect," Yokochi says, "and he also liked to have fun." One evening, dinner was arranged a block away from the hotel. When it was time

to go home, it was late, 11:30 at night, and the temperature was below 40 with the wind chill factor—especially cold for folks from Hawaii. Miura suggested they walk back to the hotel instead of taking a cab, but not to worry—he knew a shortcut. He took everyone into a closed building and led them downstairs, underground. It seemed like they were lost, wandering from place to place, like being on a wild goose chase. Only Miura knew that the building basements were connected—all the way back to their hotel.

Another time, Times was Pepsi Cola's retailer of the year and won a trip to Tokyo and Hong Kong. Miura's wife Sharon had a birthday during the trip, and as the travelers were in a bar that night, Miura insisted that everyone in the party sing one verse each of her favorite song, Elvis Presley's "Love me

Tender”—solo—and karaoke wasn’t even in vogue yet.

Miura was a visible leader and manager. He visited everyone weekly to say hello. He believed that if you give someone responsibility, you have to give them the power to act. For example, Miura had developed the Times store in Kaimuki and Yokochi was the store manager at the time. When the store was under construction, everyone was looking to Miura for guidance as to when the store should open. He told them to ask Yokochi when it’s going to open, giving him the authority to

dictate the time table. Miura let buyers at Times decide what to put on sale. He ran interference for middle managers, and stuck his neck out for them. Miura would tell upper management, “let’s see what they can do.”

Miura also had great administrative skills and a strong work ethic. He was always early to work and late to leave. He worked hard and played hard. He was the consummate golfer. Those close to him recall that he was wasn’t that good at it, but because golf has a handicap (he had a 28 handicap, recalls close friend Paul Nakata), he

would play anyone, and liked to bet on the game. Nakata says that Miura didn’t talk shop much—they were friends, not colleagues—but could see that he had charisma, was a leader, and was well liked. Miura was known as “Mr. Outside,” because he brought outside information into Times. He was great at networking and finding out about potential properties that would be available for new stores, and HFIA was a great place to do that. Today, a lot of people still remember George Miura and have a tremendous amount of respect for him.

Tomoo Okuyama, Sure Save, 1920 – 2004



Tomoo “Tom” Okuyama, past HFIA President, Chairman and CEO of Sure Save Super Market, was the visionary who moved the family business from the successful Okuyama Meat Market in Waiakea Town to the supermarket business

in 1953. The company eventually became the second largest food retailer on the Island of Hawaii, and operated supermarkets, convenience stores, and a grocery store. Okuyama was very active in the community as a leader in business, cultural affairs, and HFIA’s Past Presidents’ Council.

Tom was the second child of Tomohide and Asuno Okuyama, immigrants from Japan who came to the Big Island in the early part of the twentieth century and established the Okuyama Meat Market. Born in Papaikou, Tom graduated from Hilo High School in 1938. After graduation, he headed to Cannon’s Business College in Honolulu, where he lived with his maternal grandparents. However, while he was there, the Japanese attack on Pearl Harbor on December 7, 1941 shook the very foundations of Hawaii and the U.S., and drew the country into World War II. Okuyama came home to take over the family business for fear that it would be confiscated; Tomohide was still a Japanese citizen.

By the early 1950s, Tom saw that a supermarket megatrend was developing and sought to bring the meat market to the next level. Tomohide owned some land, which was sold to raise a portion of the capital that would be needed to expand the meat market to a supermarket, and the first Sure Save Super Market opened in 1953 in Hilo. In 1958, a second Sure Save was opened in Kona in the heart of the coffee lands; at the time, the tourist industry of Kailua-Kona had not yet developed. A third store was opened a few years later in Waimea at the Parker Ranch Shopping Center.

It wasn’t until 1978 that a fourth store opened in Keaau. By this time, Okuyama’s son Carl, fresh from earning his MBA, had come into the business and had forecasted a trend in convenience stores. Although at first skeptical about the convenience store business, Okuyama finally agreed, and Wiki-Wiki Mart was born, with the first store also opening in Keaau on the heels of the fourth Sure Save. Wiki-Wiki Mart was a success, and eventually a total of six stores were opened.

Then came the Sure Save state-of-the-art distribution center in the mid 1990s. Carl Okuyama recalls that it was his father’s dream. All the big supermarkets had them, and Okuyama wanted one for Sure Save. However, after doing the research and market studies on it, Carl, who was now president of the company, felt that it would not be a good idea, as distribution channels in the industry were changing with the entry of the

big box stores in the marketplace. Nevertheless, Tom Okuyama, who was chairman of the board, was not dissuaded from pursuing his dream. Unfortunately, the substantial cost of the project and rapidly changing food distribution channels led to the bankruptcy of the company.

“People make mistakes in life,” said Carl Okuyama, who believes that his father’s mistake doesn’t negate the good that he did in many other areas of his life and career. After his father was removed from the company by the creditors, Carl was given the task of righting the company. He is still trying to do whatever he can to resolve the financial and personal issues stemming from the bankruptcy—an honorable path Tom Okuyama would surely have taken if he was still alive.

Tom Okuyama was very involved in and committed to HFIA. He attended monthly meetings for decades and was an unwavering supporter. He once was appointed honorary consul general of Japan for Hawaii and served at various times as president of the Hawaii Island Chamber of Commerce, Hawaii Liquor Dealers Association, the Japanese Community Association of Hawaii, the YMCA’s Men’s Club, and the Waiakea Lions Club. An avid golfer, Okuyama was a member of the Mauna Kea Beach Hotel Men’s Club, the 2-10 Golf Club, and the Aloha Golf Club. Okuyama’s club memberships were countless during his lifetime. He was a very friendly person who liked to entertain people and to have a good time. He was generous, and liked to spend and give money to good causes.

Bill Prideaux, Rainbow Sales & Marketing



Although not a founding member of HFIA, William “Bill” Prideaux created the greatest positive changes in HFIA through his leadership. For example, he elevated HFIA conventions to the most lavish and upscale ones in Hawaii’s food and beverage industry. He

worked together with Stan Sheriff to mold the Rainbow Fever Program into what it is today. Prideaux served as president of the board of HFIA in 1984 through 1985, and was an active participant on the HFIA Past Presidents’ Council. He also created more controversy than any other board president in his pursuit of enhancing HFIA and its goals. “[Bill] was the yin and yang of the industry rolled into one,” noted Gary Hanagami. He was not known for his tact; rather, he was blunt, direct, and pragmatic. But he also liked to help people he felt a kinship with, sometimes to his own detriment.

Originally from Minnesota, Prideaux left home at an early age, and without much formal education, came to Hawaii and established Rainbow Sales and Marketing (RSM) in 1968 without knowing anything beforehand about the brokerage business. He started the business out of nothing, yet RSM became one of the largest brokerage businesses in Hawaii with two divisions: food services and retail. In 1976, Prideaux built Pacific Cold Storage, the

second largest cold storage facility in the state. Completely remodeled in 2004, the facility boasts over a half million cubic feet of state-of-the-art storage space.

Described as having a P.T. Barnum personality, Prideaux is a self-taught innovator who at first grew RSM through acquisitions, then built the company. “He is one of the best dealmakers I’ve seen in action,” said Hanagami, “and one of the best salesmen.” Although now retired, Prideaux’s persona and business philosophy still permeates RSM, which was built on integrity, dedication, quality, and excellence. More than 40 years later, the company continues to be a market leader in Hawaii’s food industry. RSM is also known for being an innovative and aggressive company—both traits borrowed from Prideaux—and is fueled by a spirited sense of ownership throughout its organization.

In 1985, Prideaux presided over the establishment of Rainbow Fever, which brought HFIA recognition with the general public. Prideaux and the late Stan Sheriff, legendary University of Hawaii athletic director, started the now familiar program, which raises scholarship money for University of Hawaii athletes who are not eligible for financial assistance after the fourth year. Organized under the auspices of HFIA, the Rainbow Fever Program also provided HFIA members with an effective promotional tool to build sales, with a portion being donated to the scholarship fund.

Sheriff got the idea from a program already in place at the University of Washington. The fact that it was a total

community effort excited Prideaux, and he quickly found himself spearheading the effort for UH athletes. “Stan convinced me it was a good community project,” said Prideaux at the time. “I thought this was an excellent way to have the food industry members do something collectively for a wonderful cause. At the same time, it created a good advertising theme, and we had a lot of fun doing it.” Prideaux’s personal efforts brought together Hawaii’s fiercely competitive food and convenience stores. All the major chains went with the promotion and did something unprecedented: they joined together for common advertising.

Suppliers promoted their products and gave to the program. Consumers bought promoted products and raised money for the program. One promotion featured over 200 specially marked food items being offered at discount prices through every major retail outlet in Hawaii. The items varied from Twinkies to meat and a multitude of other products. A percentage of the sales of those items was rebated to UH for a total of \$104,500. Rainbow Fever, which was turned into a 501(c)(3) nonprofit, has donated over \$1 million in scholarships to date, and holds money in reserves to perpetuate the fund.

There is an old joke in the food and beverage industry in Hawaii. It is said that everyone in the food industry has worked at RSM, but anyone who is anyone left RSM. Yin and yang? Good and bad? For both those who continue to work at RSM and those who have moved on, we’ll have to conclude it’s all good. After all, who can argue with a company that provides gainful employment or a leg up in the career of others?

Maurice Sullivan, Foodland, 1908 – 1998



Maurice J. “Sully” Sullivan, founded Foodland Super Market, Ltd., the state’s largest locally owned grocery retailer, in 1948. He was known as one of the most successful entrepreneurs in Hawaii’s history, opening over 175 retail stores in the state and abroad. Sullivan also set the

example as a dynamic and outstanding leader whose philosophy of giving back to the community touched many lives and made a difference in the quality of life for the people of Hawaii.

However, if it weren’t for a cold winter, Sullivan would not have come back to Hawaii to help his future mother-in-law establish Foodland, which was Hawaii’s first supermarket chain. Stationed at Hickam Field after being drafted into the Army during World War II, Sullivan was a buyer for the commissary and mess hall. During his buying rounds, he met

See Goo Lau, a woman who owned a Lanikai store. Lau befriended him and introduced him to local farmers, who also became his friends.

After the war ended, Lau tried to get Sullivan to work at her store, but he wanted to go back to the mainland. A native of Ireland, Sullivan had left his country at age 18 and came to the U.S., where he began working for the A&P Tea Company in Pennsylvania sacking potatoes. Within a year, he had worked his way up to store manager in Buffalo, New York, and now he wanted to

resume his food industry career. It was not Lau who ultimately persuaded him, but the cold winter he headed back to in Buffalo; within a week he came back to Hawaii—and to Lau's store. After a couple years of managing the store, Sullivan persuaded "Momma" Lau to open a supermarket just as consumers were ready to embrace this new one-stop shopping concept.

In 1948, the first Foodland opened at the corner of Kapiolani Boulevard and Harding Avenue at the Market City Shopping Center. The supermarket was such a success that the store had to close in the middle of the day so the shelves could be restocked. Within a few years, expansion to School Street, Aina Haina, and Beretainia Street locations followed. For the next 10 years, the company opened a store every year. In 1967, Foodland expanded to Kauai, and in 1970 and 1971 to Maui and the Big Island, respectively. Today, there are a combined 32 Foodlands, Foodland Farms, and Sack N Save stores spread across the state. Foodland, along with Sullivan's Food Pantry and

Kalama Beach Corp., included 100 stores in Hawaii at the time of his death in 1998. Also at that time, McDonald's Restaurants of Hawaii and McDonald's of Ireland, both established by Sullivan, operated over 75 restaurants in Hawaii, Guam, Saipan, and Ireland.

Sullivan married Momma Lau's daughter Joanna, who was a key player in the family business. Their daughter, Jenai Sullivan Wall, became president in 1995 and CEO in 1998. Sullivan always envisioned that Foodland would be a family-run, community-focused business, and it continues to be the biggest locally owned and operated supermarket chain in the state. Wall is proud that Foodland has been able to remain a successful, locally owned business in the face of competition from big box stores.

Sullivan's business acumen was only matched by his passion for giving back to the community, for which he arguably devoted as much energy and enthusiasm. In 1980, Foodland established Shop for Better Education, its first statewide community program.

over the next 17 years, the program helped over 300 public and private schools raise over \$6 million in computers, software, books, and other equipment. Sullivan's legacy was continued after his death with Give Aloha and Share a Holiday Feast.

Sullivan also gave a lot of money away to schools and charitable organizations. He served on numerous boards and fundraising committees. St. Francis Medical Center was one of his favorite causes. In 1984, the Boy Scouts of America-Aloha Council named him Distinguished Citizen of the Year, and in 1989, he was named Humanitarian of the Year by the American Red Cross-Hawaii Chapter.

Sullivan never forgot the human touch. He is remembered as warm and down-to-earth. He came often to stores to talk to customers and the employees. Upon Sullivan's death at age 89, Wall was quoted as saying, "He had a soft heart. He liked to help people." He died the richest man in town, but it could be said that his true riches were the wealth of aloha he imparted to others.

Takeo Takara, Times Supermarkets, 1932 – 2005



Takeo "Take" Takara was both a personal supporter and unofficial director and staff member of HFIA for over 20 years. Takara unselfishly donated his personal time and energy to support HFIA functions, even setting aside his love

of golf to do so. His dedication is unsurpassed at HFIA conventions in the capacity of HFIA Hospitality Room store manager, even after his retirement. For those who knew him, the Hospitality Room was "Take's Room" because he always helped set it up and made it his responsibility.

Born in Peahi, Maui, in 1932, Takara grew up in Puunene and Wailuku. He graduated from Baldwin High School and earned a business degree from the University of Hawaii. Takara began his food

industry career in 1958 at Times Supermarket as a meat cutter and worked his way up to vice president of operations. He worked long hours building Times, and stayed for 41 years until his retirement in 1999. He believed in working hard, but also playing hard.

Takara then did a part-time stint at the Hawaii Food Bank, then went to work as a supervisor at Tamura's Enterprises, Inc., also part-time, to both keep busy and stay in the food industry. However, as his work responsibilities lessened after leaving Times, Takara got more involved with HFIA. "That's how the hospitality room developed," recalls his son Robin Takara, an account executive at Rainbow Sales and Marketing. He related that his father was always willing to help people from the younger generations, subordinates, manufacturers, brokers, and in some instances, even those who were competitors. He was generous in sharing the knowledge and wisdom he had gained through the years to help others, yet, he was a lifelong learner,

taking part in classes, seminars, and business events.

Others remember Takara as one of the most giving individuals a person could know. When it came to HFIA, he volunteered for many projects, educational events, and Socials. His knowledge of and relationships in the food and beverage industry contributed to the success of many HFIA events. "Take wasn't a formal person," remembers Gary Hanagami. "He was such a good guy and people loved him. You could always count on him." Takara did whatever he was asked graciously, no matter how small—like even setting up rooms for a meeting or at the conventions. Robin agrees, describing his father as "very humble."

Takara also believed that relationships were every bit as important as knowledge. Although busy, he took the time to get to know as many people and their families as possible. His own family was of the utmost priority, says Robin, especially his grandchildren. When Takara passed away at age 72, he had three grandchildren and one great grandchild.

Tony Taniguchi, KTA Super Stores, 1930 – 1989



Tony Taniguchi was a founding member of HFIA and provided continued support as a director and legislative consultant for both HFIA and the Hawaii food industry during his tenure as a director. President and CEO of the oldest grocery chain on the Big Island, KTA Super Stores,

Tony was also a very active community volunteer who was involved in more than 20 community groups. He often worked behind-the-scenes when it counted.

A Hilo High School graduate, Taniguchi went to the University of Hawaii at Manoa, where he became his family's first nisei, or second generation Japanese, to earn a college degree. He also served in the Korean War, then returned home to work at KTA. Taniguchi started as a meat cutter, and received formal training for the job. In the early 1950s, he began a self-service meat section, making KTA one of the first stores in the state to have one.

KTA Super Stores had its beginnings in 1916, when Koichi Taniguchi founded the K. Taniguchi Store in Waiakea (Hilo county). A Japanese immigrant, Koichi worked for a wholesaler. He created the store to provide extra income to support his son Yukiwo, who was born that year. Taniguchi thought that opening a store would be a good way to support a growing family, and that his wife could watch the baby while running the store. He also had a desire to humbly serve the community with his modest 500 square foot grocery and dry goods store. Guided by Koichi's business philosophy

of supporting the community because the community supports the store, the business flourished. The K. Taniguchi Store's name was later changed to "KTA," a name taken from shipping labels to the store. Shipments to a competitor, K. Tahara Store, were marked "KT" at Hilo Harbor. Taniguchi shipments were marked "KTA" to distinguish them.

In 1939, the downtown Hilo store was acquired, but the Waiakea store was destroyed by the 1946 tsunami. In 1959, the company opened the Kona store, and in 1966, the Puainako Street store in Hilo, which became KTA's headquarters. In 1966, Koichi's three sons, Yukiwo, Hidetoshi, and Tony, each managed one of the three stores and were like co-presidents. Tony, the youngest, was at the Puainako Street store. In the mid-1980s, the company was restructured such that Yukiwo became chair of the board, Hidetoshi was vice chair, and Tony was company president.

Tony was very concerned about the people in his community. He volunteered for a lot of nonprofit organizations, such as American Heart Association, the American Cancer Society, the HFIA board, and the Kiwani's. He was dedicated to the Hilo Jaycees. Tony also served on state commissions and was philanthropic.

He used his business to help the people directly too. In the 1970s and 80s, Hawaii's sugar industry was slowly succumbing to international competition. In the early 80s, Tony told Derek Kurisu, now KTA Executive Vice President, that "when the sugar companies go under, it's your responsibility to help [the farmers]." At the time, sugar looked stable in Kurisu's eyes. "I didn't know what he was talking about," he admits, and thought that the sugar plantations would go on

forever. At the time, it *was* unthinkable that sugar would go under, but Taniguchi had the vision to foresee that it would.

Taniguchi died in 1989, before the end of the Big Island's sugar era, and Kurisu was given the task—and felt an obligation to—fulfill his wishes. Hence, by the time Hamakua Sugar Company and Kau Agribusiness, the last remaining sugar plantations, had harvested their final crop in 1994, Kurisu was ready to launch the Mountain Apple Brand that same year. Currently, 80 handpicked, local farmers supply 285 food products at KTA Super Stores. At KTA, 95% of leafy vegetables and 35% of meats are local.

Under the leadership of the Taniguchis, KTA had many firsts, such as being the first in Hawaii to use checkout scanners in 1979. Tony always believed in trying new things and letting others try their ideas. It was OK if it didn't work; he didn't believe one should be afraid of change. He also believed that the cream would rise to the top. Instead of a formal succession plan, he believed that someone would rise if something happens—the good managers will rise. Barry Taniguchi, Yukiwo's son, who worked with Tony for six years, was that person who succeeded him to become KTA's president.

"He was well liked," said Barry. "When he died, the turnout at his funeral was one of the biggest Hilo had ever seen." With it's six stores, KTA continues to be the Big Island's most successful locally owned super-market chain, but it is plain to see that because of Tony Taniguchi and others throughout KTA's history, the company has done far more good for the community than simply being successful. The cream *has* risen to the top.

HFIA Hall of Fame Eligibility Criteria

1. Nominee must be a past or present HFIA member.
2. Nominee must have industry tenure prior to nomination.
3. Nominee must have made significant contributions to the food industry and/or have exhibited significant leadership qualities in industry and association activities.
4. Nominee has demonstrated leadership and dedication to industry development and shall have made extraordinary contributions to the general welfare of our community at-large.
5. Nominee will be evaluated for a lifetime of excellence, accomplishment, and recognition in their field or fields. His or her accomplishments and achievements should be recorded on the application form and resume below.
6. Candidates will be contacted by the Hall of Fame Committee to verify data on the accompanying documentation and must also provide consent for consideration.



Glenn Nagatori, 7-Eleven Hawaii, Inc., Miyuki Hirano-Hollingworth, Centerscale Automation Hawaii, and Michele Maeda, NOH Foods.



Patsy Dye and Brenda Morris of S.E.A. Enterprises, Inc.

Company Processes SEA of Coupons

BY JASON Y. KIMURA

The HFIA General Meeting held on November 15, 2011 had an educational component found to be helpful to many members. Brenda Morris, President of S.E.A. Enterprises, Inc., and Patsy Dye, also of S.E.A. and a leading expert in the coupon industry, gave a presentation on coupon redemption solutions for retailers big and small. S.E.A. Enterprises is authorized by all major manufacturers and agents, with over 5,000 retailers and chains worldwide. Located on the West Coast, which makes shipping coupons convenient for HFIA members, the company features high-speed scanning equipment and

makes it easy for retailers to redeem coupons. The retailer simply ships their coupons to the S.E.A. processing plant where the coupons are processed.

Dye indicated that the company can potentially save a retailer a lot of money because they know the ins and outs of getting manufacturer coupons redeemed. Other coupon programs, she said, may net a loss, typically 12% on coupon dollars lost or deducted, plus another 6% of face value loss. S.E.A. can save thousands of dollars and net an average of 8.65 cents per coupon.

SEA Enterprises, Inc., can be found on the web at [www.coupon-](http://www.coupon-redemption.com)

redemption.com. The company's toll-free number is 1-877-477-6671, or email Brenda Morris at bmorris@coupon-redemption.com.



Mike Yoshida, Matson, Bruce Yamamoto, Unicol, and Robson Piiohia, Coastal Wines & Spirits of Hawaii.



Dave Oshita and Paul Oshita, Tropical Brokerage, Ltd., Hoagy Gamble, L.H. Gamble Co., Ltd., and Gordon Kai, Avis Budget Group.



Paul Gainey, Sandwich Isle Pest Control, Leila Maddela, VIP Food Services, and Aaron Pennington, Anheuser-Busch.

Lauren Zirbel HFIA ED

BY JASON Y. KIMURA

After graduating with honors and a degree in Political Science from the University of California at Berkeley, Lauren Zirbel says that her understanding of lobbyists was somewhat negative. Needless to say, that perspective has changed dramatically since working for Dick Botti and the Hawaii Food Industry Association. She was recently named Executive Director by the HFIA Executive Committee.

Zirbel felt compelled to work for a non profit after studying international politics and economic development at both Cambridge University in the UK and the American University in Paris. She found what she was looking for at CAMFED, a nonprofit organization founded at Cambridge that fights poverty and HIV/AIDs in Africa by educating girls and empowering women to become leaders. Zirbel helped develop new advertising techniques for CAMFED's website, which is geared toward attracting foundations and individual donors. She developed ads and strategic groupings of keyword search-related ad campaigns. Zirbel doubled the website's clicks per day on Google Adwords. She also created and maintained data, calculating the success of CAMFED's micro-finance





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HFIA Chair Bonny Amemiya welcomes Lauren Zirble as Executive Director at an HFIA Board Meeting.



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CONGRATULATIONS!

Lauren Zirbel

HFIA Executive Director



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programs for mothers' support groups in Sub-Saharan Africa. On the public relations side of her work at CAMFED, Zirbel researched potential foundations and individual donors, and served as a liaison to them. She also wrote grant proposals for corporate employee sponsorship programs, and represented CAMFED at various public events.

Zirbel's next job took her to Los Angeles, where she worked for one of the most prestigious law firms in the world, Simpson Thacher & Bartlett, LLP, as a legal researcher and paralegal. She reviewed contracts to determine liability and licensing issues. While at the law firm, Zirbel reviewed real estate contracts and brand licensing agreements at Hilton International Headquarters for due diligence during the Blackstone Group's acquisition of Hilton Hotels.

In an unexpected turn, Dick Botti, HFIA's founder and president, offered Zirbel a job with Legislative Information Services of Hawaii (LISH) doing government relations for a few organizations, including HFIA. Botti founded both LISH and HFIA and is a very well known and respected figure at the Hawaii State Capitol. Botti introduced her to legislators and food industry leaders. "He did a great job mentoring me and explaining how to avoid unnecessary problems at the legislature. He didn't save me from all of my mistakes but he saved me from most of them!" Zirbel laughed. "I'm extremely indebted to him for all of the knowledge he imparted upon me. It's truly priceless."

As time went on, Zirbel began taking on more lobbying work and pursued a graduate degree in Public Policy at the University of Hawaii at Manoa. Botti had spent 40 years working at the legislature and desired to slow down his business at the capitol. As a result, Zirbel established her own lobbying firm, LSZ Consulting, and attracted additional clients of her own.

As HFIA members may know, Zirbel has served as consultant for HFIA and content editor for the organization's publication, *Retail Food and Beverage Magazine*, now known as *Hawaii Retail Grocer*, as well as interim executive director since September of 2011. Zirbel's work at the Capitol has helped the food industry fend off undue economic burdens on businesses. She took a lead role as spokesperson in educating legislators on the negative economic and social impacts of taxing and banning various consumer products. During



one of the largest general fund shortfalls in Hawaii's history, Zirbel successfully collaborated with key stakeholders to defer all proposed soda and liquor tax bills, plastic bag ban bills, bans on various products including aspartame, and bills that intended to make pseudo ephedrine a prescription drug.

As Executive Director, Zirbel has a lot to offer HFIA, not the least of which is continuity and familiarity from her years of work with the organization. Her government relations and legislative experience is key as government relations is the primary function of the HFIA. "I enjoy dealing with interesting policy issues and with people," she says. "I am truly honored by this opportunity because I have so much respect for the leaders of the food industry. It's such a fantastic group of people and I hope that the new organization of the association will serve the membership well."

A collage celebrating Lauren Zirbel's support of HFIA. The top left features the 'Times SUPERMARKETS' logo in red and white. The top center features the 'BIG SAVE MARKETS' logo with a green leaf graphic. The top right shows a yellow price tag for '79¢' with the text 'Every Day Low Prices'. The middle section is a photo of four smiling staff members in a grocery store, with the text 'Congratulations Lauren Zirbel Mahalo for your support of HFIA' overlaid. The bottom right features a red banner for 'Sterling Silver PREMIUM MEATS' with the text 'Culinary Quality Affordable Price', and a green banner for 'Home of Hawaii's Most Complimented Produce' with a papaya and flowers.

Big Island Treasures Rooted in History

BY JASON Y. KIMURA

In this issue of *Hawaii Retail Grocer*, we turn to the Big Island, where we highlight two hidden treasures rooted in Hawaii's history: the Punaluu Bake Shop and Greenwell Farms, both member companies of HFIA.



Entry to the Punaluu Bake Shop



Connie Koi, Manager, and Bonny Amemiya, Chief Financial Officer. The Punaluu Bake Shop is now a subsidiary of aio.



Connie Koi in front of the gazebos

There are benefits to living in the small town of Naalehu, which is near South Point on the Big Island and boasts being the southernmost town in the U.S. It is a quaint, old plantation town of about a thousand people located along Route 11 in a beautiful, scenic area. Another benefit is the Punaluu Bake Shop & Visitor Center, from which the aroma of baking bread often permeates the air in the heart of the tiny town, drawing people to its doors. The 900 square foot store is not all there is to see; the building is situated on a four-acre estate planted with a wide variety of tropical palms and flowers, including a culinary garden of blue ginger, coffee, sweet potatoes, lehua taro, and more.

The Punaluu Bake Shop had its

beginnings with a single, quintessential family recipe—for Portuguese sweetbread. Sweetbread was introduced to Hawaii by Portuguese sugar workers during the 19th century, and is today one of the most popular and ubiquitous treats in the islands. This particular recipe for Portuguese sweet bread was in the proprietor's family for generations, and was handed down from this historic period in Hawaii's history. The bake shop's delicately moist version of sweetbread wasn't introduced to the public until the 1970s, when it found its way on the menu of the restaurant of the resort at the Punaluu Black Sand Beach. It became an instant hit.

However, the resort was forced to close because of extensive damage

caused by a tsunami and earthquake that hit the area in 1975. It wasn't until 16 years later in 1991 when tourism in the area had picked up that the Punaluu Bake Shop was opened eight miles down the road in Naalehu. Its sweetbread now comes in three flavors: traditional, taro, and guava. Creating this delectable sweetbread involves a seven-step, five-hour process. Visitors can watch the bread making process through viewing windows on the outer wall of the bakery.

While the sweetbread is also sold at select Costco and Foodland stores, it's not available everywhere because it's difficult to compete on other islands due to shipping costs. Fortunately, Punaluu Bake Shop offers many of its products online at



The Greenwell Farms visitor center.



Tom and Jennifer Greenwell.

www.bakeshophawaii.com (phone: from the Big Island, 929-7343, or toll-free, 1-866-366-3501), and they can be shipped right to your door. There are other treats available at the Punaluu Bake Shop, including Kau Coffee Cake, 100% Kau Coffee, sweetbread dinner rolls, anpan, and Punaluu Country Cookies made with the bakery's famous shortbread cookie recipe in macadamia nut, guava, coconut, and coffee flavors. The traditional sweetbread is also available with apple cinnamon or with cinnamon, raisins, and macadamian

nuts folded into it.

If you visit the bakery, one unique treat not to miss is their guava-sugared or lilikoi-glazed malasadas, which have a sugary fruit flavor like nothing else you've likely tasted before. However, after the long drive, visitors are likely to be hungry for something savory. The bake shop also offers a full lunch menu of local style plate lunches, soups, salads, and sandwiches made with the bakery's fresh baked sweetbread buns, and more. There are gazebos on the grounds near palm trees and a pond, where visitors can sit and eat.

After eating your fill—and loading up on goodies to take home, you can also visit the store's gift shop, which offers Hawaiian music CDs, jewelry, and other souvenirs. Instead of sending a postcard, you can send a coco-note—a hand-painted coconut that you can actually mail via the U.S. Postal Service.

After visiting the Punaluu Bake Shop, you *have* to head up north again, so take Route 11 headed toward Kailua-Kona. About three-quarters of the way there, you'll hit Captain Cook, and a little past that, Kealahou, where Greenwell Farms is located. Look for the Greenwell Farms sign on the ocean side of the road. The farm is located off of Route 11 at 81-6581 Mamalahoa Highway (phone: toll-free, 1-888-592-5662).



A Taste of Hawai'i
Baked with Aloha

Punaluu Bake Shop and Visitor Center is the southernmost bakery in the United States. Located on a beautiful 4-acre tropical estate on the Big Island, the bakery is renowned for producing the finest sweetbread in all Hawai'i.



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From the Big Island: 929-7343

Punaluu Bake Shop and Visitor Center

Route 11 in Na'alehu (Big Island) Hawai'i 96722 www.bakeshophawaii.com



Greenwell Farms is a working Kona coffee farming and processing company, and offers free tours of its coffee farm and processing facilities highlighting the century-old Arabica coffee trees and the many steps involved in hand-picking and processing of the coffee cherry. Offered continuously from 8:30 am to 4:30 pm daily, tours culminate at the Greenwell Farms Store where visitors can sample various roasts and purchase the farm's Kona coffee. Greenwell Farms coffee is available only at the store or online at www.greenwellfarms.com.

The Greenwell Farms legacy began in 1850 when Henry Nicholas Greenwell set foot on the fertile soil of rural Kona. Born into a big family in England, Greenwell left his home country because there was no future for him there. He first went to Ireland, but didn't feel it was the life for him, so he joined the navy to see the world. This brought Greenwell to Australia, where he thought to become a sheep rancher. However, no one would sell him the land he wanted, so when he heard about the California gold rush, he set sail for San Francisco in 1849 with a partner. When Greenwell got there, he was injured while unloading the ship, so he headed to Hawaii, where he had heard there were good hospitals.

When Greenwell arrived in Hawaii, he thought it was the center of the world. After his injuries healed, he went back to California only to find that his partner had sold him out. Greenwell came back to Hawaii and worked for a general store. He was 21 years old. Greenwell was sent to Kona and fell in love with the place. He bought a lot of coffee land, which was the type of land available at the time. Greenwell spent the next 40 years farming, ranching, and perfecting his Kona coffee, soon exporting it to Europe and the Americas because, although Kona coffee was regarded as a higher grade coffee even back then, there wasn't a big enough market in Hawaii. In 1873, the President of the Kaiser's Exposition in Vienna, Austria, awarded the Greenwell family a "Recognition Diploma" for their Kona coffee at the World's Fair.

However, when Henry Nicholas

Greenwell died in the late 1880s, it became too difficult for his widow to grow coffee, and the coffee lands were leased out. Greenwell had a large sheep ranch, and that became the major focus. Eventually, cattle was raised. It wasn't until 1985 that the Greenwell family refocused on high quality Kona coffee, restoring the tradition that began over 150 years ago, now with fourth-generation farmers Tom and Jennifer Greenwell.

Tom Greenwell, great-grandson of Henry Nicholas Greenwell, was born in Kona and raised in Waimea at Kukaiau Ranch. While growing up on the Big Island, Tom discovered his mechanical talent. He became known as the local mechanic, and he and his father, Norman Leonard Greenwell, helped design a six-wheel jeep and other mechanical experiments. After graduating from high school, Greenwell left for the Institute of Technology in Klamath Falls, Oregon, and had plans to become a diesel engineer. Tom returned home and took the job of mechanic for W.H. Greenwell Ranch in 1980, where he maintained a rolling stock of jeeps, trucks, and tractors, the ranch's water pump system and sawmill equipment.

When the majority of Greenwell Ranch lands were sold in 1985—cattle prices had plummeted due to a cholesterol scare—Norman Leonard Greenwell turned his sights to farming and Tom joined him. Tom helped develop and create a mechanical coffee harvester with a Seattle company; his design was used for the picking head. After his father died in 1992, Tom took the

reins of Greenwell Farms. He loves the challenge of introducing new concepts in the field that improve gourmet quality and the productivity of Kona coffee. Greenwell Farms has been instrumental in creating custom milling and processing for smaller coffee farms and continues to support the small farmer. "When something works, it makes it all worthwhile," says Greenwell.

Today, Greenwell Farms has grown to over 30 employees and includes milling, processing, farming, farm land management and a retail store. The farm grows its own coffee on a portion of 100 acres of the most productive land in the Kona District and supplies coffee roasters throughout Hawaii. Greenwell Farms also purchases coffee cherry from over 400 select farmers in the Kona region for export around the world.

Greenwell Farms offers a variety of Kona coffee roasts, including Full City Roast, Medium Roast, Dark Roast, Espresso Roast, Chameleon Blend, and also some flavored coffees. There is a coffee club, in which customers are sent a requested amount at a chosen time frequency. Greenwell Farms coffees are available at the farm or via mail order. Tom Greenwell says a lot goes into a good cup of coffee: the tree, the place it is planted, how the cherries are processed and stored, and the way it is roasted. The result, says Greenwell, is a cup of coffee that tastes good even after it has gone cold, and one that is "smooth with a lot of flavor, well-balanced between body and acidity with a nice aftertaste that lasts just the right amount of time."



Greenwell Farms Dark Roast coffee

Board Meeting Connects the Health Care Dots

BY JASON Y. KIMURA

At the January 10, 2012 Board Meeting, Lauren Zirbel was welcomed as the new HFIA Executive Director. Zirbel had served as interim ED since Gary Hanagami stepped down in the Fall. (See feature story on Lauren Zirbel on page 25.) The minutes approved and meeting topics covered—the Big Island single-use plastic bag ban, HFIA's 2012 legislative package, and upcoming events—an educational session on the state's imminent health insurance exchange followed.

The details are sketchy, as they say, but Coral Andrews tried to clear up at least one aspect of the behemoth Affordable Care Act (ACA) and what employers can expect with regard to Hawaii's soon-to-be-developed Health Insurance Exchange. Andrews has been appointed executive director of the Hawaii Health Connector, a quasi-governmental, nonprofit corporation established by Act 205 (SLH 2011) to set up the state's Health Insurance Exchange as mandated by the ACA. Prior to becoming ED of the Connector, Andrews served as vice president of the Healthcare Association of Hawaii.

Governed by a board appointed by the Governor, the Hawaii Health Connector must set up the state's Health Insurance Exchange under the ACA, statutorily by January 1, 2014. The Secretary of Health and Human Services must determine by January 1, 2013 if a state will be able to operate a qualified Exchange; if not, the federal government will operate it. Federal grants will be awarded through 2014 for the planning and establishment of the Exchange, although no operating funds will be given. The first installment, a \$14.4 million Level 1 establishment grant, was awarded to Hawaii in November 2011 to begin the exchange development. Beginning in 2015, the Connector must become self-sustaining, probably in large part through an assessment on insurer premiums, according to Andrews.

The ACA's vision is to have a web portal marketplace—health insurance exchanges in every state—where consumers and small businesses can

come to one place to comparative shop for health insurance products and make purchases. People with low income and small businesses will be able to get their subsidies on the Connector. The target market is individuals and small businesses with 50 employees or less. "Think Amazon or Orbitz," said Andrews, although she admits that "we're building the plane while learning how to fly it."

At any rate, an Exchange must at a minimum:

- Implement procedures for certification, recertification, and decertification of health plans.

- Operate toll-free hotline.
- Maintain Internet website with standardized info.

- Assign a rating to each plan.

- Use standardized format for presenting options.

- Inform individuals of eligibility for Medicaid, CHIP, or other applicable state or local public programs.

- Make available a calculator to determine the actual cost of coverage after subsidies.

- Certify exemptions from the individual mandate.

- Transfer to the Treasury a list exempt individuals and employees eligible for a tax credit.

- Provide each employer the names of employees eligible for a tax credit.

- Establish a Navigator program.

The state insurance commissioner will qualify health plans for entrance into the Connector. These will be considered federally qualified health plans (QHP). To be qualified, plans must have a federal floor for minimum benefits, meet network adequacy requirements, and be accredited, among other requirements that are yet to be determined. Each plan will be classified as Platinum, Gold, Silver, or Bronze, depending on the level of cost sharing imposed upon the consumer (Bronze covers 60% of the actuarial value of benefits; Silver, 70%; Gold, 80%; Platinum, 90%). "The broader vision is to expand the marketplace," says Andrews. The marketplace will be expanded, the federal government

believes, by attracting more health insurers to compete in each state.

However, Hawaii law presents a unique wrinkle in the scheme: the existence of the state's Prepaid Health Care Act (PHCA). "There is a legal issue to be determined," opined Andrews, "but the PHCA probably will coexist with ACA because PHCA is an employer mandate and ACA is an insurer mandate." The backstory is that, in 1974, Hawaii passed a law (PHCA) that requires employers to provide health insurance to every employee who works 20 hours a week or more. In 1976, the U.S. Supreme Court struck down Hawaii's law as a violation of ERISA (Employee Retirement Income Security Act of 1974). However, in 1983, Hawaii legislators obtained a special exemption to implement PHCA; thus, state employer health insurance mandate laws are illegal in every other state except Hawaii.

As a result, some are under the impression that Hawaii is entirely exempt from the ACA. However, the ACA states that federal mandates will not affect Hawaii's ERISA exemption. Still, others felt that the passage of the ACA would trigger the termination of the PHCA because of a section of the PHCA passed in 1994 in anticipation of Clinton-era health reforms. This section stated that the PHCA would be automatically terminated upon the effective date of federal legislation that provides *voluntary* prepaid health care that is at least as favorable as provided by the PHCA, *or* provides *mandatory* prepaid health care to Hawaii residents. However, when the Hawaii State Legislature adjourned in May 2011, HB 1134 (Act 228) was passed and has since been signed by the Governor. Act 228 deletes the section the PHCA which required its automatic termination.¹

Others are concerned that amending the PHCA would result in the loss of the ERISA exemption, which forbids amendment of the PHCA. Unless court challenges invalidate the ACA, or PHCA, or Act 228, says Andrews, the federal health reform law, ACA, and the Hawaii law, PHCA, will have to be read together as applying in Hawaii.

A SOCIAL ROAD TO THE EMERALD CITY

BY JASON Y. KIMURA

This year's HFIA Social was a trip to the Emerald City, ala the Wizard of Oz. Numerous Dorothys, Scarecrows, Tinmen, Lions, and wicked witches populated the banquet room at the Honolulu Country Club, not to mention others whose dress aimed to blend in with folks from Kansas farmlands. The sold out event drew 250 HFIA members, family, and friends. Money was raised via the selling of raffle tickets for prizes like a Kindle Fire and an iPod2. A big mahalo to Emerald level presenting sponsor American Savings Bank; Emerald sponsors Meadow Gold Dairies, Honolulu Star Advertiser, Pepsi Bottling Group, Punaluu Bake Shop, ABC Stores, Anheuser Busch, Foodland, Matson Navigation, and Unicoldd Corp; and Yellow Brick Road sponsors KTA Super Stores, Love's Bakery, and Times Supermarkets. Many thanks go to the generosity of companies that donated prizes and hundreds of items to fill large, stuffed-to-the-brim goodie bags befitting only of an HFIA event. Anheuser Busch, Coca Cola Bottling Co., Dole Foods, Don Quijote, Down to Earth, Frito-Lay, KYD, Marukai, Paradise Beverages, Pepsi Hawaii, Pint Size Hawaii, Punaluu Bake Shop, 7-Eleven, and Tesoro donated items totaling 5,445. A warm mahalo goes to the Social Committee members who did an outstanding job of organizing the event.

Anheuser Busch: In front is Peggy Abella. Behind Peggy are Brian Shigaya, James Baloaloo, and Ross Matsumoto. In back are Paul Takuda, Aaron Pennington, Shane Sakai, and Richard Rutz.



The HFIA Executive Committee goes all out: Alan Nakamura, Tesoro, Stan Brown, ConAgra, and John Schilf, Rainbow Sales and Marketing



ABC Stores: Front, from left are Minnie Kosasa, Ken Ishimine, and Warren Ishii. Back, Kevin Chung, Paul Kosasa, Scott Shimogawa, Vincent Fong, Terri Min, Jacky Uesato, and Susan Kosasa.



Nancy China, HFIA, Denise Sasaki, Meadow Gold Dairies, Faith Freitas, Trade Publishing, and Miyuki Hirano-Hollingworth, Centerscale.





Nelson and Jennifer Moku, American Savings Bank



Social engineering: The Social Committee is recognized.



Patricia Barretto, Meadow Gold Dairies, whips out a black credit card to win a prize.



iPad2 winner Gail Hayashi of Aloha Air Cargo with Bonny Amemiya.



Rod Gomes, Kano Trucking wins a prize by showing off red underwear.



Social games: Innocent, no-hands passing of oranges leads to compromising positions.



aio: Front, Johanne Jariego, Kathy Kakugarwa, Jaclyn Hilea, guest, Eri Shiojima, Lynn Hirashima, and Esther Hilea. Back, Sherie Char, George Mosier, Bonny Amemiya, Roy Takashima, Ken Niimura, and Andrea Murakami.



Kindle Fire winner Layne Kaita of Meadow Gold Dairies.



Liza Garcia, Don Quijote, pulls out a wedding photo, but not fast enough to win a prize.



Eddie Asato, Frito Lay, Bob Stout, Times Supermarkets, Gary Hanagami, Palama Holdings, and Alex Kelawala, Altria Group.



Diane Shizuru, Keith Nabale, Sandra Hamada, Paul Kushisaki, and Mina Kushisaki of Pint Size Hawaii.

The Last Word...

BY LAUREN ZIRBEL, EXECUTIVE DIRECTOR



Aloha HFIA Members,

The Hawaii Food Industry Association has been hard at work implementing one of the association's core values: collaboration. HFIA's Industry and Community Relations Standing Committee Chairperson, Derek Kurisu, organized a Food Policy Action Group called Hoku, which includes several representatives from the Hawaii Farm Bureau, University of Hawaii College of Tropical Ag and Human Resources (CTAHR), Hawaii Restaurant Association, Hawaii Food Industry Association, Hawaii Manufacturers' Association and the Department of Agriculture. The group's goal is to identify key legislative initiatives that all parties can agree to support.

We firmly believe that we will be more effective in promoting beneficial food policies working together rather than independently. The group is working on branding itself and developing media campaigns, and has already committed to working together on an Ag Day at the State Capitol. This is a very exciting project that we should all look forward to hearing more about in the future. When the group met for the first time on December 7, we nominated Derek Kurisu as Chair and Joy Gold, Interim Executive Director of the Hawaii Farm Bureau, as Vice-Chair. The group meets regularly to implement its legislative agenda. Already this legislative session, we have collaborated on key issues of importance to HFIA, such as supporting the fee on all single use bags and averting increases in UI assessments and labeling mandates.

HFIA is also a proud member of the Chamber of Commerce's Alliance, which encompasses several top business associations that work together to promote pro-business legislation and oppose legislation that increases the cost of doing business. The group has met on several occasions to discuss potential bills that all members could support. All members agreed to oppose a GET increase, as well as bills that increase taxes on consumer items and provisions that increase costs via mandates. The group met to participate in Business Walk Around Day at the State Capitol. Over 80 businesses and organizations, including HFIA, were present to show the legislature that we mean business this session!

HFIA was privileged to be included in the Sustainable Agriculture Skill Panel Forum sponsored by the Hawaii Department of Labor and Industrial Relations and the Hawaii Department

of Agriculture. The Governor, Department of Agriculture Chairperson Russell Kokubun, and Department of Labor and Industrial Relations Director Dwight Takamine presented many great ideas. The Forum echoed the theme that we must all work together to enhance Hawaii's agriculture industry and implement initiatives that support and grow Hawaii's food industry.

The Forum broke out into five panels to flesh out this plan. As a representative of HFIA, I was included in the "Full Build-Out of Agriculture Infrastructure Panel." Our group identified key problems, which included the fact that legislation must aim to make farming economically viable. The group discussed ways to use research and development to enhance Hawaii's agricultural sector and ways to encourage a stronger supply chain for processing and packaging local products. As legislation is drafted to support the goals developed at the forum, HFIA will look to support these initiatives and collaborate with Hawaii's farmers, as well as with the Department of Agriculture and the Department of Labor and Industrial Relations.

HFIA's Government Relations Committee (GRC), chaired by Alan Nakamura, met in person on December 15 for a lunch hosted by Down To Earth's Mark Fergusson. The group had a productive discussion about HFIA's 2012 Legislative Package, which was presented to the Board of Directors for approval at our meeting on January 10. The group identified major priorities, such as opposing the banning of consumer items and opposing taxes on consumer items.

The group also prioritized opposing the raiding of the deposit beverage special fund, GET tax increases, labeling mandates, making pseudo ephedrine prescription only, and increasing shipping costs. We discussed supporting local agriculture as a priority, as well as encouraging reusable bags. The GRC meets every two weeks during session to discuss bills that have been introduced which affect the food industry and establish the industry's position.

After a sold out Social in January, HFIA is invigorated and ready make new, exciting memories at our upcoming Golf Tournament at Ewa Beach Golf Club on March 16, and our famous Convention at Ihilani Resort on June 8 to 10! We look forward to seeing you there!

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