# HAWAI'I CONVENTION 2022 RETAIL GROCER THE MAGAZINE OF THE HAWAII FOOD

# CHILLING WITH HFIA'S NEW CHAIR

AG IN 50 YEARS DEREK KURISU INDUCTED INTO HALL OF FAME

FOOD RESILIENCE IN TIMES OF CRISIS



• Marjorie C

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#### HAWAI'I RETAIL GROCER

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#### Aloha HFIA Team,

I'm excited and humbled to be chosen as HFIA's Chair during this historic year for our Association. When we look at our industry today compared to when HFIA was founded it's easy to see that much has changed in the last 50 years. There are so many new products, new business models, and new technologies in our industry that no one could have imagined in 1972. Through all this change our association has not only survived, but thrived. HFIA has continued to be a vital resource and voice for our industry year after year and decade after decade.

I think one of the greatest testaments to enduring value of HFIA is that we now have second and third generation HFIA members participating and shaping the future of our association and our industry. I believe that it is the people of this association, members new and old, that make HFIA an important constant in a changing industry. Every day our member companies work hard to feed our state. And as a member, you know that we are in this together, that even as competitors we share important goals and values.

As your Chair I'm looking forward to working with all of you, to continue to advance our shared goals for our industry and state. Looking ahead at the next 50 years I know things will continue to change. I also know that HFIA, and the people that make up our association will continue to work together for the benefit of Hawaii's food industry and the people that rely on us.



Mahalo,

**Éddie Asato** HFIA Chairman Director of Sales and Business Development, Pint Size Hawaii



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# RESILIENCE, CREATIVITY HELP INDEPENDENT GROCERS THRIVE IN CHALLENGING TIMES

**BY GREG FERRARA** 

PRESIDENT AND CEO, NATIONAL GROCERS ASSOCIATION

he COVID-19 pandemic has been one of the most challenging business environments that independent community grocers have ever had to face, and it's not over yet.

The sudden shift in retail spending behavior during the second quarter of 2020 drove record supermarket sales, as grocers moved mountains to keep shelves stocked while contending with operational challenges, from supply chain to sanitation. But staying sanitary is a relatively simple task compared to the supply chain rollercoaster that retailers have been forced to ride, joined by a labor shortage and runaway inflation to deliver a triple threat to doing business.

Even so, independent grocers have demonstrated once again that they have what it takes to weather the storm and deliver for their communities. This was confirmed in the 2022 edition of the Independent Grocers Financial Survey, a joint study between the National Grocers Association (NGA) and FMS Solutions.

The survey documents a complex marketplace in which the only constant was change. Amid supply chain and labor challenges, independents carefully managed inventory while compressing margins in key departments to drive sales during fiscal year 2021.

Navigating these volatile times is a tremendous accomplishment that will help independents through tough marketplace conditions that are lingering throughout 2022, even as the usual pundits find themselves increasingly hard-pressed to speculate on the end game amid a perfect storm of factors that are pressuring retailers and

As Graybill noted, "At 3.62%, the net profit before taxes for independent operators in 2021 was the second-best result on record."

consumers alike.

As detailed in the NGA/FMS survey, grocery retailing remained in flux on both the supply and demand sides during FY 2021. Consumer spending and trips shifted between online and in-person as COVID-19 cases ebbed and flowed. Inflation and out-of-stocks prompted shoppers to trade down within categories, seek alternative products and pack sizes, and even look to other retailers.

"Supply chain challenges kept indepen-



dent retailers on their toes with historically low order fill rates averaging 74.6%," noted Robert Graybill, president and CEO of FMS Solutions.

Even as inflation drove product prices higher and higher, nearly 60% of independent grocers responding to the survey said they were unable to match their 2020 sales records; dollar sales did outpace pre-pandemic levels though same-store sales dipped nearly 2%.

While focusing on inventory management, independent grocers helped consumers find value for their stretched grocery dollars. Much as they were resourceful in securing scarce high-demand goods during the darkest days of the pandemic, independent grocers continue to scour the marketplace to procure products that give shoppers the most bang for their buck. Leveraging social media has helped grocers stay engaged with their communities to alert consumers about the latest deals.

Lower sales and compressed margins, combined with expenses driven higher by inflation, delivered a decrease in net profit compared to the prior year. Of course, this was to be expected after profits that rose five-fold due to 2020's surge in grocery sales. As Graybill noted, "At 3.62%, the net profit before taxes for independent operators in 2021 was the second-best result on record." Those retailers leading the pack on profits were largely those that focused on fresh, particularly produce and deli, with higher margins, above-average transactions and bigger baskets.

While 2022 is unlikely to bring the same results as the past two years, independent community grocers – resilient, creative and nimble – are prepared for the challenge. The complete survey is available at www.nationalgrocers.org and www.fmssolutions.com.

To learn more about the NGA Foundation's career-related initiatives, contact Maggie White, NGA Foundation director, at mwhite@nationalgrocers.org.

# Self-sufficiency and resilience take root where cultivated.

Candice Marrs and her daughter vist the sustainable crops at Kualoa Ranch, Oʻahu.

Featured Sustainable Crops:

Chinese Cabbage In 2021, Hawai'i farmers produced 2.9 million pounds of this cool-season crop, which does especially well at elevations higher than 1,500 feet such as Kula, Kamuela and Volcano.

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#### **LEGISLATIVE UPDATE**



o help build the future we would like to see over the next 50 years, HFIA has updated our guiding principles for advocacy. During our annual June 29, 2022 Board and Membership Meeting HFIA's Board approved revised Committee Charters including a new Government Relations Committee (GRC) Charter. This charter outlines the new advocacy plan to select up to three "non-controversial, sustainable, popular" issues promoting the "best interest of the Food Industry and the State of Hawaii".

By focusing on issues that are priorities

Our editorial sparked discussion that made it all the way to both the Gubernatorial debate and the LG debate, with winning democratic candidate Josh Green endorsing the idea that groceries should not be taxed.

for our industry as a whole HFIA will be able to maximize the positive impact of our efforts. We will continue to track many additional legislative issues that may affect or be of interest to some of our members. Providing information on these issues will empower our members to act on legislation that may be important to their specific business, while HFIA spearheads advocacy on three bills that are a priority for the entire Hawaii food industry. At the time of writing of this article two of HFIA's three issues for legislative advocacy for 2023 being considered are exempting groceries from the GET, and increased energy generation and energy storage tax credits for the food industry to increase the resilience of our state's food supply chain.

HFIA published an editorial in the Star Advertiser promoting the idea of removing GET from SNAP eligible foods and OTC medication. Our editorial sparked discussion that made it all the way to both the Gubernatorial and the LG debates, with winning democratic candidate Josh Green endorsing the idea that groceries should not be taxed. There has also been a flurry of support for increasing financial incentives for decarbonizing our industry to meet both international and state level goals. HFIA would like to be part of the solution, helping to find ways to make decarbonization viable and financially beneficial to our industry.

#### REMOVAL OF TAXES FROM GROCERY SALES

Hawaii is one of only a handful of states where consumers pay taxes when purchasing groceries. Given current historically high inflation rates, and Hawaii's already high cost of living, we believe that now more than ever it is essential that our State Government eliminate this regressive tax.

Time and time again, research shows that taxing groceries is one of the worst policies state governments can enact to erode food security and resilience, hurt working families, and increase poverty. A 2021 study found a direct relationship between increased grocery tax rates and increased food insecurity for low-income households. As we found during the pandemic, Hawaii has a long way to go in improving food security and resilience in our state.

While the food excise tax credit may provide some relief to those who qualify for it when they receive it, many Hawaii families spend much more in food taxes than the credit gives back. Having to apply and wait for the credit also means families may not get it when they need it the most. Removing the GET from groceries means putting money back into Hawaii family's grocery budgets so they can use it when and how they need to.

Exempting groceries from the GET is a common sense and efficient way to immediately lower the cost of living for Hawaii families. We are excited to be advocating for this important change and we look forward to working with lawmakers and a coalition of other groups who understand why now is the time to make groceries tax free for Hawaii.

#### INCREASED ENERGY GENERATION AND ENERGY STORAGE INCENTIVES FOR THE FOOD INDUSTRY

The State of Hawaii has legislatively approved goals for decarbonization across all sectors. Meeting these goals will require collaborative efforts. The food industry is an essential industry and helping food businesses shift towards carbon reduction is an important step towards meeting the state goals. Improving our state's preparedness for natural disasters is also a goal we all share. Making the food industry more resilient is a vital part of protecting Hawaii residents.

The cost of investing in solar and batteries is one of the biggest barriers that most businesses face when trying to reduce their carbon footprint. Many businesses in the food supply chain rent their facilities and can't justify expenditures that do not have a rapid ROI.

On site energy storage for food industry businesses has a range of benefits. Batteries combined with solar creates an efficient and flexible renewable energy system for businesses. Batteries at key locations along the food supply chain can also be important component to resilience of the food supply chain during and after a crisis. If the power grid is interrupted due to an extreme weather event batteries at locations like grocery stores, warehouses, and foodbanks means that our state's food supply will be safer and more accessible to those who need it.

All residents in our State rely on the food supply chain to feed them in good times and in times of crisis. It makes good sense for the state to directly subsidize the resilience of the existing food supply chain, because it will benefit all people in our state. Helping our food supply chain become more resilient through incentives is the most cost-effective way to improve our State's mass feeding plan. We hope to work with decision makers and NGO's to exempt groceries from the GET and incentivize energy generation and energy storage in the food supply chain. These bills will work together to make our state's food supply chain more sustainable and resilient.

Information on HFIA's final bill package for legislative advocacy, as well as updates on these bills and those being tracked by HFIA will be available in our Weekly Updates. For questions or additional information please reach out to us at Info@HawaiiFood.com.



Canal States

AGRICULTURE WHAT WILL

#### **BY CAROLINE JULIAN-FREITAS**

his year, the Hawaii Food Industry Association is marking its 50th anniversary of actively advocating the interests of the state's food and beverage industry. With many issues facing the local agriculture community today — including the impacts of climate change, an aging workforce, and evolving food demand — we asked several stakeholders across Hawaii for their thoughts on what agriculture could look like in another 50 years.

Walter Bowen, associate dean and associate director for research at the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), predicts farming will need to strike a balance between production while being mindful of the environment: "The premium is going to be on land-saving technologies that result in greater productivity per unit area of land. We have limited land resources, water resources, very sensitive environments...so I would look upon food production not as a standalone challenge but as a challenge that's done within the context of a greater awareness of how our production systems impact the environment — and how to eliminate or minimize any negative impacts."

Humberto Garcia, general manager of Sensei Farms on Lanai, agreed: "Limits to available farming acreage, water and essential resources impact yield, crop selection, access and, ultimately, availability and cost of goods on shelf. We must ask ourselves, what

Waialua Fresh is growing their farm with the population. PHOTO COURTESY WAIALUA FRESH

**Below:** Since 2019 Mahi Pono has planted over 1.5 million trees.

# **IN 50 YEARS:** IT LOOK LIKE?

can we do as an industry to mitigate these issues and ensure adequate produce to feed our community? The answer will lie in fine tuning sustainable approaches to farming conscious and innovative use of water, technology, land, and resources."

#### **Food Demand and Evolution**

The world's population is expected to grow by 23% within the next 50 years. Left to its current dependence on imports, Hawaii can anticipate greater volatility of food prices and food availability as global competition for food grows just as climate change impacts food production nationally around the world.

Meanwhile, Hawaii's population is expected to grow 0.5% per year over the next





five decades, according to a pre-pandemic 2018 State of Hawaii report on population and economic projections. Oahu egg farm Waialua Fresh projects that it would take one million chickens to keep up with the growing population. The company would need to create its own feed mill and require 5,000 acres of grains being produced for them by local farmers.

"(We would need) construction of our own egg-breaking machine for liquid eggs to supply the hotels and restaurants," said Mike Sencer, senior vice president of Waialua Fresh. "We hope to grow with the population on expansion of the farm."

According to Garcia at Sensei Farms, to meet the demands of an increasing population, growing practices must be fined tuned. "Our sustainable, technology-forward farming methods allow us to focus on crops and varieties better suited to specific yet diverse global climates, and therefore serve such an increased demand," he explained. "By growing locally and delivering fresh, high-quality produce to local retailers, we support a longer shelf life with high-quality produce that continues to delight while also promoting a reduction in food waste."

On Maui, Mahi Pono is working to transform vacant former sugar cane land into a thriving diversified agriculture hub. Mahi Pono is committed to Hawaii's food security needs and reducing the state's reliance on imports. "Our first priority has been to increase local food production by growing high-quality products for Hawaii first, but with export potential," said Shan Tsutsui, chief operating officer of Mahi Pono. "Our crops include the top 10 most-imported commodities to Hawaii — onions, carrots, oranges, melons and more. With the majority of our farm's produce



expected to remain in the Hawaii market, we would like to see a significant increase in both local food production and consumption. With approximately 90% of Hawaii's food currently being imported, we want to help move that needle while also helping to make locally grown food more accessible."

With the growing population, Garcia noted that dietary choices are also changing. "Food trends continue to point to consumers wanting to support locally grown and produced goods, as well as building a palate reduced in carbohydrates and added sugars," he said. "Therefore, high-fiber, nutrient-dense non-starchy vegetables will continue to be a major player on the plates of health-conscious individuals."

#### Farmers of Tomorrow and Technology

With the average farmer in Hawaii at 60 years old, what will the future generation look like?

"As we face the aging of our current agricultural workforce, we are also seeing the advancement of innovative farm and business technology that is opening new opportunities for the next generation," Tsutsui said. "The fu-



ture of food sustainability in Hawaii depends on our ability to help educate and equip the next generation for careers in agricultural-related fields. Mahi Pono is proud to work with the Hawaii Department of Education and the University of Hawaii, economic and workforce development agencies, and non-profits, to help develop and support educational opportunities for our current workforce in science, technology, engineering, and math (STEM)."

Senei Ag is fine tuning sustainable approaches to farming with conscious and innovative use of water, technology, land, and resources.

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PHOTO COURTESY SENSEI AG

Garcia noted that the agricultural industry is at a really interesting point of evolution. "Technology is playing an exponentially significant role in agriculture — from sophisticated methods of data capture and analytics, bringing together many branches of science and public policy in adapting farming techniques," he said. "We believe that within a few short years, farming will look unrecognizable — high tech, cutting edge, very dynamic. It's really exciting to not just be part of that change, but to be leading it."

Sencer added: "Waialua Fresh is built on the use of technology and innovation. The current system has been developed where no human touches the egg until they are packaged. Biosecurity is a top priority for the company."

Garcia observed that over the past few decades we have seen large, industrial farms use technology and data to increase their efficiency and yields. "These capabilities are coming down in price and are being adapted for a wider range of crops, climates and growing systems," Garcia explained. "At the local level they will not only help improve yield, but also help decrease the impacts of growing, including greenhouse gas emissions, select plant varieties that are optimal for local conditions, and help farmers adapt to climate variability."

#### **Climate Change**

Agriculture is vulnerable to climate change, causing challenges that include drought conditions and rising temperatures.

"As the stewards of 41,000 acres of land in Central Maui, we want to do our part as a sustainable and responsible farming company," Tsutsui said. "Since starting our journey in 2019, we have planted more than 1.5 million trees that will significantly help to offset carbon emissions. Mahi Pono's goal is to be a climate-positive organization. We continue to plant tens of thousands of trees each week and have integrated modern technology that has helped us to efficiently use our resources, including water."

Garcia further observed that "agriculture has long been at the mercy of climate change and, conversely, some agricultural practices have been known to impact climate. We can change the conversation by choosing to grow in a purposeful, sustainable way. We can leverage technology and controlled environment agriculture, utilizing fewer precious resources, fewer pesticides and herbicides, ultimately arriving at improved harvests that nourish local communities. The reduction of resources used; water, land, and distance traveled, will result in a smaller carbon footprint. Combined, these are all positive steps towards reducing impact on the environment."

#### **Thoughtful Planning**

Thoughtful planning can help overcome the many challenges facing Hawaii's agriculture industry today in preparation for the future.

"The agricultural industry must challenge itself to keep up — ideally stay ahead — of these trends, and shape itself for sustainability and success," Garcia said. "It's not an industry by definition that can move lightning fast — there are too many expensive, large variables at play — and so thoughtful, strategic planning for the future, powered by technology, collaboration, and data, will be critical for a healthy long-term outcome."

Tsutsui added: "In the coming decades, what we would like to see for Maui, and the rest of Hawaii, is a thriving agricultural industry that contributes to Hawaii's economic diversity and helps us achieve food security. And to achieve this, we all need to work together — farmers, producers, distributers, government and community."

Bowen concluded: "The more we are globally engaged with producers, within the food industry, as well as research, higher education, et cetera, with partners around the world, the better it is for us as well. To me, that just emphasizes the importance of having strong support for research and development to make our food production systems more resilient and sustainable."



### "BRINGING THE GOODNESS OF HAWAI'I, HOME."

KTA strongly supports the concept of grownin-Hawai'i foods, community partnerships, and business opportunities for the people of the island. Following the Hawaiian value of *lokahi* (working together) and the Japanese principle of *kaizen* (continuously striving for improvement), KTA's Mountain Apple Brand<sup>®</sup> label was founded by our Executive Vice President, Derek Kurisu.

We are committed to the vast potential of diversified agriculture and Hawai'i's determined and hard-working people. Purchasing locally produced goods and supporting Hawai'i Island companies generates jobs, supports the local economy and helps improve this special place we call home.



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# CONGRATULATIONS 2022 HFIA HALL OF FAME HONOREE DEREK KURISU

EXECUTIVE VICE PRESIDENT, KTA SUPER STORES

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81-6602 Mamalahoa Highway 808-323-1916

Watch Derek's **People Living in Paradise** and **The Man & The Pan** series on KTA YouTube!



# **DEREX KURSU** THE FACE, AND HEART, OF HAWAII FOOD

erek Kurisu is one of the most influential leaders in the history of HFIA, so it's fitting that he is being inducted in the Hawaii Food Industry Hall of Fame this year on HFIA's 50th Anniversary.

Always generous with a smile and a help-

#### **BY ALEXIS CHAPMAN AND LAUREN ZIRBEL**

ing hand, Derek embodies the spirit of HFIA. Without his continuous support none of us would be where we are. His work is synonymous with local. He catapulted the value of local agriculture and manufacturing by tirelessly working to share value added locally grown and manufactured products with consumers. He reminds us all to not take ourselves too seriously, and that we must stick together in order to make progress.

Derek has proactively worked to improve Hawaii's food systems for the benefit of all





people. Derek spearheaded KTA's private label Mountain Apple Brand, a unique line of local Hawaii made and grown products. Derek is also a local celebrity! He produces and hosts People Living in Paradise and Seniors Living in Paradise—shows about the people of Hawai'i Island. To each of Derek's many roles he contributes passion for local food, strong work ethic, unparalleled industry knowledge, and an ability to bring out the best in everyone.

Over the years he has lent his many talents to HFIA in a variety of ways. He has been one of the association's longest standing members of the Executive Committee, an important volunteer position which he continues to this day. He has also led the association twice as Chair. Derek's first term as Chair of HFIA was in 2006 - 2007 and his second was in 2015 – 2016, making him one of just a handful to serve more than one year. As a leader everyone appreciates Derek's kind and happy demeanor and laidback style. Throughout both of his terms as Chair, Derek spearheaded new initiatives and helped the association grow, adding new events and new members, and energizing HFIA leadership.

During his second term as Chair, Derek ini-

tiated the first HFIA Legislative Talk Story and Pau Hana. By creating spaces for legislators and industry leaders to meet, Derek helped create a positive dialogue that enables cooperation on shared goals. Every year since, Derek has generously volunteered his time to serve as the Moderator of HFIA's Legislative Talk Story Panel. This important annual event is a unique chance for food industry leadership and legislators to come together on a panel and discuss the priority legislative issues that will impact the food industry during Legislative Session. As Moderator each year Derek sets the tone and helps guide the discussion making sure the event is productive and informative. HFIA continues to be grateful that we can turn to Derek for thoughtful and knowledgeable guidance on complex issues that impact our industry and our member businesses.

Of course, in addition to HFIA's Legislative Talk Story Panel and his shows Derek has another very important hosting job. The tens of thousands of people who annually attend Made in Hawaii Festival know Derek as the long-time host of the festival's cooking demonstrations. These popular demonstrations feature top chefs from all over the



state using local ingredients to make delicious dishes live on stage during the Festival. Derek's rapport with the chefs and enjoyment of the food engages the audience and allows them share in the fun of Hawaii made ingredients.

Derek's genuine love for local food and happiness in sharing that with others is evident to anyone who has ever had the pleasure of meeting him. Derek once referred to the plantation community he grew up in as a "family of families." Time and again, at every event and with every responsibility he takes on, Derek brings that idea and spirit to the food industry; that we're all connected and have a responsibility to take care of each other. Through his work at KTA Super Stores, cultivating the Mountain Apple Brand, producing and hosting People Living in Paradise and Seniors Living in Paradise, and his many other roles, he shows each day the hard work he is willing to do to feed Hawaii, and make Hawaii food more accessible to everyone.

At HFIA, we often refer to the association as our "HFIA Ohana." Derek's giving nature and example helps make our industry feel like a family of families. So often, when we have an event that needs an emcee, a contest that needs a judge, a question that needs an answer, or a connection we want to make, we turn to Derek. We know his knowledge, hard work, and contagious good attitude will be a positive contribution to whatever he does, and whatever we do. We are so grateful for all he has given our association over the years, and we are honored to name him as HFIA's 50th Anniversary Inductee into the Hawaii Food Industry Hall of Fame.

# **NEW MEMBERS**



#### **808 GENERAL STORE**

From the folks who created 808 on Main and 808 Deli, we are stoked to offer Kihei's only beachside general store!

We offer fresh grab-and-go sammiches, toasted panini, salads, sides & desserts delivered several times daily from 808 Deli, plus all da kine drinks, snacks, ice, and stuff to make your beach trip, road trip or head trip a great one.

Our location on the ground floor of The Mana Kai Resort is just steps from the north end of Keawakapu Beach and a swim and snorkel spot favored by visitors and locals alike. So close we could throw a beer from the store to the beach. But we would NEVER do that. Just saying.



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good natured® offers over 400 products and services through wholesale, direct to business, and retail channels. From plant-based home organization products to certified compostable food containers, bio-based industrial supplies and medical packaging, we're making plant-based products more readily accessible to people as a means to create meaningful environmental and social impact.

For more information: goodnaturedproducts.com



#### **HUMBLE FOOD DESIGN**

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— EST. 1926 —

#### IGA

The Independent Grocers Alliance is a unique entity-part retailer, industry association, iconic brand, marketing company, and media agency. There is no equivalent in the marketplace, domestically or internationally. Our mission is to provide retail and marketing programs that create a point of difference and a competitive advantage-for ALL Independents, from multi-store regional chains to single store operators. Retailers in the Independent Grocers Alliance have the flexibility to choose what resources best serve their individual needs, whether that means becoming a branded IGA retailer with the ironic red oval logo or simply using the available tools, which range from digital technology services, local point-of-difference visual merchandising and branding, and shopper marketing offers otherwise unavailable to independents to marketplace and media analysis, employee training, IGA private label products, and more.



#### LA PALME D'OR

We are located in Ala Moana Shopping Center, our patisserie brings a blend of French flavor and Japanese craftsmanship to the islands. We offer an array of items from our seasonal desserts to our buttery croissant sandwiches. Our desserts are made from scratch daily using the finest ingredients available.



#### **RAINBOW IMPORTS**

Rainbow Imports sources organic, biodynamic and sustainably produced wines from throughout Europe and is distributed throughout the Hawaiian islands. With relationships across Europe, we curate a portfolio that includes large-scale production to exclusive allocations. Rainbow Imports also provides sourcing, custom bottling and private labeling services for customers looking to create a uniquely ownable wine or brand.

#### 000 the rice factory

#### THE RICE FACTORY

The rice factory specifically carries Japanese-grown rice and mill (which makes brown rice in to white rice.) It's been located in Kaka'ako since 2016.

Rice is a perishable food, the same as vegetables and fruits, and we provide freshly milled rice to restaurants and our customers.

We believe to bring authenticity is to bring new experiences to you as well!

#### Sustainable Island Products

#### SUSTAINABLE ISLAND PRODUCTS

We are a family owned, Hawaii based, distributor of certified compostable alternatives to everyday single-use items. We proudly carry cold cups, deli containers, hot cups and soup containers, cutlery, plates, clamshells, napkins, paper towels, specialty grocery and bakery items, along with glass bottles and jars. We are able to provide custom print products, as well as, work with our manufacturing partners to create custom compostable products to fit your needs. www.sustainableislandproducts.com



#### **TEA CHEST HAWAII**

Tea Chest Hawaii is about teas as unique as Hawaii itself. Hawaii has come to embody many things to many people — a fluid mix of Asian, American, and native Hawaiian cultures; moments of warmth, relaxation and wellness in a world that grows increasingly hectic. Tea Chest Hawaii is all of these things, in cup after cup.

#### RETURNING MEMBERS



#### **KONA TRANS**

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# **MEMBER NEWS**

# entrepreneurs sandbØx



# htdc

#### HTDC Hosts Senator Hirono and SBA Administrator Isabella Guzman

This August U.S. Senator Mazie Hirono and Isabella Guzman, the Administrator for the U.S. Small Business Administration (SBA) made a special visit to Hawaii Technology Development Corporation (HTDC). They met with HTDC leadership and businesses to discuss small businesses in Hawaii and some of the challenges they currently face such as labor shortages, supply chain challenges, and high operating costs. They also learned about how local businesses benefit from programs like the Small Business Innovative Research Program and why federal support for small local businesses in Hawaii is so important.



#### Tradition Coffee Roasters Hosts Hawaii Coffee Championships | 2023 US Coffee Champs Preliminaries

Recapturing the pre-pandemic momentum of the 2019 Specialty Coffee Association (SCA) US Coffee Champs (USCC) Barista & Brewer's Cup Preliminary Competitions, the Hawaii Coffee Association (HCA) returns as host of the 2023 SCA USCC Hawaii Prelims for the Roasters and Brewers Cup Competitions on Oahu. Competitors vied for top honors in each category for a chance to advance to the Qualifying Round.





#### Locally Made Macadamia Milk from Meadow Gold

Meadow Gold Dairies just introduced the first locally made Macadamia Milk into the Hawaii marketplace this month! The milk is made at its Hilo plant from premium grown macadamia nuts from Hawaii Island and pure locally sourced water. "We are pleased to offer this 100 percent locally made, plant-based milk alternative to Hawaii consumers," said Bahman Sadeghi, Meadow Gold Owner and CEO. "As part of the continued growth and evolution of Meadow Gold, we were focused on



providing something unique and local that would also align with current plant-based trends that have been on the rise."



#### C&S Wholesale Grocer Partners with TCS to Build AI Powered Distribution Model

C&S has partnered with TCS to reimagine its operations platforms, including customer experience and grocery distribution. TCS will lead the company-wide project and help C&S establish a new cloud-based architecture that will unify its current systems. Using artificial intelligence (AI) and machine learning (ML), C&S's new operations platform will monitor traffic patterns and identify optimal distribution routes, thereby reducing food waste and achieving greater fuel efficiency.

The new Google Cloud platform will help C&S streamline its operations by providing the infrastructure flexibility to support the company's sustainability initiatives and growth strategy. TCS will help reduce C&S's carbon footprint by migrating its data center workloads to the carbon-neutral infrastructure of Google Cloud.



PASHA HAWAII°

#### Pasha Hawaii's MV George Ill's Begins Service in the Hawaii/Mainland Trade Lane

*MV George III* is the first Liquefied Natural Gas ("LNG") powered vessel to fuel on the West Coast and the first to serve Hawaii. The 774-foot LNG-fueled containership was built in Brownsville, Texas by Keppel AmFELS. The first of two new Ohana Class boxships, MV George III features an advanced engine, improved hull form, and underwater propulsion system with a high-efficiency rudder and propeller.

The new Jones Act vessel is also said to exceed the International Maritime Organization (IMO) 2030 emission standards for ocean vessels.



SENSEI Ag

### Over 2.7 million servings of fresh vegetables harvested to-date

This past year has been focused on upgrading our facility and ramping up capacity. We installed our hydroponic rolling bench system, which increased planting density. We hired more farm associates to support our growth. And Humberto Garcia, previously at NatureSweet, joined as our new General Manager.

To-date, we have harvested over 2.7 million servings of fresh vegetables for our kama'aina. All of this grown on just 2 acres. Learn about the impact we're making for Hawai'i by visiting www.senseifarms.com/impact.



FIA's new Food for Thought series kicked off on September 22 at Tradition Coffee Roasters with a presentation by David Lopez, Executive Officer for the Hawaii Emergency Management Agency (HIEMA). David discussed the unique challenges that Hawaii faces in preparing for and bouncing back from natural disasters. One of the takeaways from the discussion was that if a natural

disaster were to occur now Hawaii would not be as resilient as many would hope.

This event opened up an dialogue about how businesses can collaborate with Hawaii Emergency Management Agency to support food distribution in times of crisis, programs and policies that could help the local food supply chain continue to be operational in the event of grid failure and help ensure people can meet basic food

#### From left, HFIA Chair Eddie Asato of Pint Size Hawaii; HFIA President Lauren Zirbel; David Lopez, Executive Director HIEMA; Brian Burik Owner Tradition Coffee Roasters

security needs if ports and harbors are damaged. Many of our members have individually taken steps to be prepared and serve their communities in times of crisis. However, for the state as a whole there are many obstacles to resilience such as infrastructure changes that need to be addresses to achieve better resilience.

David stressed the importance of not becoming complacent just because we have been lucky and avoided major statewide natural disasters in the recent past. While Hawaii is unique, looking at what has and hasn't worked in other places that have been hit hard by hurricanes recently such as Florida and Puerto Rico can be a valuable tool in making improvements for Hawaii. Investing in public private partnerships to ensure that food is available when and where it's needed after a disaster is one important idea that came out of the discussion and may lead to actionable information on this issue. HFIA looks forward to working with our members, HIEMA, and other agencies to continue this conversation and find ways to improve our industry's and our state's resilience.

**MEET THE NEW CHAIR** EDDIE ASATO IS LOOKING AHEAD TO THE FUTURE OF HAWAII FOOD

WRITTEN BY ALEXIS CHAPMAN AND PHOTOS BY BRIAN HART OF FOOD GURUS HAWAII

ddie has been involved with HFIA for over 20 years, now as our 2022 – 2023 Chair, he's excited to put his experience to work leading the association as we start our journey into the next 50 years.

#### The Future of HFIA

When asked about his goals for HFIA during his time as Chair, Eddie talks about improvement. He wants to see the organization continue to get better and he has a plan to do it, "I want to start with the fundamentals: building the membership first, improving communication, and focusing on the top bills that we can make an impact on, and most importantly have fun doing so as one big Ohana!" Eddie has already demonstrated his commitment to growing HFIA membership, and Ohana. In addition to helping the association reconnect with some former members, he recently connected HFIA with his son Evan Asato who is a Partner and Executive Producer at Redefined Media, now an HFIA Member.

Eddie knows that growing HFIA is key to making the association stronger and more positive. For the past 4 years Eddie has been with Pint Size Hawaii and is now their Director of Sales and Business Development so he works with many companies and individuals across the food industry. He explained what he likes about the Association, "I think the best part about HFIA is the people." To Eddie, adding new people and companies to the HFIA Ohana means adding new perspectives, a bigger network, and a stronger voice for the association.

He also discussed HFIA's value to the industry, "HFIA brings all the retailers, suppliers, and associated members together to

fight for a common cause in the legislature, and to help educate the members to be better business citizens." He understands the challenges that local businesses face, especially small businesses and sees that HFIA can be a valuable resource to help them succeed. Eddie has become active on the Education committee and attended HFIA's first Food for Thought Event. Right now some of the things making it hard for the businesses that feed Hawaii are finding and retaining great employees and the high costs of things like energy, supplies, and taxes. Eddie is looking forward to helping facilitate more events to assist members in navigating these challenges.

#### The Future of Food

Pint Size Hawaii is the leading frozen and chill distributor in the state. Maintaining that lev-

"With great aloha, five generations later, the Tamura ohana continues to take pride in the family tradition of serving you." - Clifford Tamura, Owner & CEO

LI HINC



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el of success means Eddie must have an eye on the present, but always be looking ahead too. He knows the importance of tracking national trends and applying local knowledge to understand how they'll impact shopping habits here at home. Knowing which consumer behaviors are trends that will peak and then fade, as opposed to enduring consumer shifts is also key to success. In recent years Eddie has seen some interesting changes that he thinks will endure, "Center store is shrinking and service departments are growing. People are health conscious but also really want convenience." He also has some predictions for the future of our industry.

Technological change is nothing new, however Eddie has noted that we're seeing accelerated advancements. One area in particular that is advancing quickly is automation. Eddie sees the recent labor shortages spurring innovation in the areas of artificial intelligence and collaborative robots. While the food industry has lagged behind other industries in adopting these technologies, Eddie sees food manufacturing catching up quickly. On the consumer side Eddie believes tech advancements will continue to grow the internet of things. More connectivity on more devices. For food businesses that means that consumers can access the internet, and online shopping at any time. Businesses must get ready for shoppers who expect omnichannel shopping experiences, including for food.

Eddie also sees consumer driven innovation for the future in the demand for "better for you and better for the environment" products. Things like meat and dairy alternative products, as well as compostable and biodegradable packaging appeal to customers desires to eat healthy and shop sustainably. New consumer demands can be hard to manage but are also an opportunity for new product creation, new market development, and growth. A high percentage of the foods that are in our grocery stores and super markets today didn't exist 50 years ago, and of course neither did much of the technology we see in our stores. Eddie encourages adaptability as the best way to cope with the constantly evolving industry, "With technology, change will happen faster than ever before, and we all need to be willing to change."

In the spirit of celebrating our 50th Anniversary we asked Eddie to look even farther ahead and tell us what he hopes Hawaii food and HFIA will look like 50 years from now, and he gave some inspiring answers. "I'd like to see the state become 90% sustainable by 2072. I know HFIA will continue to be an organization that helps the people of Hawaii, and I think we could become one of the top food organizations in the country." We're excited to work with Eddie to achieve his goals for HFIA and our industry, for his year as chair, and for our next half century.

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This year's special HFIA 2022 50<sup>th</sup> Anniversary Convention would not be possible without the generous support of our Sponsors. We are so grateful to these wonderful Hawaii companies and their leadership that have chosen to make this celebration possible!

Mahalo, here's to the next 50 years together with you all

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CONGRATULATIONS! Derek Kurisu HFIA 2022 Hall of Fame Inductee

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#### **BY LAUREN ZIRBEL**

It's amazing to think that HFIA has been around for half a century. Our industry has changed so much since the association was founded. It often seems like the rate of change is accelerating, especially in the last couple years. New technologies have been adopted rapidly, new business models have taken shape, and new products are part of everyone's lives. HFIA is proud to be the "Voice of Hawaii's Food and Beverage Industry," supporting the most essential industry in our state. More than just adapting and reacting, our member businesses have been innovating and creating a stronger food industry for our state.

The forward-looking initiative and collaborative spirit of our members inspire us to look ahead to the next 50 years. Now is the time for HFIA to plan how we will meet the challenges and opportunities of the next 50 years. Our members are always proactively looking for new and better ways to support their customers, employees, and communities while growing their businesses and our industry. HFIA is ready to build on the strong foundation of the

### The forward-looking initiative and collaborative spirit of our members inspire us to look ahead to the next 50 years

past 50 years and create updated guiding principals to support our members in their mission to feed Hawaii.

We know that the food industry will continue to change. Being prepared as well as proactive means we're ready for the changes we know are coming, and that



we're shaping the future of the industry for the better. We believe in a food industry that is strong, sustainable, and resilient for our members and their customers. We are so grateful for all the wonderful people that make up our HFIA Ohana, and we look forward to building an even better industry over the next 50 years!

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