

HAWAI'I FOOD INDUSTRY MAGAZINE

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SPRING 2025



2024 HAWAI'I
AGRICULTURE
CONFERENCE

WHAT THE NEW
ADMINISTRATION
MEANS FOR
INDEPENDENT
GROCERS

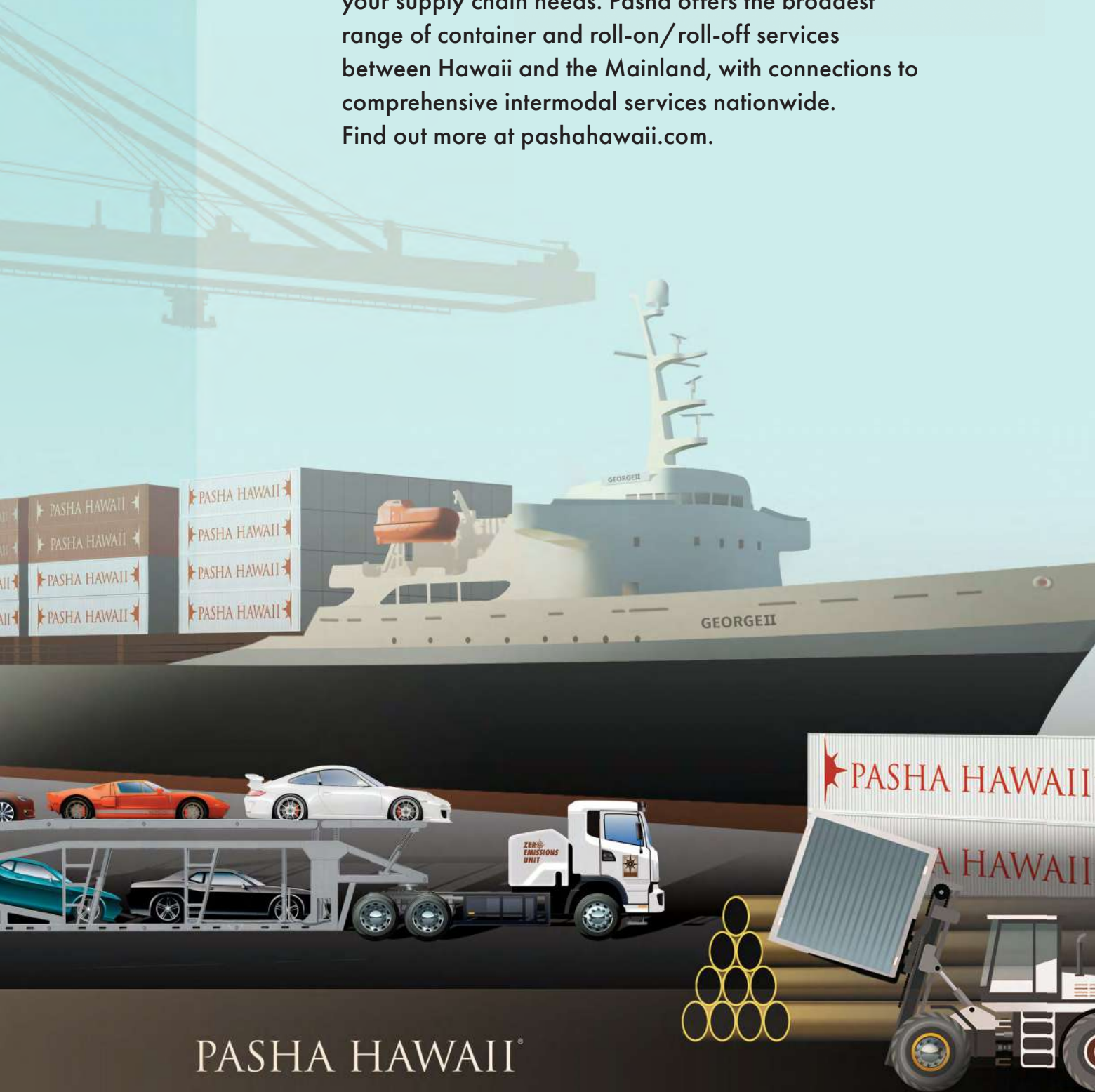
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12



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14



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DEPARTMENTS

Chair's Message6
 Legislative Update8
 NGA Update10
 Member News14
 New Members15
 The Last Word20

FEATURES

2024 Hawai'i Agriculture Conference 12
 Mahalo to Our 2025 HFIA Social Sponsors!16
 Pacific Business News' Hawai'i's Most Admired Leaders Award 16
 2025 Quick Tax and Financial Update for Businesses 17
 Grocery Brings Your Favorite Restaurant Food to Your Kitchen 18

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When agriculture thrives, communities flourish.



Photo by Sean Marrs

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(Above) Pekuna Hong and her children appreciate the bounty of sustainable foods Hawai'i's farms have to offer.



CHAIR'S MESSAGE

Greetings HFIA Ohana!

As some of you know our Chair Maile Miyashiro has taken some time off for medical reasons, and so for this issue our Vice Chair Kit Okimoto and Executive Director Lauren Zirbel have stepped in to author the Chair's Message.

As usual HFIA is starting off the year with some exciting events. In January we partnered with member MUN CPAs and Terramar 401(k) to host Hawaii Business Leaders & Executives: 2025 Tax, Economic & Planning Update. A Tax and Financial Update for Businesses from MUN CPAs and Terramar is on page 17.

This February we hosted our Annual Legislative Talk Story panel; this is the first year the talk story panel took place after Legislative Session started, which will enabled us to engage in more tar-

geted discussion with our lawmakers on the measures that are likely to impact on our food systems. Our Legislative Update which outlines HFIA's platform and priorities for the 2025 session is on page 8, and we'll provide a recap and full coverage of the Legislative Talk Story in our next issue.

In February we also have our 2025 HFIA Annual Social – Around the World with Maile Miyashiro! Maile has very graciously provided us with some great ideas and input, and we know this is going to be an unforgettable adventure! Our HFIA Spring Golf Tournament is scheduled for April 11. We'll be back at Pearl at Kalauao, which was just remodeled, and we're excited to see the upgraded facilities. Then before we know it, it will be time for HFIA's Annual Convention June 6-8 at Disney's Aulani. We all really look forward to Convention



all year. It's such a fantastic event and we know this year will be extra special as we'll be celebrating the one and only Maile Miyashiro.

Mahalo!
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LEGISLATIVE ACTION AGAINST HAWAII'S MOUNTING FOOD SECURITY CRISIS

BY LAUREN ZIRBEL

Hawaii's food security crisis isn't a future problem. It's a now problem. Nearly one in three residents are already grappling with food insecurity, and on Hawaii's Island, the numbers are even starker—40%. Add to that the fact that food prices, according to the USDA Thrifty Food Plan, in Honolulu are 52.4% higher than the mainland, and the stakes become clear: bold action is urgently needed to stabilize Hawaii's food system.

HOW TO PAY FOR REMOVING TAXES ON GROCERIES

One of the best ways to improve the likelihood of business and residents staying in the state is to reduce taxes and remove undue regulatory burdens. The worst regulatory burdens are permitting delays. The good news is the state can eliminate permitting delays relatively easily using language similar to SB 66 but apply these reforms to all categories of permits. This bill requires counties to grant building permits within 60 days if the application is stamped and certified by a licensed engineer and architect and certain other conditions are met. This will dramatically reduce homeowner and business costs, increase housing supply and generate billions in tax income. State Income generated from passing this bill can be used to pay for removing taxes on groceries, a very regressive tax that contributes to Hawaii's rampant food insecurity crisis impacting 1 in 3 residents in the state and 40% of residents of Hawaii Island.

SB 66 passed out of the Senate Committees on Housing and Judiciary. Although the bill currently only applies to single family homes, the hope is that any improvement in clearing permits with help with wait times for all permits by freeing up resources for more complex projects. HFIA submitted testimony asking that the time limit be applied all permits. This bill was introduced by Senators Chang, Favella, Gabbard, Hashimoto, San Buenaventura, and Wakai.

ELIMINATING GROCERY TAXES: A DIRECT PATH TO RELIEF

One of the most impactful ways to address food insecurity in Hawaii is to eliminate the General Excise Tax (GET) on groceries. Hawaii is one of just a handful of states that still taxes groceries at the full rate—a regressive practice that places a disproportionate burden on low- and middle-income households. The consequences of taxing essential goods like food are significant:

- **Higher food insecurity rates:** A 1% increase in grocery taxes raises food insecurity among low-income families by 0.84%.
- **Unfair burden on families:** Grocery taxes hit families with limited incomes the hardest, forcing them to spend a larger percentage of their earnings on food.
- **Economic opportunity lost:** States that exempt groceries have seen positive economic impacts. For example, Georgia's elimination of its grocery tax saved households \$691.4 million annually and created over 18,000 jobs, generating \$1.45 billion in economic activity by 2021.

Eliminating the GET on groceries would immediately reduce the cost of living for Hawaii's families, putting money back into the pockets of those who need it most. It would also create a fairer tax system while helping stabilize food costs in a state where prices are already significantly higher than the national average.

Some may argue that grocery taxes are necessary for revenue, but studies show that exempting groceries often leads to long-term economic growth that offsets short-term revenue losses. By prioritizing affordability and food security, Hawaii can create a more resilient and equitable system that benefits all residents.

SB 1043 was amended to remove the General Excise Tax (GET) increase and instead only exempt the sale of groceries and nonprescription drugs from the GET. This bill passed out of the Senate Committees on Health and

Human Services and Labor and Technology. Their report states that; "Committees find that tax equity is a cornerstone of economic prosperity. Your Committees further find that eliminating the general excise tax on groceries and nonprescription drugs, for example, could ease the tax burden on residents, especially lower-income households. Your Committees additionally find that money saved from a lower tax burden can be spent elsewhere in the local economy, creating a circular effect that will help many individuals and families statewide." This bill will need to be heard next in Ways and Means to stay alive. It was introduced by Senators Keohokalole, Aquino, DeCoite and Wakai.

SUCCESS STORIES: DA BUX AND SUN BUX

Last year, HFIA successfully secured funding for DA BUX and SUN BUX (formerly Summer EBT), two programs that are already making a difference. These initiatives make fresh, local produce more affordable for SNAP recipients while simultaneously supporting Hawaii's food supply chain.

LOCAL FOOD PRODUCTION

A strong agricultural sector is essential for food security and economic sustainability. HFIA is backing several measures to strengthen local food production, including:

- **HB774:** Establishing the Food and Product Innovation Network to support research, development, and commercialization of local food products.
- **HB452:** Expanding local meat processing capacity to reduce dependence on imports and bolster Hawaii's agricultural economy.
- **SB13:** Providing tax credits for aquaculture, encouraging the growth of this vital industry that supports sustainability and food self-sufficiency.

Additionally, we strongly support continued funding for the Hawaii Technology Development Corporation (HTDC), which provides critical resources for local manufacturers, including food producers.

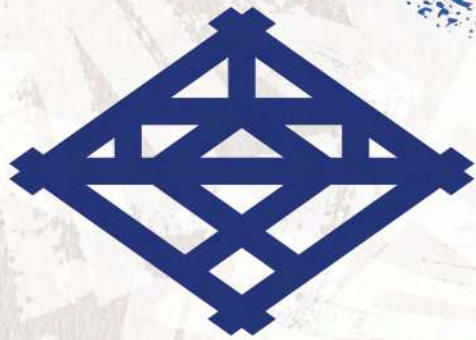
WORKFORCE DEVELOPMENT

Addressing the labor shortage remains a top priority for HFIA. To help businesses recruit and retain skilled workers, we are advocating for:

- Grants to support internships and apprenticeships.
- Workforce training programs to assist businesses in building a skilled and qualified labor pool.

These initiatives will ensure Hawaii's businesses have the support they need to grow and thrive.

continued on page 10



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WHAT THE NEW ADMINISTRATION MEANS FOR INDEPENDENT GROCERS IN THE YEAR AHEAD

BY GREG FERRARA, PRESIDENT AND CEO, NATIONAL GROCERS ASSOCIATION

The past several years has brought a host of policy wins for independent grocers. From progress toward anti-trust enforcement and credit card reform, to protection of federal nutrition programs, NGA's advocacy efforts have made historic leaps.

While we have been building momentum on these issues, there is still plenty to do. With the results of the latest presidential election, will this momentum continue?

Republicans scored a trifecta, winning not only the White House but also majorities in both chambers of Congress. This dynamic poses both opportunities and challenges for the independent grocery industry.

The Trump administration will likely seek to extend 2017 corporate tax cuts, in addition to the incoming president's pledge to eliminate taxes on tips, overtime and Social Security payments.

Republicans in power will likely mean an easing of regulations for all business. For grocery, we're optimistic that there's a strong chance of forestalling EPA's burdensome refrigeration rules and an extension

for compliance with FDA's FSMA 204. Additionally, a Trump administration may bring a rollback of labor rules, a less aggressive IRS and stronger enforcement of immigration regulations, which could mean labor challenges for a food sector finally rebounding from pandemic-related workforce issues.

Additionally, Trump's call for high tariffs on goods from China, Canada and Mexico could, according to several economists, drive up the cost of food ingredients, finished products and transportation. While this may prove to be challenging to grocers and consumers alike, NGA will continue to advocate for a fair marketplace where independent grocers can continue to thrive and offer their communities fresh, affordable choices in what they feed their families.

GOP influence over nutrition policy will likely impact grocers as well, particularly independent operators who serve SNAP recipients. Republicans have voiced support for cuts in SNAP and WIC funding in the next Farm Bill and greater restrictions on the types of food products that qualify for SNAP purchases, limiting consumer

choices, as well as a move toward providing harvest boxes containing preselected items. While concerning, NGA is prepared to work with incoming officials to educate them on the importance of choice for SNAP recipients and demonstrate the heavy burdens that SNAP restrictions and government intrusion would place on independent community grocers.

Agriculture and nutrition policy in the new administration would be guided by Trump's picks for those cabinet posts. At press time, his nominees were, for agriculture secretary, Brooke Rollins, who leads the conservative think tank America First Policy Institute and was acting director of the White House's Domestic Policy Council during Trump's first term; and Robert F. Kennedy Jr. for secretary of Health and Human Services, who has pledged to "Make America Healthy Again."

With confirmation of cabinet picks under way, a slim GOP majority in the House and much work still to be done, it remains to be seen exactly what the full impact of the new administration will be on our industry. But NGA has been preparing since Nov. 6 to work with leaders from both parties to ensure our industry has the tools and support to thrive. Likewise, independent grocers should maintain a close relationship with their hometown legislators, so they don't forget how local grocery stores help drive economic growth and continue to be at the heart of the community. ❁



LEGISLATIVE UPDATE continued from page 8

PREVENTING NEGATIVE IMPACTS ON THE INDUSTRY

HFIA carefully reviews and opposes bills that could harm Hawai'i's food and beverage industry. This session, we are focused on:

- **Deposit Beverage Program Changes:** We oppose measures such as SB184, which

would increase the deposit from 5 to 10 cents, and SB786, which would require more retailers to operate redemption centers. These changes impose significant costs on businesses and consumers without addressing inefficiencies in the current system.

- **Agricultural Land Ownership Restrictions:** HFIA is monitoring proposals that could restrict ownership of agricultural land, potentially reducing local food production and hindering investment in Hawai'i's agricultural sector.

- **Extended Producer Responsibility (EPR):** We are advocating for the inclusion of food industry and food safety expertise in EPR programs to ensure they are practical, effective, and do not impose undue burdens on businesses or further increase the price of food locally.
- **Sugar-Sweetened Beverage Fees and Labeling Requirements:** HFIA will oppose these measures if they are scheduled for hearings, as they would create additional costs and logistical challenges for businesses.

A STRONGER, MORE RESILIENT HAWAII

Addressing Hawai'i's food security crisis isn't just about survival. It's about building a future where families, businesses, and communities can thrive. Removing grocery taxes, funding critical programs like DA BUX, and investing in local infrastructure are essential steps toward a stronger, more self-sufficient Hawai'i.

Mahalo nui to our HFIA members and legislators leading this fight. ❁

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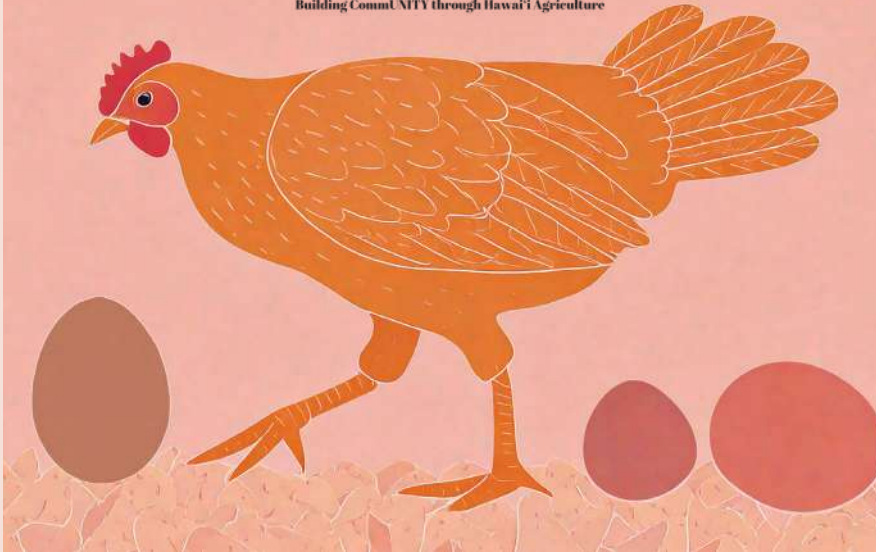


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Building CommUNITY through Hawai'i Agriculture

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BY CHRISTINE BRAMMER, EXECUTIVE AND PROGRAM DIRECTOR
AGRICULTURAL LEADERSHIP FOUNDATION OF HAWAII

In November of 2024, over 600 Hawai'i agriculture experts and enthusiasts gathered to participate in the 2024 Hawai'i Agriculture Conference (AG2024). The event which was hosted by the Agricultural Leadership Foundation of Hawai'i (ALFH), with support from the Hawai'i Department of Agriculture (HDOA), offered participants over 30 sessions connected to the theme

"Building CommUNITY through Hawai'i Agriculture." Recognizing the need for a more comprehensive approach to agriculture, conference planners encouraged the participation of both agricultural professionals and the broader community. The event offered attendees opportunities to learn from experts, share ideas, network, and work together to develop new strategies and solu-

tions for addressing agriculture's complex problems. Below is a sampling of AG2024 sessions and information on how you can find out more.

KEYNOTE PANEL

The conference began with a keynote panel entitled "*Breaking the Mold: Propelling systems change in agriculture and the community.*" Led by moderator Claire Sullivan, CEO of Farm Link Hawai'i, the panel included local representatives Keoni Lee, CEO of Hawai'i Investment Ready, and Bahman Sadeghi, Owner & CEO of Meadow Gold Dairies, alongside New Mexico Farmers Market Association representatives Alena Paisano and Michael Venticinqu. The panel discussion focused on fostering collaboration among stakeholders and working together to address systemic challenges while sparking innovation. Panelists emphasized that by considering the economic, social, and environmental factors that influence agricultural practices, we can develop more effective and sustainable solutions. They also touched on how community-based approaches can promote food security and improve economic outcomes across the sector.

CTAHR'S VISION FOR HAWAII'S AG FUTURE

Derek Kurisu, Executive Vice President of KTA Super Stores, moderated another session of interest, entitled "*CTAHR Deans' Vision on Shaping Hawai'i Agriculture's Future.*" During the session, Dean Parwinder Grewal and the Associate Deans of the University of Hawai'i College of Tropical Agriculture and Human Resources (CTAHR) shared their vision including strategies to boost crop productivity, develop new value-added products, and establish CTAHR's Agricultural Research and Extension Stations (CARES) as hubs of local innovation and community prosperity.

SUBSIDIES CAN TRANSFORM LOCAL FOOD

Participants of the session "*Leveraging Productive Subsidies: Strengthening Hawai'i's Local Food Economy and Healthy Communities*" had the opportunity to learn about the concept of productive subsidies and their transformative potential for enhancing Hawai'i's local food economy and improving community health outcomes as experts from New Mexico shared their experiences. Discussions centered around successful initiatives such as DA BUX, Produce RX, and Medicaid Waivers, which have demonstrated effective strategies in Hawai'i and beyond. Thanks to proactive advocacy from a broad coalition of supporters, including HFIA, funding for DA BUX was included in



The keynote panel captured the moment from their perspective.

PHOTOS BY BECKER COMMUNICATIONS COURTESY OF AG2024

HFIA was pleased to join many other advocates for DA BUX at the conference.



development program that brings together promising professionals from Hawai'i's diverse agriculture sector. ALP offers participants an in-depth look at Hawai'i's diverse agricultural system through in-person site visits that explore challenges and opportunities associated with agricultural operations; provide insights into the supply chain, transportation and value-added activities; and increase exposure to government policymaking and implementation. Participants take part in workshops that focus on leadership and skill development as well as activities that provide network building opportunities. Through ALP, participants develop the knowledge, tools and relationships to be more successful in their professional and community endeavors.

Since its inception in 1982, ALP has graduated over 200 leaders that are positively impacting Hawai'i agriculture and their communities. The 12 participants of ALP Class XVIII graduated at AG2024. ALFH will be recruiting for ALP Class XIX in spring of 2025. Find out more at agleaderhi.org.

ALP Class XVIII graduates included:

- Ramsey Brown, *Pono Pacific Land Management*
- Juli Burden, *Hawai'i Agriculture Research Center*
- Justine Kamelamela, *Keaukaha-Pana'ewa Farmers Association*
- Jin-Wah Lau, *GoFarm Hawai'i*
- Billy Lee, *Kamehameha Schools*
- Kimia Sadeghi, *Meadow Gold Dairies Hawai'i (HFIA Member)*
- Molly Mamaril, *O'ahu Economic Development Board*
- Christian Mathias, *Pioneer Hi-Bred International, Inc.*
- Faun Skyles, *Farm Link, Hawai'i*
- Justin Teixeira, *Mahi Pono, LLC (HFIA Member)*
- Austin Tom, *Kualoa Ranch*
- Bronson Yadao, *Kaua'i Coffee Company (HFIA Member)*

ALFH hosts the statewide agricultural conference approximately every two years, with the support of many partners and sponsors, to push, expand, and challenge private and public sector decision-makers to shape a vibrant agriculture industry in Hawai'i. Explore the conference website at hiagconference.org to view AG2024 presentations as well as information on past conferences. Selected sessions can also be viewed on 'Olelo Community Media and via 'OleloNet. Visit olelo.org to find out more. ❀

the State Budget last year. With state funding secured The Hawai'i Food Basket was recently awarded an \$8.4 million federal grant for the DA BUX program. Over the next 3 years, the DA BUX program will generate almost \$25 million in local food sales for grocers, farmers markets, and local food subscription services.

THE IMPORTANCE OF LOCAL EGG PRODUCTION

Avery Barry, Farm Manager of Waialua Fresh, joined other local egg producers in the session "Sunny Side Up: Local Egg Production in the Islands" to present market opportunities. Waialua Fresh plans to increase production of eggs from 300,000 per day to about 400,000 per day in 2025. As bird flu continues to negatively impact mainland egg producers, local egg producers have gained ground and are increasingly vital for Hawai'i's egg consumers. Waialua Fresh and other local egg operations are doing their best to ramp up production to meet local demand now and in the future.

GO BIG FOR AG

Some conference sessions focused on new initiatives or movements such as the HDOA's interactive session that gathered feedback on the new statewide call to action "Go B.I.G. for Agriculture," to BUY local products, INVEST in agriculture's development and GROW agriculture's capacity. The effort is aimed at ensuring that Hawai'i's agricultural sector thrives, adapts to future challenges, and contributes significantly to the state's broader goals for sustainability, food security and economic resilience, all while preserving Hawai'i's unique cultural heritage.

HEALTH THROUGH HEALTHY EATING

The "Food as Medicine" session offered attendees an opportunity to learn about the transformative "Food is Medicine" (FIM) movement. Local experts discussed how integrating local and nutritious food into

medical care can revolutionize healthcare, improve health outcomes, support local agriculture and promote food equity in Hawai'i. This session also gave insights into how food prescriptions can help individuals access more healthy food and bring Federal funding into Hawai'i's food systems.

SMALL FARMS BIG ROLE

Data-driven insights and first-hand perspectives on the diversity and characteristics of Hawai'i's small farms, and the potential they can play in Hawai'i's food security were discussed in the session entitled "How Big of a Role do Small Farms Play in Hawai'i's Agriculture?" Small farmers' needs, scalability, and contributions to production, revenue, and the community were highlighted. Farms with less than \$500,000 in annual revenue generate almost a quarter of Hawai'i's agricultural sales, and account for 97% of the approximately 6,500 farms in Hawai'i. ❀

ADDING VALUE ADDED PRODUCTS

One topic of interest to many in the agriculture sector is value-added production. Sen. Donovan Dela Cruz moderated the session entitled "Expanding Value-Added Production: With a little help from the State and hubs." Panelists, including Chris Bailey of the Waiaua Value Added Product Development Center, discussed how producers can serve the community and move their products to markets through collaborative efforts. Insights on successful value-added ventures, logistical aspects of distribution, and gaps in current value-added centers were discussed. Participants gained a clearer understanding of the available resources, the needs of different communities, and potential collaborations to enhance value-added production.

AGRICULTURAL LEADERSHIP

The Agricultural Leadership Program (ALP) is the signature training program of ALFH. ALP is a multi-disciplinary leadership

MEMBER NEWS



PHOTO COURTESY WAHIAWA VALUE-ADDED PRODUCT DEVELOPMENT CENTER

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WAHIAWĀ VALUE-ADDED PRODUCT DEVELOPMENT CENTER

Wahiawa VAP DC at the Fancy Food Show

The Wahiawā Value-Added Product Development Center (WVAPDC) proudly brought eight Hawai'i-based food companies to the 2025 Winter Fancy Food Show, highlighting the innovation, diversity, and rich flavors of the islands. As a hub for food entrepreneurs, WVAPDC

provides the resources and expertise to help local businesses scale and compete on a national stage. By connecting Hawai'i producers with buyers and industry leaders, WVAPDC continues to strengthen the state's value-added food sector and expand market opportunities



PHOTO COURTESY MOLSON COORS

Molson Coors donates \$100,000 toward Southern California wildfire recovery

The company's donation goes to multiple initiatives supporting first responders and service-industry workers impacted by the wildfires in Southern California.

The wildfires that broke out recently in Southern California have been some of the most destructive and costly in the area's history. While firefighters and first responders continue the work needed to contain many of the fires, Molson Coors has stepped up to help, donating \$100,000 in direct and in-kind assistance for relief efforts. The donation will go to several initiatives supporting first responders and service-industry workers. One of the programs is the California Restaurant Foundation's Restaurants Care, which offers financial support to restaurant and bar employees impacted by the wildfires.



PHOTO COURTESY KTA

KTA Opens New Pharmacy Location

The new stand-alone KTA Pharmacy, Pohnahawai, is located in Hilo at Ka Waena Lapa'au Medical Center. The location was built with community service as its goal.

"Our local community's health has always been a cornerstone of KTA's mission," said Megan Arbles, director of pharmacy operations. "KTA Pharmacy, Pohnahawai,

expands on that legacy by offering not only essential pharmacy services but also a space to promote healthy living through educational and local collaboration."

Unlike traditional pharmacies, KTA Pohnahawai Pharmacy goes beyond dispensing medications. The pharmacy offers a wide array of services, including:

- Comprehensive immunization services, including flu, COVID-19, and other recommended vaccines.
- Diabetes Education: Prevention and self-management classes to support individuals in managing their health and diabetes.
- Convenience Store: Fresh grab-and-go meals and grocery items from local vendors such as Honda Foods, Oy's Thai iFood, Hanatako, and Oshiro Tofu, along with health and beauty products, beverages, and snacks.
- Medication Services: Prescription refills, transfers, and synchronization to streamline patient medication management.

Pharmacy is led by pharmacy manager Ne-necole Miyazaki who earned her PharmD at the University of Hawaii-Hilo Daniel K. Inouye College of Pharmacy. Convenience store operating hours are Monday through Friday 7am - 5pm and pharmacy hours are Monday through Friday 8am to 5pm.

MEMBER NEWS continued

Foodland Launches New Maika'i Wines

Last December Foodland introduced their new exclusive line of Maika'i wine. The wines were created in partnership with Langtry Farms, a family-owned California based vineyard. The collection includes four distinctive varieties: Cabernet Sauvignon, Chardonnay, Pinot Noir, and Sauvignon Blanc. The four varieties are all true to type and perfect for connoisseurs, or those just starting to learn about the joys of wine. The wines are available at Foodlands, Foodland Farms, Sack N' Saves, and Kahala Market.



PHOTO COURTESY FOODLAND

NEW MEMBERS



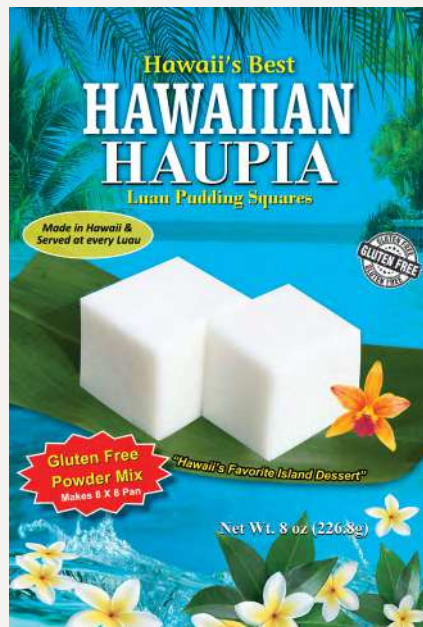
RICHARD'S MARKET LANAI

Richard's Market is a grocery store located in the heart of Lanai City. Since 1946, the market on Dole Square has been a staple for residents and visitors, offering fresh produce, meat, seafood, pantry items and more. Today, customers enjoy a selection of prepared foods, gourmet wine, a poke counter and sundries. Visit this one-stop shop for grab-and-go meals, drinks and your everyday grocery needs.



SIMPLY FOOD

SimplyFood's ERP software empowers food and beverage manufacturers to boost profitability with powerful tools for managing production, inventory, recipes, compliance, and more—all within a single, integrated system. Designed to address the unique challenges of higher overhead costs in the Hawaiian region, SimplyFood offers an intuitive and affordable alternative to traditional manufacturing systems. Our solution delivers much-needed automation to streamline operations, improve traceability, and maximize efficiency. Powered by Acumatica, SimplyFood is excited to partner with the HFIA community to support the growth and success of Hawaii's vibrant food and beverage industry.



HAWAII'S BEST HAWAIIAN HAUPIA

Hawaii's Best Hawaiian Haupia is a small family owned food manufacturing company that manufactures Hawaii local traditional desserts and savory meals into easy to make powder mixes. Our desserts mixes include local favorites like Butter Mochi (7 varieties), Haupia, Kulolo, Creamy Coconut Bread Pudding, Creamy Coconut Pancake, Creamy Coconut French Toast, Coconut Tapioca, Coconut Syrup, Filipino Biko, Mochiko Chicken, and Shoyu Chicken. Our mixes has become a household favorite and a very popular Omiyage/gift shared around the world.



VALLEY ISLE KOMBUCHA

Valley Isle Kombucha is crafted with optimum health in mind, ensuring that every bottle delivers the highest quality kombucha available. Each flavor is meticulously brewed using the freshest, purest ingredients sourced directly from the islands of Hawaii. Our commitment to quality means that every sip you take is 100% organic and completely NON-GMO. Our flavor combinations are not only wild and exciting but also uniquely creative, setting us apart from other brands in the market. With Valley Isle Kombucha, you'll experience a taste that leaves the competition a step behind, all while enjoying the health benefits of a premium, organically crafted beverage.



ONO KONA TREATS

Ono Kona Treats was established in 2020, in Holualoa, Hawaii. We freeze dry premium and custom made Ice Creams, Sandwiches and Bars along with candies, marshmallows and other food products. Our focus on quality and the use of premium ingredients and products sets us apart from other sellers.

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CONGRATULATIONS TO LAUREN ZIRBEL, HFIA PRESIDENT, ON RECEIVING PACIFIC BUSINESS NEWS' HAWAII'S MOST ADMIRABLE LEADERS AWARD

We are proud announce Lauren Zirbel, President of the Hawai'i Food Industry Association, was selected as one of Hawai'i's Most Admired Leaders by Pacific Business News. Lauren's impactful work with HFIA has bolstered Hawai'i's food security and resilience, securing significant funding for programs like DA BUX, which doubles SNAP recipients' purchasing power for local produce, and SUMMER EBT, bringing \$20 million annually to combat childhood hunger.

In 2023, Lauren swiftly pivoted the Made in Hawai'i Festival to raise nearly \$60,000 for Maui wildfire relief in just one week. This year, she led the Festival to new heights, with 70,000 attendees, 700 vendors, and \$10 million in sales for local businesses. Her collaboration with state and federal agencies ensures Hawai'i's unique food needs are met, especially during natural disasters.

Please join us in celebrating Lauren Zirbel's dedication to building a resilient, sustainable future for Hawai'i's food industry. 🌿



2025 QUICK TAX AND FINANCIAL UPDATE FOR BUSINESSES

BROUGHT TO YOU BY MUN CPAS AND TERRAMAR WEALTH

2025 TAX CHANGES

- Potential higher taxes coming for most of us in 2026 if Congress fails to act.
- Top rate back to 39.6 vs 37 now.
- Section 199a deduction goes away.
- Estate tax exemption per person drops from 13 million today to 7-8 million.
- Pass through entity tax elections/benefits would also go away.
- If congress doesn't act to keep our current tax structure around past 12/31/25 it will revert back to what it was prior to 1/1/18.

BUSINESS OWNERS/LEADERS LOOKING TO REDUCE TAXABLE PAY

- Owners or key employees who seek a tax deduction of more than \$50,000 OR make more than \$300,000 per year
- Highly profitable companies of all types and sizes
- Food, Manufacturing, Hospitality, CPA and law firms, medical groups and professional firms

OUTLOOK FOR 2025 AND BEYOND

Staying pro-risk

Confidence in U.S. corporate strength due to forces like AI driving corporate earnings

AI EVOLUTION

Build out phase of AI, massive investment in data centers, chips and power systems

INTEREST RATES

Persistent U.S. inflation, interest rates on both short and long end higher for longer

BOTTOM LINE EXPECTATIONS

- U.S. growth moderates
- But corporate profits remain strong
- AI led equity rally continues but at a more moderate pace than we've seen the last couple of year
- U.S. stock rally broadens out beyond the tech sector
- Opportunities in Private Credit as base rates remain high, economy still on solid footing
- Fed funds rate and longer-term bonds yields to remain higher for longer

Want more information?

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GROCERY BRINGS YOUR FAVORITE RESTAURANT FOOD TO YOUR KITCHEN

BY ALEXIS CHAPMAN

There are so many reasons to enjoy a stop at your favorite restaurant; the ambiance, the service, and of course having someone else do the cooking. But increasingly, to get restaurant food you don't have to go to a restaurant. Innovative food manufacturers and retailers are finding more and more ways to put restaurant and



Plant based raviolis at Down to Earth.

ALL KINDS OF CUISINES ARE WITHIN REACH ON GROCERY SHELVES

Not so long ago if you wanted fresh pasta you had to make it from scratch or go to an authentic Italian restaurant. A few specialty markets in major cities carried some fresh pasta but most home cooks only had access to dried boxed pasta at their supermarkets. Then Buitoni and some other companies saw the market potential in fresh pasta and began to sell it at major grocery chains and suddenly anyone could enjoy real fresh pasta at home. The market for fresh pasta exploded. Now shoppers even in rural areas can expect to find fresh spaghetti and fettuccine and huge variety of fresh filled pastas with accompanying sauces in the grocery store.

A number of other food categories that used to be the exclusive domain of restaurants have followed suit. In recent years fresh made guacamole and pico de gallo along with house made tortilla chips are sometimes the first thing you see when you walk in your local supermarket. Buttery brioche and croissants are waiting in the grocery bakery aisle. Another category increasingly popping up on supermarket shelves is boba. At most cafes or restaurants boba drinks start at around \$5 and go up from

there. But boba loving shoppers can get premade drinks or ingredients to make their own at a fraction of the cost at supermarkets like Waianae Store.

Eating dumplings used to mean either mastering a tricky recipe or going out. Now shoppers can get potstickers, xio long boa, and even manapua at the grocery store. And dumplings are just the tip of the iceberg when it comes to restaurant style, and restaurant quality food available in the freezer section.

YOU CAN EAT AT HOME AND STILL HAVE A CHEF DO THE COOKING

Celebrity Chef Gordon Ramsay once famously said he saw no reason to eat frozen food when it's so easy to make a fresh meal. Evidently, he figured out what a lot of home cooks already knew, frozen foods can be a great convenient option. Ramsay released a line of frozen foods in 2023 featuring his take on traditional English dishes like pot pie and fish and chips. Ramsay is far from the only celebrity Chef to lend their recipe and their name to a supermarket dish. Guy Fieri and Andrew Zimmer both have a variety of meals on offer in the frozen food aisle.

Emeril Lagasse might be the most prolific grocery store chef. In addition to a line of frozen foods he has branded salsas and sauces, pantry staples, frozen seafood, coffee, chips, and seasonings. Our local celebrity Chef's have opted to be more exclusive in what they put their names on. Sam Choy does not have any branded food products, but has partnered with Hawaii Coffee Company on several coffee blends. Similarly, Honolulu Chefs Wade Ueoka and Michelle Karr Ueoka of MW Restaurant have lent their expertise to create MW Coconut Chai from Island Essence.



The extensive boba section at the Waianae Store.

QUICK SERVICE RESTAURANTS BRAVE THE GROCERY SHELF

It's not just high end restaurateurs branding retail foods. A number of quick serve and fast food chains have seen the benefits of expanding their brands to the grocery shelf. Before we had Chick-fil-A in Hawai'i, residents could still enjoy some of their signature flavors because Chik-fil-A bottled sauces were available at several Hawai'i food retailers. We still don't have a Panera Bread location in the state, but you can get Panera Bread mac and cheese, salad dressing, soup, and even Panera Bread bread at grocery stores in Hawaii.

For restaurants like Panera that don't exist in certain markets the benefit of selling products via retail is clear. But for places like Starbucks that have their own locations close to, or even in grocery stores, it can seem risky to take their brand in the retail direction. Expanding to the grocery store can mean quality compromise; for certain products it can be hard or impossible

to exactly replicate restaurant processes at home. Grocery also has the potential to draw customers who have the retail version at home away from the restaurant, seemingly putting the brand in competition with itself. But it's a calculated risk. After over two decades selling in grocery stores Starbucks still maintains their brand identity and market dominance.

For customers what all this means is more options. You can have Starbucks at home, or at Starbucks, you can get boba at the boba place or in your kitchen, and if you can't have a Gordon Ramsay or Panera Bread restaurant in your town, your local grocery store still has you covered. ☘





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BY LAUREN ZIRBEL



We all intuitively know that our state is the least business-friendly state in the nation – we see it in the national rankings, and we feel it when we pay our taxes. But the truth is, things are so much worse than most people realize. Hawai'i imposes both a corporate income tax (6.4% top rate) and a General Excise Tax (4.5% flat rate on gross receipts). Some other states impose a Gross Receipts Tax, however GRT taxes are much lower and usually only apply to income over a few million dollars. Hawaii taxes every cent at by far the highest gross receipts tax rate in the nation. Despite being a gross receipts tax, it isn't reviewed that way by the national ranking system at the Tax Foundation, making our ranking much higher than it should be. Gross Receipts Taxes (GRT) are a blunt instrument that create extreme disadvantages for companies with high expenses and thus low margins like our industry. Most states with GRT taxes don't have a corporate income tax. For example, in Nevada the Commerce Tax is imposed on businesses with a state gross revenue exceeding \$4 million per fiscal year. Nevada

does not have a corporate income tax. The amount of tax used is based on your business category but ranges from 0.05% and 0.3%. In Texas If your annualized revenue is \$2,470,000 or less then you will owe no tax on their GRT and the amount over that amount is taxes at .375% - .75% depending on your industry. Texas has no corporate income tax. It's a similar story for almost all other GRT states. We hear the same refrain from politicians that the GET is a "low rate"; for a GRT, which is what it really is, it is extremely high compared to every other state. No other state comes close. To make matters worse this tax was increased another .5% (this increase is higher than most other GRT's total rates.) There is no end in sight.

The Legislature passed Act 142 last year, creating the Business Revitalization Task Force within the Department of Business, Economic Development, and Tourism (DBEDT). The task force was established to identify ways to improve Hawai'i's economic competitiveness and business climate, including addressing regulatory and tax burdens. I am honored to represent the food and beverage industry on this task

force and advocate for the changes needed to strengthen local businesses.

Since task force meetings began in December, I've collaborated with DBEDT to produce detailed reports to guide our efforts with actionable data. These reports will help us examine:

- **Business Taxation and Fees:** How to make changes that bring down Hawaii's excessive tax collection rendering the state a very difficult place to live and work.
- **Permitting Process and Regulatory Delays:** Address multi-year permitting delays by implementing proven solutions from other states, such as mandatory 30-day approval timelines coupled with post-approval audits to ensure compliance. This reform would generate billions

STATE TAX COMPARISON REPORT: Retail Business with \$500,000 in Revenue and \$450,000 in Expenses

This example evaluates the tax burden for a retail business operating in various states, comparing states with gross receipts taxes (GRTs) and corporate income taxes (CITs). The goal is to illustrate why Hawai'i imposes one of the most burdensome tax systems for businesses due to its General Excise Tax (GET) and corporate income tax, which result in double taxation. For medium to low margin businesses, our tax system is much harsher than other high tax states like New Jersey which has the highest corporate tax rate in the nation.

COMPARISON OF TAX LIABILITIES ACROSS STATES

STATE	GET/GROSS RECEIPTS TAX (GRT)	CORPORATE TAX	TOTAL TAX LIABILITY
Hawai'i	\$22,500	\$2,450	\$24,950
Ohio	\$0	\$0	\$0
Nevada	\$0	\$0	\$0
Texas	\$0	\$0	\$0
Colorado	\$0	\$2,125	\$2,125
Washington	\$2,355	\$0	\$2,355
California	\$0	\$4,420	\$4,420
New York	\$0	\$3,250	\$3,250
Maine	\$0	\$1,750	\$1,750
Montana	\$0	\$3,375	\$3,375

TOBACCO LAW: WHAT YOU NEED TO KNOW

Chapter 245, Hawai'i Revised Statutes

Wholesalers, dealers, and retailers of
electronic smoking devices and e-liquids

This law affects your business & business taxes

The Hawai'i State Department of Taxation requires:

Wholesalers/Dealers to:

- ✓ Acquire a tobacco license
- ✓ File a monthly tax return
- ✓ Report monthly shipments
- ✓ Pay an excise tax of 70% of wholesale pricing

Retailers to:

- ✓ Obtain a retailer tobacco permit (for each retail location)

For more information, visit
<https://ag.hawaii.gov/cjd/files/2023/06/ACT-62-FAQ.pdf>



"Tobacco product" now includes:



Electronic Smoking Devices
(ESDs, e-cigs, vapes, etc.)



E-Liquids
(vape juice, pods, etc.)

in additional state and county revenue through increased economic activity and higher property tax collections. It would also save consumers and businesses billions by reducing loan interest payments, minimizing losses from delayed occupancy or operations, and lowering construction costs. Most importantly, it would help lower housing prices statewide by boosting housing supply and cutting the costs of building a home.

- **Tax Revenue from SNAP-Eligible Groceries:** Examine the impact of tax policies on affordability for local families, leveraging existing studies that highlight the strong connection between grocery taxes and increased food insecurity.
- **Cost of Living Drivers:** Examine the key factors contributing to Hawai'i's high cost of living, including lengthy permitting delays that inflate housing costs, the nation's highest electricity rates, elevated shipping expenses, and the compounding impact of the General Excise Tax (GET) and corporate taxes on consumer prices.
- **Tax Revenue Utilization:** Ensure state revenue is allocated to initiatives that

drive economic growth, prioritizing programs with measurable impact and accountability, while avoiding funding for unsustainable or ineffective initiatives that provide limited benefit to the general population.

- **Food Insecurity and Workforce Migration:** Explore how food insecurity contributes to workforce challenges and drives outward migration, including the exodus of Hawai'i workers to states like Nevada and Washington—states that offer lower living costs through the absence of income tax, corporate tax, and grocery taxes.

The departure of medium to large food and beverage manufacturing companies from Hawai'i is one of our most pressing concerns. This sector is essential to the state's resilience, supporting local farmers, creating jobs, and reducing reliance on imported goods. Unfortunately, the high cost of doing business in Hawai'i—driven by the General Excise Tax (GET), corporate taxes, regulatory burdens, soaring utility costs, and the high cost of living for employees—has made it increasingly difficult for these businesses to survive and thrive. Once you sit down and analyze how much money you

can save by moving your business it's hard to justify staying in Hawai'i.

To reverse this trend, the task force must explore bold, transformative solutions. Eliminating permitting delays that drive up the costs of goods and housing, addressing Hawai'i's unique dual-tax burden of both GET and corporate taxes, and removing GET from essential items like groceries are critical steps toward improving the state's business climate. These measures would help stem the outward migration of employees and businesses, stabilizing the economy and fostering growth.

While Hawai'i's challenges are complex, they are not insurmountable. By embracing innovative solutions and fostering collaboration, we can build an environment where local businesses thrive, the food and beverage manufacturing sector grows, and residents can afford to stay and build their futures in Hawai'i.

We remain committed to advancing this critical work. With your support and our collective determination, I am confident we can create a stronger, more sustainable future for Hawai'i. ❁

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