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## HAWAII FOOD INDUSTRY MAGAZINE

*Hawaii's Food Industry Magazine* is a quarterly publication of the Hawaii Food Industry Association

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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

Aloha HFIA Members,

I'm excited to have begun my term as Chair! I'm looking forward to picking up the work of my predecessors who have done such a great job steering this organization. Being Chair of HFIA is such a unique opportunity to connect with food industry colleagues in new ways. I see my role as chair as a great chance to listen, to find new ways to come together, and to improve.

There is a lot I am looking forward to this year. The 31st Annual Made in Hawaii Festival is coming up and I know I'll see many of you there as vendors and at Buyers Hours. This is such a special event, not just for our Association but for our entire state. More info is on page 22.

We'll also be having a New Member Pau Hana this October, which will be a way to help new members and potential new members get to know existing members and learn about all that HFIA

has to offer.

As many of you know, the food industry is facing some new challenges; Federal spending cuts will hit the agricultural sector and food assistance programs hard, at a time when food insecurity in our state is already at alarmingly high levels.

I believe our Association is important all the time, and the ability to work together for the good of our industry and the people we serve is always valuable. But in times like these, I know HFIA is absolutely essential. Our ability to come together and collaborate as we seek to overcome these challenges, our unified voice as we advocate for our businesses and the people we feed, and our commitment to our mission are vital. The purpose of our Association is "to improve conditions in the Hawaii food and beverage industry by actively promoting the strength, sustainability and resilience of Hawaii's food and beverage retailers and suppliers through highly ef-



fective advocacy, networking, education, and industry and community relations." I know that no matter what challenges we face we can continue to advance that mission together.

Mahalo!

Kit Okimoto  
HFIA Chairman  
CFO, Okimoto Corp.



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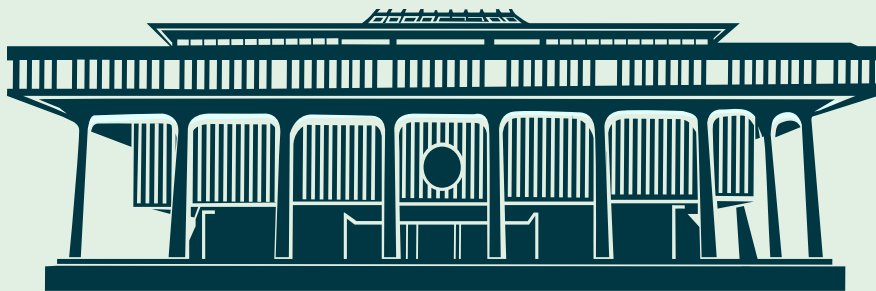
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## HAWAI'I SNAP RECIPIENTS FACE STRICTER RULES AND FROZEN BENEFIT GROWTH UNDER NEW FEDERAL LAW

BY LAUREN ZIRBEL

**O**n July 4, 2025, President Donald Trump signed into law the One Big Beautiful Budget Act (OBBBA), a sweeping tax and spending package that enacts major structural changes to the Supplemental Nutrition Assistance Program (SNAP). These changes will impact millions of Americans, including the more than 170,000 Hawai'i residents who rely on SNAP for basic food support.

While some harmful proposals were moderated before the bill's final passage, the enacted law still represents a fundamental shift in how SNAP operates—shifting more financial and administrative responsibility to states, increasing requirements for recipients, and limiting the program's ability to keep up with rising food prices.

### CHANGES TO HOW BENEFITS ARE CALCULATED

One of the most significant changes is the restriction placed on updates to the Thrifty Food Plan (TFP)—the formula used to calculate SNAP benefit levels. Under previous law, the TFP could be reevaluated every five years to better reflect updated food cost data and dietary guidance. But under OBBBA, future changes to the TFP must now be "cost-neutral," meaning the USDA cannot revise the formula in a way that increases benefit amounts beyond basic inflation adjustments.

In high-cost states like Hawai'i, where grocery prices are consistently 50–60% higher than the national average, this change will likely mean that benefit levels

stagnate even as local food costs rise. Over time, this could significantly erode the purchasing power of SNAP recipients, making it harder for families to afford nutritious food.

### EXPANDED WORK REQUIREMENTS

These changes are expected to result in greater administrative complexity for states and may make it harder for some recipients—especially older adults and low-income working families with children—to maintain consistent access to food assistance.

### NEW STATE COST-SHARING REQUIREMENTS

Another key provision of the law is a requirement for states to share in the cost of SNAP benefits if their payment error rates exceed 6%. In those cases, states could be required to pay up to 15% of the benefit cost, a significant shift from the program's previous structure, in which the federal government covered 100% of benefits.

While Hawai'i and Alaska received a two-year carve-out from this cost-sharing mandate, they are not permanently exempt. During the carve-out period, both states must demonstrate improvements in error rates or risk being subject to these new fiscal responsibilities.

The law also reduces the federal match for SNAP administrative costs from 50% to 25% by FY2028, further increasing the funding burden on states.

CONTINUED ON PAGE 10



Lauren Zirbel joined staff from Hawaii Food Basket with Representative Chris Todd, Toby Taniguchi and Steven Ueda in Hilo.

## HFIA MEETING ON FOOD INSECURITY

This summer HFIA convened a meeting in Hilo with the new Chair of the House Finance Committee, Representative Chris Todd. HFIA Executive Director Lauren Zirbel was in attendance with HFIA Members Toby Taniguchi of KTA Super Stores and Steven Ueda of Suisan, and Hawaii Food Basket Staff. The discussion focused on the realities of the state's high levels of food insecurity, especially on the big island where as many as 40% of residents are grappling with food insecurity. Some of the ways that the state could address this issue were brought up including increased funding for DA BUX, consideration of a reduction in GET tax on groceries, and the potential of passing a bill to have the state address the benefits cliff for SNAP by contributing additional funds. While there may not be a perfect consensus on a single response to this issue, HFIA is confident that all parties share the goal of working together to reduce food insecurity in our state. We're looking forward to continuing this conversation and this effort with our members and at the State Legislature in 2026.





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LEGISLATIVE UPDATE continued from page 8

### IMPLICATIONS FOR HAWAII

For Hawai'i, where many families already struggle with high costs of living and geographic isolation, these changes may lead to:

- Reduced real value of SNAP benefits over time
- Increased difficulty maintaining eligibility for working families and older adults
- More pressure on state agencies to manage complex rules and avoid penalties
- A growing need for community-based support to fill gaps

### FEDERAL ENGAGEMENT

Following the 2025 HFIA Convention, I traveled to Washington, D.C. to meet with Hawai'i's congressional delegation and advocate for the protection of SNAP and support for Hawai'i's food system. I also participated in virtual meetings alongside Paul Kosasa of ABC Stores and Kit Okimoto of Okimoto Corp., reinforcing our shared concerns about the impact of federal changes on local food access.

### LOOKING AHEAD

HFIA will continue to monitor the implementation of this new law and work with local and national partners to ensure Hawai'i's interests are represented. We are also encouraging state lawmakers to consider complementary policy solutions, such as:

- Developing a state-funded SNAP supplement to address the "benefits cliff"
- Exploring a General Excise Tax (GET) exemption on groceries to reduce food costs
- Continuing investments in local food incentive programs like DA BUX
- Strengthening capacity at the Department of Human Services to meet evolving SNAP rules

### CONCLUSION

The One Big Beautiful Budget Act marks a significant turning point for SNAP. The final law imposes new burdens on recipients and states, and curtails the program's ability to grow with rising costs. In a state like Hawai'i—where food insecurity is compounded by high prices and geographic barriers—these changes will require thoughtful local responses to protect vulnerable families and ensure access to affordable, nutritious food.

HFIA remains committed to advocating for strong food access policies that reflect the realities of Hawai'i's communities and build a more resilient local food system. 🌱



A vibrant border of tropical items including coffee beans, avocados, mango, pink plumeria, a pineapple, and various green leaves frames the central text.

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# FIXING HAWAII'S BROKEN PERMITTING SYSTEM: A ROADMAP FOR REFORM

BY LAUREN ZIRBEL

Hawaii's permitting and regulatory system is delaying progress and driving up costs across every sector—from food processing and retail to housing and manufacturing. In Honolulu, a building permit takes an average of 400 days, far exceeding the national average. This delay is more than an inconvenience—it's a multi-billion-dollar drag on the economy.

According to a 2025 UHERO and DBEDT analysis, Hawaii's permitting bottlenecks cost the state approximately \$3.5 billion annually in delayed construction, lost private investment, and foregone tax revenue. In Honolulu alone, over \$1 billion in unissued permits represent millions in lost city revenue and thousands of jobs that never materialized on schedule.

It doesn't have to be this way. Other states and counties have implemented reforms that drastically improve permit timelines without sacrificing quality or public accountability. We can too—if we act now.

## PROVEN SOLUTIONS AND IMPLEMENTATION STRATEGIES

### 1. Create Cross-Agency Permitting Hubs

**Problem:** Applicants must navigate multiple disconnected agencies.

**Solution:** Establish centralized permitting centers allowing applicants to submit one coordinated application.

**Implementation:** Begin with a pilot program at the state level (DBEDT or HTDC) and provide it with legal authority to coordinate across departments. Assign case managers and adopt a single-track review system similar to New York's Office of Renewable Energy Siting.

### 2. Enforce Timelines with Real Deadlines

**Problem:** Permits languish without statutory deadlines.

**Solution:** Implement statutory "shot clocks" (e.g., 60–90 days) for reviews, with automatic escalation or conditional approval.

**Implementation:** Codify timelines into law with mandatory tracking and public reporting. Use models from Texas (HB 14) and Colorado's 2025 SB 305.

### 3. Allow Professional and Third-Party Certification

**Problem:** Minor projects get stuck behind complex reviews.

**Solution:** Allow licensed professionals or pre-qualified third-party reviewers to certify compliance.

**Implementation:** Establish a registry of approved certifiers and define eligible permit types. Use spot audits to ensure accountability.

### 4. Strengthen Automatic Approval Laws

**Problem:** Agencies exploit loopholes in HRS §91-13.5 to delay applications indefinitely.

**Solution:** Amend the statute to prohibit agencies from tolling deadlines without applicant consent and ensure automatic or escalated approvals when deadlines lapse.

### 5. Repeal the Beverage Audit Mandate

In 2022, the Legislature enacted HRS §342G-121.5, which requires all deposit beverage distributors—including virtually all grocery

retailers—to obtain independent third-party audits for every fiscal year ending in an odd number. The first audit is due by September 30, 2026, covering FY2025.

These audits must:

- Assess whether reported deposit beverage container (DBC) volumes comply with the program, and
- Reconcile reported container volumes with sales or vendor documentation.

While intended to enhance accountability, this blanket requirement imposes costly, duplicative burdens on thousands of local businesses—regardless of size, risk level, or past compliance. We recommend repealing the "Independent Audits" section of the statute and instead directing the Department of Health to use targeted, risk-based audits that prioritize high-volume or high-risk entities.

## WHY IT MATTERS

- Businesses will open and expand faster, generating tax revenue and creating jobs.
- Consumers will benefit from faster access to housing, food, and services.
- Government resources will be focused where they matter most.

This isn't about eliminating oversight—it's about modernizing government. The Legislature and counties must act to reform outdated laws, reduce duplicative reviews, and provide timely decisions that support Hawaii's economy.

Let's remove the barriers and let Hawaii build. ❖

## ACT 295 FOR EXPEDITED PERMITTING

This session HFIA supported SB66 which was passed and signed into law as Act 295. It establishes procedures and requirements for single-family and multi-family housing project applicants to apply for an expedited permit, including requirements for completeness of expedited permit applications, duties of licensed professionals and the counties during construction, and applications for owner-builder exemptions. Takes effect 7/1/2026.



# INDEPENDENT BENCHMARKS FINDINGS IN 2024

BY GREG FERRARA, PRESIDENT AND CEO, NATIONAL GROCERS ASSOCIATION



IMAGE BY MOD/ADOBE STOCK

**A**s the door has closed on fiscal year 2024, independent grocers continue to find themselves navigating a retail landscape shaped by shifting consumer habits, macroeconomic headwinds, and relentless cost pressures. Grocery inflation may have moderated, but for shoppers, it was a year of stretching every dollar.

Consumers increasingly chased promotions, skipped non-essentials, and hunted for value across channels. Transactions per store per week increased to an average of 8,609, which is evidence that while the cart may be smaller, the search for deals is fierce.

Independent grocers, often operating on razor-thin margins, stepped up to meet the moment. Nearly all (95%) ran promotional circulars, with a growing emphasis on digital platforms and apps to reach value-driven shoppers. Only about a third continue mailing printed ads to households, underscoring the shift toward more efficient and responsive marketing.

But meeting demand wasn't without cost. Labor challenges intensified, particularly among part-time staff, with turnover reaching 40.7%—and even higher among multi-store operators at nearly 56%. Fewer than half of stores adopted self-checkout, a reminder that not all technology investments are right-sized for every operator.

Store assortments held steady at about 28,000 items. Inventory turns ticked up, but so did shrink, reaching 3.5% across categories, a number grocers cannot afford to ignore. E-commerce remained a small part of the business—just 1% of sales—but offered a silver lining with larger average baskets (\$105 online vs. \$34 in-store).

The story of 2024 is one of intense focus on expense control and margin management. Grocers managed to keep total store margins flat at 27.4%, but rising costs pushed total expenses to 25.8% of sales, up nearly two percentage points from 2023. Labor and benefits, the two largest expenses, surged to a record-high 16.3% of net sales. Credit card fees, utilities, and insurance all piled on additional pressure.

Yet the industry's resilience shone through. While overall sales grew 1.3%, that growth masked sharp contrasts beneath the surface. Multi-store operators posted modest gains of 2.2%, while single-store operators saw sales decline by 0.8%.

Profitability also told a tale of two worlds. The average net profit edged up to 1.9%, but this too was split: multi-store operators averaged 2.03%, while single-store operators earned just 1.18%. EBITDA trends echoed this divide, with one-store grocers seeing a sharp drop to 1.52%, compared to a slight uptick to 3.28% for their higher-volume peers.

The best performers in 2024, the top 25th percentile in profit growth, offer a blueprint for the road ahead. These grocers averaged 6.2% net profit, far outpacing their peers. They achieved this through disciplined margin control, reinvestment in the business, and a sharp

focus on fresh foods, a key driver of both traffic and profitability. Many also strategically paid down long-term debt and made smarter use of assets, improving their financial footing even amid uncertainty.

At its core, fiscal year 2024 highlighted the grit and adaptability of Main Street grocers. Even as economic pressures mounted, these businesses remained focused on their mission: serving communities with quality food, meaningful jobs, and unmatched local service. The path forward won't be easy, but independent grocers have shown they can chart it with innovation, efficiency, and heart. ❄️



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HFIA's 2025 Convention Panel brought together Legislators, industry leaders, and food insecurity experts to tackle tough topics. From left: Derek Kurisu, Senator Tim Richards, Jessica Morris, Marielle Terbio, Kristen Frost Albrecht, Representative Sean Quinlan, Kit Okimoto, Lauren Zirbel, Senator Glenn Wakai.

# HFIA 2025 CONVENTION PANEL

**A Necessary and Challenging Conversation on Food Insecurity, Economic Resilience, and Hawaii's Food Systems**

BY ALEXIS CHAPMAN

This year we were pleased to welcome panelists to discuss a topic that is urgent and very top of mind for our industry, "Food Insecurity, Economic Resilience, and Hawaii's Food Systems." Derek Kurisu of KTA Super Stores once again took on the role of moderator for this important discussion. Our panelists included:

- Representative Sean Quinlan, *Hawaii State House of Representatives Majority Leader*;
- Senator Tim Richards, *Chair of the Senate Committee on Hawaiian Affairs, and Vice Chair of the Senate Committee on Agriculture and Environment*;
- Senator Glenn Wakai, *Chair Energy and Intergovernmental Affairs, and Vice Chair of the Senate Committee on Economic Development and Tourism*;
- Kristen Frost Albrecht, *Executive Director Hawaii Food Basket*;
- Marielle Terbio, *Vice President of Strategy and Programs, Hawaii Foodbank*;
- Kit Okimoto, *CFO Okimoto Corp. HFIA Incoming Chair*; and
- Jessica Morris, *Down to Earth Kakaako Store Manager*.

## A UNIQUE CHALLENGE REQUIRES UNIQUE SOLUTIONS

Hawaii's food system stands apart from the rest of the nation—both in its promise and its pressing challenges. As a state composed of eight islands and dependent on imports for approximately 80–90% of its food, Hawaii must navigate complex issues that are intensified by geographic isolation, high energy costs, and rising food insecurity. Moderator Derek Kurisu opened the session by highlighting the state's geographic reality: "Unlike other states, Hawaii is made up of islands, surrounded by water—making our food system uniquely challenging." But within those challenges lie



immense opportunities.

Senator Glenn Wakai emphasized the underutilized potential of Hawaii's oceans. "We are too focused on terrestrial agriculture. It's important, but the ocean holds immense opportunities for food production—from fish to seaweed like limu," he said, noting that only three state employees currently focus on aquaculture.

## BUILDING A RESILIENT LOCAL FOOD SYSTEM

For many panelists, strengthening Hawaii's local food system starts with investing in infrastructure. Senator Tim Richards, a rancher by trade, stressed that farmers and ranchers already have a market—they just need better tools to get their products to consumers. "Infrastructure, infrastructure, infrastructure," he emphasized. "Interisland transport is hard. We need to get more dollars to the farmers and ranchers."

Jessica Morris, store manager at Down to Earth Kakaako, echoed this sentiment. "Fifty percent of our produce is local, but it's a challenge. Rising costs—of food, housing, labor—make it harder for both consumers and food businesses. Infrastructure is key."

Innovative Programs and Persistent Gaps

Kristen Frost Albrecht, Executive Director of The Hawaii Food Basket, pointed to the success of DA BUX, a program that helps SNAP recipients purchase local produce at



Above: Representative Quinlan talked about how increased State procurement can create economies of scale and stable markets for local farmers and ranchers.

Below: Jessica Morris discussed how increased prices impact consumer choices around buying local or organic produce.

reduced prices. "It started with \$500,000 and 100 retail sites. Today, the state has committed \$1.5 million. We've proven we can grow local and benefit both farmers and the local economy," she said.

However, Marielle Terbio of Hawaii Foodbank warned that need continues to rise while federal support is shrinking. "Reduced support, increased need—that's what we're  
**CONTINUED ON PAGE 16**



ALL PHOTOS BY ANTHONY CONSILIO



facing,” said Terbio. “We’ve been steering federal dollars to support local food systems, but we need to be innovative and collaborative to meet demand.”

Kit Okimoto also flagged the fact that supporting local agriculture and addressing food insecurity can sometimes be competing priorities since local food can be more expensive, “when you can’t afford to get all your meals for the month the last thing you’re thinking about is supporting local ag. DA BUX is great, but it only works for those on SNAP.” He called for a shifting attitudes to tackle the problems, “We in Hawaii are reactive, we need to take initiative, get ahead of the problem, stay ahead of it.”

### **ENERGY, EQUITY, AND THE COST OF LIVING**

Energy costs were also flagged as a key issue. “Hawaii pays four times the national average,” said Wakai. “But we just passed wheeling, so businesses with excess PV energy can now sell to neighbors. That’s a start.”

Multiple speakers pointed out that solutions to food insecurity and affordability

must address the broader cost of living. From farmland access and next-generation farmer training to protecting SNAP and investing in processing infrastructure, the needs are interconnected.

### **THE ROLE OF GOVERNMENT: POLICY AND PROCUREMENT**

Representative Sean Quinlan outlined a long-term challenge: our diet. “A high percentage of our calories comes from foods that will never grow here. Unless we change what we eat, we’ll always import most of our food.” Still, he sees opportunity in increased state procurement of local food to provide stable markets for producers.

Panelists debated one of the most talked-about policy ideas: removing Hawaii’s General Excise Tax (GET) on groceries. Frost Albrecht, Okimoto, and Richards all noted how it could lower food costs and increase access. However, Quinlan cautioned that the state recently passed the largest income tax cut in history and is now facing a \$6 billion shortfall. “A GET exemption is a sledgehammer—it helps everyone but isn’t targeted. We have to think carefully,” he warned.

Kit shared a different perspective on how the removal of the GET on groceries, “I understand from a legislative standpoint

it’s not simple, and we have to have a balanced budget. The estimate is it would cost around \$250 million; it’s a lot of money, that’s the point. Everyone pays it. Are we thinking about the opportunity cost of \$250 million? What would people do with that? When people are spending extra money on food, they are not spending extra money elsewhere in the economy, the cost extends beyond food.”

### **A CALL TO WORK TOGETHER**

As Derek Kurisu closed the panel, he reminded everyone of the shared kuleana to move forward together.

“Like we do in the Hawaii Food Industry, government, business, and organizations need to collaborate and understand the need to be interconnected and interdependent. To find solutions, we must build trust, remove self-interest, and work as one ‘ohana to make Hawaii a better place,” he said.

Kurisu emphasized that food, water, and shelter are the foundation of wellbeing. “Without food, homelessness and diet-related illness will rise. At HFIA, we bring together competitors and unify them under one voice so all members can work toward our common goal: to make food available, affordable, and safe for all residents and visitors in Hawaii.” ❀



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# HFIA 2025 CONVENTION

# 'OHANA AT AULANI!

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HFIA's legendary Social Committee creates the events that bring the Ohana together!

This year's Convention was a special celebration of some of the things that make the food industry in Hawaii so unique. While some of our members may be competitors, as an industry we're able to all come together in a spirit of cooperation and comradery, to work together as a family to feed our state. Our state and our industry are facing challenging time ahead, and the unity of our

food industry ohana that HFIA enables will be important as we face the future. Thank you to all our Convention attendees, all our Donors, and all our Sponsors who make this event possible, and a very special thank you to our HFIA Social Committee who volunteer their time and skills to create this opportunity for our industry to connect as more than colleagues and coworkers, but as Ohana!

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### WINE TASTING







Chair Maile Miyashiro passes the gavel to incoming Chair Kit Okimoto



A few members of HFIA's BINGO team getting ready to shake 'em up!



Congratulations to Joe Gedeon of JPG Hawaii who was recently appointed by Governor Josh Green to fill a vacant seat for Hawaii Kai in the House.



We were thrilled to welcome many new members at Convention this year including the team from Paradise City Trading.









## MEMBER NEWS



### Hawaii Food & Wine Festival® Commits to Sourcing All Limes & Lemons From Mahi Pono

As part of its ongoing commitment to support Hawaii's local agriculture and promote sustainability across the food and beverage industry, the Hawaii Food & Wine Festival® (HFWF)—a program of the nonprofit Hawaii Ag & Culinary Alliance (HACA)—announces that 100% of the limes and lemons featured in the Fifteenth Annual festival events this fall will be sourced exclusively from Maui-based farming company, Mahi Pono. This milestone strengthens a long-standing

partnership that began in 2019 and sets a new benchmark for local sourcing at large-scale culinary events in Hawaii.

Since 2019, HFWF has worked with Mahi Pono to increase the visibility and usage of locally grown ingredients across its multi-island festival platform. In 2021, the collaboration expanded through HFWF's Chefs' Corner initiative, where local chefs cultivated quarter-acre plots on Mahi Pono farmland—bringing consistent seasonal plants from the field to their kitchens. By exclusively sourcing its limes and lemons from Mahi Pono this year, HFWF is deepening its commitment to local agriculture while setting a powerful example for the greater hospitality, restaurant, and beverage industries to prioritize Hawaii-grown ingredients.



### C&S Ventures Into International Supply Chain Market with New Partnership

C&S Wholesale Grocers is partnering with Atlantic Grocery Supply (AGS) to provide wholesale and supply offerings to retailers in the Caribbean and Central and South America. This tie-up allows C&S to tap into AGS parent company Sun Group's "deep history" supplying retailers in the Southeast and the Caribbean. For AGS, the partnership will let it provide its supply export customers with competitive pricing and a grocery assortment of more than 40,000 items.



### 7-Eleven Hawaii Celebrates 7-11 Day with Free Slurpees and Dollar Deals

For years 7-Eleven Hawaii has celebrated July 11, 7-11, by giving away free small slurpees. This year, the company also gave away limited edition tote bags with purchases, and introduced Dollar Deals, a new special offer that includes marked down items on the days in July leading up to 7-11 Day.

## NEW MEMBERS



### LEILANI'S ATTIC

Aloha, Welcome to Leilani's Attic

At Leilani's Attic, we're all about bringing a little piece of home to our Hawaiian friends and family living away from the islands. What started as a simple family business has grown into a place where you can find everything you miss from Hawaii—groceries, apparel, leis, and gifts that remind you of home.



### PepsiCo Refines Sustainability Goals to Position Business for the Long-Term

By refining its pep+ (PepsiCo Positive) climate, packaging, agriculture, and water goals, PepsiCo is further aligning resources with core business priorities, building on learnings and progress, and helping its sustainability ambitions remain actionable and achievable

- Regenerative agriculture goal expanded, aiming for 10 million acres by 2030

- Success in delivering 3.5 million acres of regenerative agriculture through the end of 2024 and water stewardship informs new goals
- New goals account for external realities and business growth and position the company for long-term sustainable growth
- Newly published PepsiCo Climate Transition Plan details updated Scope 1, 2, and 3 targets to align to 1.5°C, reflecting Science Based Target Initiative (SBTi) sectoral guidance on FLAG and E&I emissions and related shift to net zero emissions goal by 2050
- Packaging goals to focus on driving scale in key packaging markets
- 2030 net water positive goal retained, with refined focus on high-risk areas



**PEPSICO**



### GRILLO'S PICKLES NEW FACTORY

Irresistible Foods Group, the owner of Grillo's and King's Hawaiian is constructing a \$54 million food manufacturing plant near Columbus, Indiana, to meet growing demand for its fresh pickle products. The site is located next to a 300,000-square-foot King's Hawaiian bakery operation that is under construction and expected to open as soon as next year.



# MADE IN HAWAII FESTIVAL - BUY HAWAII FOR HAWAII



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**A**ugust means it's time once again for Hawaii's most iconic event, the Made in Hawaii Festival! Last year the 30th Annual Made in Hawaii Festival broke records, and the 2025 Festival promises to be just as amazing!

### FOR SHOPPERS

The Made in Hawaii Festival is not only the biggest market in the state, it's the only place where shoppers know they are getting products that are genuinely from Hawaii. By law all products sold at the Made in Hawaii Festival must be 51% value added in the state. That value comes from any

combination of raw materials, design, and/or manufacturing. Each vendor and each product is unique, but Festival shoppers can count on the one thing they have in common, they're all Made in Hawaii!

### FOR VENDORS

This year the Made in Hawaii Festival had a record number of vendors apply, and we're thrilled to be featuring over 500 of our state's finest artists, craftspeople, cooks, bakers, and creators of all kinds. Participating in the Made in Hawaii Festival is a labor of love for these amazing makers; they dedicate countless hours creating their unique

products, and preparing for the Festival. And their reward is for their products to be showcased to tens of thousands of shoppers, and buyers from hundreds of businesses that attend Buyers Hours looking for local brands to stock in their stores.

### FOR HAWAII

The Made in Hawaii Festival is a small business incubator; it's a unique opportunity for small businesses to reach new customers, test new products, access retail buyers, and learn about resources from our sponsors that can help them grow. It's also an economic driver for our state. In 2024 the





Festival generated over \$10 million in sales to vendors and these sales have an economic multiplier effect across the Hawaii economy. Vendors use transportation, employ workers, buy local produce and other raw materials, and circulate those dollars around the state in countless ways.

#### FOR OUR CHARITY PARTNERS

This year HFIA will once again be leveraging the reach of the Made in Hawaii Festival to support non-profit partners. While purchasing tickets for the 2025 Festival guests will have the opportunity to make a donation to the Hawaii Foodbank or the Hawaii Food Basket DA BUX program. Food insecurity is a pressing challenge in our state, and these organizations are vital in supporting those in need, and working to end food insecurity. In addition to donations made by Festival attendees HFIA will once again be making a donation to our charity partners as part of the Made in Hawaii Festival.

#### FROM HFIA AND ALL THE 2025 MADE IN HAWAII FESTIVAL SPONSORS

Since its inception 31 years ago HFIA has proudly produced the Made in Hawaii Festival. Over the years dozens of HFIA members have supported the Festival as Sponsors, attended Buyer Hours to connect with new local brands, and come to the Festival as vendors some of whom have grown into legacy brands that are known around Hawaii and around the world. We're grateful to work together with our 2025 Made in Hawaii Festival Sponsors to carry on this amazing legacy, for our shoppers, our vendors, and our state; on behalf of HFIA and all our amazing sponsors we thank everyone who makes this one of a kind event so special! Mahalo, and we can't wait to see you there 🌺



ALL PHOTOS BY ANTHONY CONSILIO





ALL PHOTOS BY ANTHONY CONSILIO



# HAWAII'S #1 LINE UP



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*Hawaii's Dairy*



BY LAUREN ZIRBEL

Hawaii is home to some of the most passionate, resourceful, and community-focused entrepreneurs in the world. But despite their creativity, many of these businesses are struggling—not because of their products or vision, but because of the policy environment we’ve built around them.

At the 2025 “Made in Hawaii” Conference hosted by DBEDT, I had the opportunity to moderate a panel exploring the many ways that locally made events, small business support, and thoughtful policies can drive sustainable economic development. One key theme emerged again and again: Hawaii must reduce the barriers we impose on our own businesses.

Here’s what our members—and the data—tell us.

### HAWAII’S COST STACK

The cost of doing business in Hawaii is shaped by:

- High taxes: The General Excise Tax applies to every transaction, including groceries. We also have high personal, corporate, and UI taxes.
- High electricity costs: Hawaii’s rates are the highest in the U.S.
- High shipping costs: Interisland and import logistics drive up prices.
- High regulatory costs: Permitting delays and red tape stifle growth.

These conditions add up. In 2024, CNBC ranked Hawaii dead last (50th out of 50) in its annual “Top States for Business” report. Among the factors? Tax burden, cost of living, infrastructure, and the complexity of regulatory compliance.

### GROCERIES SHOULDN’T BE TAXED

Hawaii is one of only 10 states that continues to tax groceries. The vast majority of states—across political lines—have repealed or avoided taxing food because it’s been widely shown to:

- Increase food insecurity
- Disproportionately affect low-income families
- Undermine the impact of SNAP and other nutrition programs

Removing the GET on groceries would be one of the most direct ways to reduce the cost of living and improve public health. While some worry about the fiscal impact, it’s worth noting that regulatory reform and permitting streamlining could offset those costs by unlocking economic activity that currently gets delayed or denied. Hawaii’s current projected tax revenue growth shows that the state would simply have to limit the growth of spending to pay for additional and much needed tax reform.

### MEMBER PRIORITIES: WHAT HFIA BUSINESSES WANT

At our 2025 Convention, we asked members: what should HFIA focus on? The top answers were:

- Protect and increase SNAP benefits (address benefits cliff)
- Remove the GET on groceries (Hawaii is one of only 10 states that tax groceries)
- Expand DA BUX
- Lower UI taxes (Hawaii is ranked 49th out of 50)
- Streamline permitting and regulatory processes

### A CALL FOR DEEPER TAX REFORM

At our 2025 Convention, we asked members: “Do you feel that the recent 2024 Green Tax Cut sufficiently addressed Hawaii’s high tax rates?”

- 71.4% said Yes
- 92.86% said No

The response reflects a consistent message from Hawaii’s food businesses: while the Green Tax Cut was a step in the right direction, more comprehensive relief is still needed.

Many of our members continue to face high costs related to general excise taxes, permitting delays, and operational expenses that impact their ability to stay competitive and keep food affordable. There is strong support for continued efforts to modernize our tax structure in ways that promote local resilience, especially for essential sectors like food and grocery.

We appreciate the progress that has been made so far, and we encourage the State to build on that momentum with bold, long-term strategies that make it easier for Hawaii-based businesses to grow, hire, and reinvest locally.

### LOOKING AHEAD: MADE IN HAWAII FESTIVAL 2025

This August, we’ll host the 31st Annual Made in Hawaii Festival, the state’s largest and longest-running celebration of local products.

This year’s event will feature:

- 700+ local vendors
- Thousands of buyers and consumers
- Buyers Hours to support wholesale deals
- Live chef demos and cultural programming
- A ticket donation add-on to support Hawaii Foodbank and DA BUX

Last year’s festival generated over \$10 million in vendor sales and attracted 70,000 attendees—proof that Made in Hawaii Festival is one of our State’s most important small business incubators. Mahalo to all of our sponsors who make this event possible!



### THE PATH FORWARD

It’s time to create a business climate that works for Hawaii.

We often hear that high food prices are just the cost of island life. But the truth is, many of the factors driving up food costs are policy-driven—and fixable. If we want to lower food prices and stop losing local food businesses, we need to address the root causes:

- Streamline permitting and reduce regulatory delays

Complex, unnecessary and duplicative processes for food facilities, farms, small manufacturers, distributors, and retailers delay projects and inflate costs. Time is money—and in Hawaii, time often gets lost in red tape.

- Shipping costs

High freight rates drive up costs at every step—from the farm to the plate. Generous shipping subsidies to the food supply chain and/or increased shipping competition would have an immediate impact.

- Lower energy and utility costs for food operators

Refrigeration, processing, and commercial kitchen operations are electricity intensive. Hawaii’s sky-high utility rates are a major reason food businesses can’t scale. We need investment in affordable energy solutions and fast-tracked approvals - not endless delays and denials after years of investment.

- Reduce tax burdens on essential food goods and services

From taxing groceries to layering GET on every stage of the supply chain, our tax structure inflates prices and discourages growth. Removing the GET on groceries and offering targeted tax credits for local food operations would ease the burden.

- Increase public investment in programs like DA BUX

These programs don’t just help families—they increase demand for local food and drive revenue to producers. Every dollar invested in DA BUX returns more than \$2 in economic benefit.

At HFIA, we believe that a stronger local economy begins with bold, collaborative solutions. We’re proud to lead the charge—and we welcome all those ready to join us. ❀



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Grocer, Club & Retailer,  
On Every Island  
Every day**

**Source to Shelf  
Statewide  
Inventory  
Management**

**DSD  
Guaranteed Sales  
Programs**

**Shelf Design  
Schematics &  
Reset Execution**

**Delivering  
OVER 40 LOCAL  
Producers to Market  
Across All Islands**

**Operating  
24 - 7 - 365  
Across Hawaii**

**Inter-Island  
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