

Hawaii

CONVENTION 2014

Retail Grocer

the magazine of the hawaii food industry association

HFIA The **NEXT** Generation

**Incoming Chair John Schilf Reflects on
Managing Career, Life & HFIA's Future**

ALSO:

**Tamura Family Values: Herb Tamura Inducted in Hall of Fame
Green, Yellow, Red: DOH Gets Green Light on Placard System
Cooperative Extension Services Turns 100
Debate Rages Over GMO Foods**

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Aloha HFIA Members,



Wow, it is hard to believe that we will once again celebrate another annual convention at the beautiful Ihilani Resort. I think back to the early days of HFIA and conventions of the past (when I was young and wide eyed), and remember that feeling of excitement in attending with my wife and young children. Even though I am much older now (some would call me a bit of a dinosaur) and my children grown, I still get excited. For me, the convention represents

a celebration upon the culmination of a year, and this year is no different as we gather to celebrate "Endless Summer."

It seems like time passes much quicker than it used to. This was especially true this year, as in addition to having my regular full time job, and also being involved with HFIA, I was never able to truly accomplish all that I set out to in either area! As a result, I have some mixed feelings as I wrap up my term. I wish I could have accomplished more. On the other hand, I am proud of what we did accomplish. One of my main goals was to maintain and improve the financial strength and viability of HFIA over the long term. I can happily report that due to Lauren's oversight and successful events such as the Made in Hawaii Festival, the annual Social and Golf Tournaments, and our Annual Convention, we had a very strong fiscal year. I thank all of you who participated at these events, as you helped make our organization much stronger.

Lauren also had a very successful year with her lobbying and overseeing our Government Relations Committee during the legislative session. It seems that each year, the government tries to insert itself more and more into our lives, and I know her job is not an easy or thankful one. I applaud her efforts and ability, as it takes a very unique skill set to be as successful as she is.

This is the second consecutive year that we have revised the convention schedule to have the business meeting on Friday. With golf again on Thursday, this allows us to focus on business and education on Friday, and free up Saturday for family events and relaxation. I hope that you make your views known about this schedule. Remember, this is your organization and we want to accommodate your opinions and desires. I am really impressed at what the Convention Committee has in store for you. From guest speakers to entertainment and activities, to the Hall of Fame, I guarantee some surprises and a great weekend.

This brings me to my final thoughts. First, thank you all for your support over the past year. It has been a privilege and honor to lead this organization. It has allowed me to meet and work with many of you and to see your outstanding efforts. I continue to be so impressed with the quality and accomplishments of the many wonderful volunteers who give so much to HFIA. We would never

be as successful without the efforts of the committee chairs and volunteers who make it all happen. I especially thank Larry Ishii, Wendi Fujio, Mike Kaya, and Miyuki Hirano-Hollingworth for their committee chair leadership. I also give a heartfelt mahalo to the committee volunteers for their devotion to HFIA. These are the people who truly make this a wonderful organization. I also thank Executive Committee members John Schilf, Derek Kurisu, Lisa DeCoito, Paul Kosasa, and Gary Hanagami for their wisdom and guidance over the past year.

I am pleased to tell you that as I step down, our organization is good hands and poised for continued success. Led by ED Lauren Zirbel, incoming Chair John Schilf, Vice Chair Derek Kurisu, Treasurer Lisa DeCoito, and incoming Secretary John Erickson of Frito-Lay, I am confident that we have strong leadership to continue growing HFIA. I will still be involved with HFIA, so feel free to stop me and chat, or tell me what we can do to make our organization better. It has been a pleasure serving you. 🍹

Aloha,
Stan

Mahalo & Aloha Stan Brown HFIA Past Chairperson 2013-2014



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Hawaii Retail Grocer

The Magazine of the Hawaii Food Industry Association

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ON THE COVER

John Schilf outside RSM's new
location on Nimitz Highway.
Photo by Jason Y. Kimura.

Correction: In the Spring 2014 issue of Hawaii Retail Grocer, the caption under Ron Cloutier's photo on page 32 should have read: Ron Cloutier of Young's Market Company of Hawaii announces his retirement after 40 years in the liquor business.... We apologize for the error.

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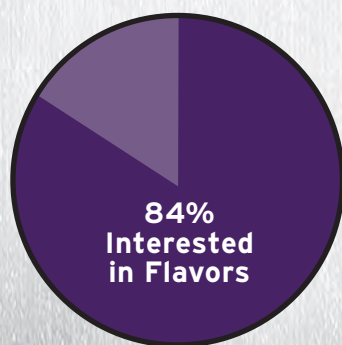
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BY LAUREN ZIRBEL



The legislative session is over! Session officially ended May 1. HFIA's legislative track record this year was very good considering how many negative bills were introduced. Nearly all of the bills that HFIA opposed did not survive session. From GMO labeling to liquor taxes, and from ADF fees to increases in mandatory penalty rates, many of these harmful bills died this year as a direct result of lobbying from our industry. However, one opposed bill that did pass will have a negative impact on some of our members: the minimum wage. Like other states, Hawaii increased its minimum wage to \$10.10, echoing President Obama's call to increase wages for the working poor. Estimates provided by the Congressional Budget Office project that an increase in the minimum wage will result in higher unemployment, more part time workers and inflation. This is not surprising to anyone who currently runs a business. Despite the passage of this bill, HFIA is grateful to the legislature for amending the bill to not tie the minimum wage to the Consumer Price Index (CPI) and to increase the minimum wage slowly over the course of four years. Below you will find an overview of some of the more important bills HFIA testified on this year.

Minimum Wage

HFIA opposed SB2609 SD1 HD2 CD1, which increases the minimum wage rate to \$7.75 per hour beginning on 1/1/15; \$8.50 per hour beginning on 1/1/16; \$9.25 per hour beginning on 1/1/17; and \$10.10 per hour beginning on 1/1/18. It also increases the tip credit to 50 cents per hour beginning on 1/1/15, and 75 cents per hour beginning on 1/1/16, provided that beginning 1/1/15, the combined amount the employee receives

in wages and tips is at least \$7 more than the applicable minimum wage. This bill passed despite HFIA testimony warning of layoffs and increased cost for food and all other items. The bill was amended with many suggestions provided by HFIA, such as the suggestion to increase the minimum wage by small increments over a long period of time and the suggestion not to tie the minimum wage to CPI.

ID Verification

HFIA supported HB2666 HD1 SD2, which makes permanent the amendments allowing a business to scan an individual's driver's license or identification card to verify age when providing age-restricted goods or services. HFIA testified that this technology is helpful at preventing sales to minors. This bill passed.

Advance Disposal Fee

HFIA strongly supported SCR74 SD1 HD1, which requests an examination and audit of the advance disposal fee program. This resolution does a number of extremely important things that the industry has been advocating for years. We are very excited to see the results! This resolution requests the auditor to conduct an examination and audit of the DOH's advance disposal fee program, including the use of fee revenues by the respective

counties and the accuracy of payments made to recyclers from fee revenues. The DOH is requested to meet with the respective counties and other stakeholders to examine the advance disposal fee program to determine whether there are more cost-effective ways of handling recyclable glass, including local alternatives to shipping glass out of the state. This resolution passed.

Another Surcharge Bill

HFIA opposed SB3103 SD2 HD1, which would have established an unspecified prepaid wireless E911 surcharge imposed on retail transactions of prepaid wireless telecommunications service at the point of sale. The amended form of the bill allowed sellers to deduct and retain three percent of the surcharge that is collected. However, the hassle of implementing the surcharge was still a huge concern for our retailers. This bill did not pass.



GMO Labeling

There were many GMO labeling bills introduced this year. They all died. It is not practical to expect multinational corporations to label specifically for a small state. HFIA is advocating for a federal solution to this issue, and has discussed it with all four of Hawaii's congressional delegation members when we visited DC in early May.



Tobacco Taxes/Bans

HFIA opposed SB2496 SD2 HD1, which would have imposed an excise tax equal to an unspecified percentage of the wholesale price of any tobacco product other than large cigars, effective January 1, 2015. This bill did not pass.

HFIA originally opposed SB2495 because it would have stolen retail and

supplier license fees and used them for tobacco prevention and increased taxes on e-cigarettes to as much as 80%. These parts of the bill were removed and the bill turned into something that would have prohibited the use of electronic smoking devices in enclosed public areas. This bill did not pass.

HFIA also opposed SB2222 SD2, which would have prohibited the sale, offering for sale, or distribution of any flavored tobacco product, including menthol products, within the state. Fortunately, this bill did not pass.

Tax Fairness

HFIA supported HB2507 HD1 SD1, which would have provided an alternative to Hawaii becoming a member state under the Streamlined Sales and Use Tax Agreement and directed DOTAX to establish rules to meet minimum simplification requirements for taxing internet vendors who have no presence in Hawaii. This bill did not pass.

Manufacturing Tax Credit

HFIA supported HB2626 HD2 SD2, which would have established an income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii. This bill made it to conference but did not pass. 🏢

If you would like more information on the many bills HFIA testified on, please give us a call or send us an email. Thanks goes to our Government Relations Committee for providing guidance to HFIA on legislative issues. Your knowledge and expertise are the guiding force of HFIA's government relations efforts!



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iBeacon Hits the Grocery Stores

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THE LEMPERT REPORT BY PHIL LEMPERT, THE SUPERMARKETGURU®

Apple's new technology, iBeacon, is starting to make an appearance. iBeacon lets businesses set up transmitters which can tell nearby smartphones of their presence. So how can shops really benefit from it? They can use the new technology to send customers special offers for goods they are walking past, prepare pre-ordered items for pickup, or remind customers about their shopping list—for example, the bread you need to buy when you walk past the bakery. Mobile shopping startup InMarket started using iBeacon recently to send shoppers deals, rewards, and grocery list reminders inside U.S. grocery stores to the 20 million people who use its apps.



So how will this affect retailers? Given the mobile dependency of the modern shopper, this can be a very useful tool for stores to boost their online marketing presence. And as mobile devices become more and more prominent for the shopper, companies like Apple and Google will continue to push these types of technologies. With this in mind, retailers should use these developments as tools, but not at the expense of their own digital strategies. There's no reason why supermarkets can't set up their own mobile apps that can be customized to the consumer, reminders for a shopping list, current deals, and even have deals and coupons emailed to them.

Apple's new technology is a reminder that this is the shopping of the future and retailers need to maintain their own digital presence. 📱

Chef Keoni Chang Represents Hawaii at FMI Connect

Hawaii's own Keoni Chang, Corporate Chef at Foodland, has advanced to the final round of the Supermarket Chef Showdown to be held at FMI Connect in Chicago on June 11. Only 24 finalists out of 130 entries advanced. Chang's "Korean-Style Hillshire Farm Dogs with Kimchi Slaw and Alexia Garlic Sweet Potato Fries" recipe will be judged in the "Family Meals" category of the competition. He will be competing to become Supermarket Chef Champion.

"Cooking is an expression of myself," Chang says. "It's not just about preparing something for sustenance. It's about making others happy and giving something to them that they enjoy. It's so gratifying to know that someone enjoyed my cooking." 🍳

For a full list of the finalists and their recipes, visit www.fmiconnect.net/supermarket-chef-showdown-2014, and for more details on Supermarket Chef Showdown, visit www.supermarketchefshowdown.com.



Chef Keoni Chang (left) and Simon Cutts of Foodland at the HFIA Food Challenge cooking competition last year.



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Reason for Joining HFIA: Approved Freight Forwarders sees HFIA as place to network with other businesses.

Unique to the Company: Approved Freight Forwarders is the only freight carrier with complete ownership of destination terminals on Oahu, Kauai, Maui, and the Big Island (Hilo and Kona).

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WORLDPAY Company Profile: Worldpay is a leading global payment processor. It is the largest provider of card payment services in the UK and the fourth largest globally. As a single-source processor that owns and manages the entire transaction from point-of-sale to settlement, Worldpay has fewer points of failure, offers increased security, and has lower overall costs. The company's products and services meet the payment processing needs of many business environments, including supermarkets, petroleum/convenience stores, retailers, restaurants, and e-commerce/catalog companies.

Reason for Joining HFIA: Doing business in Hawaii for over 10 years, Worldpay joined HFIA not only to support the

industry but also as a way to help build and develop new and existing long-term relationships.

Unique to the Company: Worldpay does not use third parties for any segment of its core processing services. Unlike many of its competitors, Worldpay is a single-source provider of electronic payment processing services, including credit, debit, direct debit (ACH), EBT, checks, gift cards, customer loyalty cards, and ATM. Worldpay completes the entire processing and support cycle—authorization processing, settlement, reporting, and customer service—using internally developed and managed proprietary processing technology. Worldpay does not charge additional related fees that would be assessed by other processors.

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UNIVERSITY COOPERATIVE EXTENSION TURNS 100 YEARS YOUNG

BY JOANNIE DOBBS
AND ALAN TITCHENAL

You may not be aware of the Cooperative Extension Service at the University of Hawaii and across the nation, but maybe you should be. Here's why.



Thomas Shaw & G.D. Sherman work on developing a quality lilikoi juice (1953).

A Century of Cooperative Extension

The Cooperative Extension Service is the world's largest non-traditional education system and is found in almost all 3,150 counties in United States, as well as in all of the U.S. Territories. In Hawaii, Cooperative Extension is part of the College of Tropical Agriculture and Human Resources (CTAHR) at the University of Hawaii at Manoa.

In 1914, the Smith-Lever Act was authorized by Congress to fund agriculture colleges so that they could provide the nation's communities with useful and practical information on topics ranging from agriculture to home economics. This year, CTAHR's Cooperative Extension is celebrating the 100-year anniversary of the national program.

It is through Cooperative Extension that university discoveries are brought to the community to help solve practical problems. Although classrooms and

laboratories—that is, instruction and research—typically come to mind as the key elements of a university, Cooperative Extension offers outreach, the third major component of land-grant universities.

The Growth of the Food Industry

Although we were far from a hunter-gatherer society a hundred years ago, obtaining food was still much more labor intensive than it is today. Early markets were small and local. Grocery stores primarily sold locally produced foods and food products. Variety was generally limited to locally available seasonal crops and foods preserved by basic techniques like drying, pickling, and canning. A major focus of Extension agents was helping home gardeners and processors.

As more people moved into cities, farming had to change to produce larger volumes of crops in ways that required less labor and yielded more food per acre. Advanced food processing techniques

were needed to handle the transition to supplying grocery stores serving expanding city populations. This transition from small, localized marketing to a larger and more sophisticated food distribution system tapped into the expertise of Cooperative Extension agents and specialists. The university-based experts became involved in helping all aspects of the food system to meet changing needs and demands more efficiently and cost-effectively.

Hawaii's Cooperative Extension

Hawaii has gone through transitions similar to the mainland U.S. One hundred years ago, foods were grown at home, shared and exchanged, or purchased from butcher



Hawaii's early food processing companies canned and bottled local produce for local tastes.



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- Innovative Technology Solutions



An early college agricultural statistician seeks production data directly from farmers.

shops, bakeries, produce stands, and small stores. With the development of extensive sugar and pineapple agriculture, though, Cooperative Extension's function expanded. Clientele grew to include large agricultural producers, along with small farmers and home gardeners. As Cooperative Extension agents

Throughout all of these transitions, Cooperative Extension has distributed a wide variety of plants specifically adapted to agriculture in Hawaii's diverse environments. Both farmers and home gardeners can purchase locally adapted seed varieties at the Agricultural Diagnostic Service Center at UH Manoa. The

Center also provides services such as plant disease diagnosis, insect identification, and chemical analysis of feeds, forage, soils, plant tissues, and water. For more information, visit <http://www.ctahr.hawaii.edu/site/adsc.aspx>.

Cooperative Extension has played an important role in the changing lifestyles of the U.S. and Hawaii. In keeping with the growing "farm to fork" movement, Cooperative



Students field-packing papayas for treatment.

and specialists worked with the large producers and farmers, production became more efficient and more centralized.

Changing Times—Back to the Future?

During the past 20 years, retail marketing needs have shifted to meet consumers' desires for greater agricultural variety. Consumers are embracing new and improved hybrids and rediscovering heirloom varieties. There has been an increased focus on "buy local" movements and on organic and sustainable agriculture. The rapid growth of farmer's markets attests to these demands and in turn contributes to consumer expectations in the retail food market. In sync with these changes, Cooperative Extension has adapted to help farmers and markets efficiently meet customer demands for these diverse food options.

Extension is involved in nearly every aspect of food production and food safety, all the way from the farm to food preparation, food safety, and long-term health at the consumer level.

Cooperative Extension has offered much in addition to agricultural advice over these 100 years. The UH Cooperative Extension Service has experts that can provide guidance in areas as diverse as plant and animal agriculture, aquaculture, insect control, economics, food safety, food processing and packaging, food product analysis, product labeling, and nutrition and health. To get familiar with some of what UH Cooperative Extension can offer, check out the website at <http://www.ctahr.hawaii.edu/site/Extprograms.aspx>. 📖

Carey Dunlap Miller: Keeping Nutrition Local

COURTESY OF CTAHR

Carey Miller, whose early, innovative work reflected the broad scope and impact of the University of Hawaii's work on nutrition science, pioneered research into local and South Pacific foods. She began the first research on vitamins in Hawaii's fruits, helped found the Hawaii Dietetic Association, and studied nutrition's effects on Native Hawaiian dental health.

Called the "dean of nutritionists," Miller joined the college in 1922 to head the Department of Household Sciences, and in 1929 was appointed head of the newly formed Nutrition Investigations Lab. Her priority was the analysis of local products and the investigation of ways to conserve nutrients, especially vitamins, as produce passed from grower to consumer. Despite common misconceptions that tropical fruits and vegetables were not as nutritious as those grown on the mainland, research led by Miller provided data sufficient to prove that there is no deficiency in Hawaii-grown crops. Her studies identified some excellent sources of vitamins in tropical and ethnic foods, and provided information on handling, storage, and preparation practices to minimize vitamin loss.

Miller realized that U.S. mainland college textbooks were unsuitable for the college's nutrition program, as they did not take into account the dietary preferences of Hawaiians, Asians, and Pacific Islanders, so she published a number of books addressing this gap. Her 1936 book, *Some Fruits of Hawaii*, popularized guava, among other local fruits. Soon after, she realized the need for an association that would specifically address the dietary needs of



Carey Dunlap Miller (1893–1985) combined Extension work, research, and instruction in her 40-plus years associated with UH.



One of Carey Miller's later publications, with Nao Wenkam, brought together a lifetime of research into Hawaii's local produce.

people in Hawaii, and in 1939, this group was accepted as an affiliate of the American Dietetic Association. She was so widely respected that friends and former students created the Carey D. Miller Award in Home Economics during her working lifetime, and a building on the UH campus was named in her honor. 🏠

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Stepping Up to the Plate

John Erickson Takes a Swing as Secretary

BY JASON Y. KIMURA

For John Erickson, Hawaii has always been home. He's been involved with HFIA since he came back in 2007 after an eight-year "Pepsico tour of America," as he puts it, that rotated him through positions across the country. He felt it was time to step up and help. Erickson will be incoming Secretary on HFIA's Executive Committee.

A baseball metaphor fits Erickson well. Always involved in some form of athletics, he grew up playing baseball. In college, he played men's volleyball at the University of Hawaii and paddled for five years after college. Today, his athletics have taken somewhat of a backseat, but he's coached about 14 seasons of baseball—everything from T-ball to Babe Ruth League. He and wife Katy have two sons, Johnny, 12, and Matt, 14. Still, he loves golf and the water—surfing, body surfing, and fishing, both deep sea and fly fishing. The bottom line: He'd much rather be outside than in.

Born in Hawaii, Erickson went through elementary and intermediate school here before his Navy dad was transferred to San Diego, where he went to high school. That didn't keep him away from the islands long, as he came back on his own to study International Business at the University of Hawaii. After earning

his Bachelor of Business Administration, Erickson worked for a food service distributor for a short while, then was hired as Finance Manager at KFC, which was then a PepsiCo Restaurants International company. That was the start of Erickson's PepsiCo career, which has continued for 22 years.

During his five years at KFC, Erickson also earned an MBA from Chaminade University. In 1997, PepsiCo spun off its restaurants division, so he transferred to Frito-Lay, also as Finance Manager. It was after two years in the position that Erickson embarked on his tour of America, beginning with serving as Frito-Lay North America Region Finance Manager, Northern California Region, in Pleasanton, California. After three and a half years, he became Senior Manager, Field Finance for PepsiCo company Tropicana Products, Inc., in Bradenton, Florida, then in Chicago, Illinois for almost two years. Then it was back to Southern California in Foothill Ranch as Region Finance Senior Director for Frito-Lay North America. Erickson was in the position for two and a half years before returning to Hawaii in 2007 as Sales Senior Director/General Manager of Frito-Lay North America, Hawaii Zone.

"I'm competitive and hate to lose," says Erickson, explaining why his company is the perfect fit for him. "Frito-Lay is very results-oriented and I like the environment." In his almost 22 years with PepsiCo in many different positions and in three separate divisions, the cycle of learning, adjusting, and getting results never gets old for him. "I learn something new every week," says Erickson. "Most people here thrive on the fast pace—if you like that, then you tend to stay. There's not a lot of short-timers."



John Erickson

He says of the food industry in general and HFIA members in particular: "We're in the face of the consumers. We're not making the million dollar sales that make a career—we're making thousands of small sales that make the Hawaii food industry go." Erickson recognized right away that HFIA was a quality organization. But while he enjoys events like the Convention and Social, and the networking opportunities, he would like to see an increase in the cross-section of members across the entire food industry. He envisions

more distributors, in-bound freight companies, manufacturers, food production companies, farmers, and other businesses that are a part of the food supply chain as active members. Gifted with a rare combination of both strategist and operator, he promises to bring to the table fresh ideas that can help carry HFIA forward into the future. ■

Congratulations Herb Tamura and staff.

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TAMURA family values

Herbert Tamura Preserves Past Generations' Wisdom for the Future

BY JASON Y. KIMURA

Herbert Tamura, Chairman of the Board of Tamura Enterprises, Inc., never owned a fancy car or a Rolex watch. Even after he became successful, he continued to live in his simple Mililani Mauka home. He is a man of simple pleasures. "It's not the clothes that make the man," Tamura once said to his son Glenn. "It's the man that makes the man." Similarly, being inducted into the Hawaii Food Industry Association Hall of Fame does not make the man. Rather, Herb Tamura validated his aphorism by his life, and that is why he is being recognized with Hall of Fame induction and the HFIA Nio Award of Excellence.

The HFIA Hall of Fame was created by HFIA founder Dick Botti to honor outstanding individuals whose contributions over the years have made a significant impact on the local food industry. Currently, there are 11 members: Tony Taniguchi (KTA), George Miura (Times), John Fujieki Sr. (Star), Maurice Sullivan (Foodland), Tomo Okuyama (Sure Save), William Prudeaux (RSM), Take Takara (Times), Dick Botti (HFIA), Roger Godfrey (Fleming Foods/Times), and Sidney and Minnie Kosasa (ABC Stores). Tamura will be officially inducted into the HFIA Hall of Fame during the June 21 dinner at the HFIA Annual Convention at the Ihilani Resort and Spa.



Three generations of the Tamura family: (clockwise from left) Cliff, Herb, Glenn and Katsuichi

The story of Tamura Enterprises is rooted in four generations of family history. It began with a 600 square foot store—Tamura Shoten—opened by Makitaro Tamura on the Old Government Road, the main street of Waianae, which was then a sugar plantation town. Makitaro emigrated from Japan in 1896 to work in the sugar cane fields of Waianae when he was about 19 years old, and in 1905, opened his plantation store, where workers charged their goods, paying for them when they got paid. Makitaro eventually turned the store over to one of his sons, Katsuichi Tamura, who worked till he saved enough money to send for a picture bride from Japan. He changed the name of the store to K. Tamura Store. A daughter and two sons were born to Katsuichi and his wife Tsuruko during the Great Depression.

Like other children born into a grocer's family, Herb and Clifford Tamura worked in the store from the time they were old enough to lift a bag of groceries. Herb remembers the hitching post for horses out in front, and the brisk business they did selling shave ice and watermelon to the kids who played in the baseball park across the street. Most of all, he remembers the kerosene tank and the daily grocery deliveries.

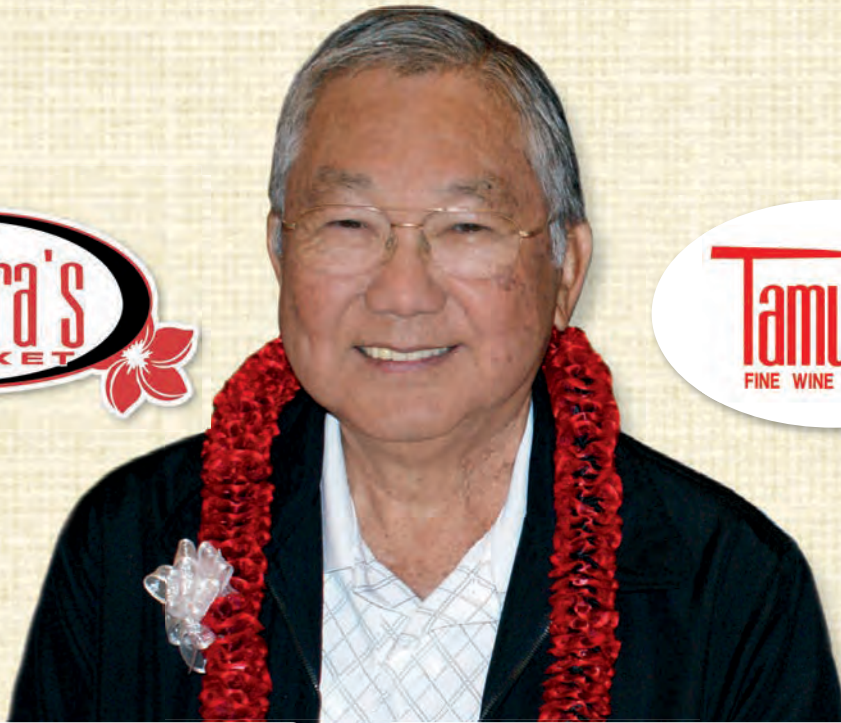
"In the plantation days, everything was cooked with kerosene," Herb was quoted as saying in a 1989 Hawaii Food Industry magazine article by Tom Horton (volume 6, number 1, September 1989). "I had to climb on top of the tank to crank it because I was too short...." When he was about 8, Herb started going to the plantation camps with his dad in his old Model T with no sides on it. He would

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2014 HFIA Hall of Fame Inductee

Herbert Tamura

Chairman of the Board, Tamura Enterprises, Inc.



Glenn, Janet & Herbert Tamura

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TAMURA'S FINE WINE & LIQUORS AIKAHI | TAMURA'S FINE WINE & LIQUORS KAHULUI

TAMURA'S FINE WINE & LIQUORS LAHAINA

run in and ask the ladies of the houses if they wanted any bread or other orders for the day in his broken Japanese. He would run back and forth and write down orders until they had visited each house. "Then we'd go back to the store, fill the orders, and take them back to the camps," related Herb. "I was just big enough to carry the boxes."

Katsuichi had a sixth-grade education, so he was determined that his children be better educated. After elementary and intermediate school in Waianae, Herb, Clifford, and sister Annie were sent to Mid-Pacific Institute, which was a boarding school at the time; in those days, no high school existed in Waianae. Tuition at Mid-Pac was \$500 a year, and the siblings washed dishes the whole year for a \$250 annual scholarship, in addition to working odd jobs during the summer for tuition money.

After high school, Clifford wanted to become an agriculture teacher and went to the University of Hawaii. Graduating from high school in 1955, Herb dreamed of becoming an architect, but his father needed help urgently. The 1940 U.S. census shows that Katsuichi was working 60 hours a week; it was now 15 years later and he was 49 years old with bad knees. Herb's mother approached him and told him that since his older brother didn't want to run the store, it was up to him to decide whether or not he would continue the family business. Herb agreed to take the store, but under the condition that something would be done to improve the business. Katsuichi agreed to build a new, bigger store. Herb attended Honolulu Business College, and upon graduating in 1957, embarked on erecting the new building.



stones from the valley for the parking lot using an old Model A. Borrowing a chicken farmer's tractor, they covered the stones with coral, completing the store's first parking lot.

Money did not come gushing in, Herb recalls. "I soon found that business wasn't that easy just because I had a piece of paper from college that said I knew how to run one," he said. At the

time, Herb was serving in the National Guard part-time; when offered a full-time position by the Guard, he took it while continuing to run the store. Herb's double-time work continued until Clifford, who served in the Army, was discharged in 1959 and decided to join the business after all. Herb was soon able to leave



TOP: Herb Tamura in 1961. MIDDLE: The original Tamura's Store. BELOW: Herb and Glenn in Tamura's Fine Wine & Liquors



A few maneuvers had to be made first. Katsuichi had previously bought a small, vacant lot across what is now Farrington Highway from his family home. Their house was moved to the vacant lot and the new store was built on the family home site facing the highway. With the help of a friend, an uncle, and a bank loan, a 25' x 50' Tamura Superette opened with 1,250 square feet—more than double the size of the original store. In addition, Herb and Clifford spent the summer of 1957 hauling

the National Guard. In 1961, he got married to his wife Janet; the couple had three children, Glenn, Alison, and Linda.

Herb thought that the store was finally on its way with his brother joining forces with him, but the 1960s were hard years. "We did everything from meat cutting, stocking, truck driving, construction, to cashier," he said. "You name it, we did it." The store continued through three major expansions—involving complicated property purchases, trades, and permits—that eventually led to the 1969 opening of Tamura Super, a 14,000 square-foot building including warehouse space at a new (and its current) location. But if the going was tough in the preceding decade, it was about to get tougher.

"From 1969 through 1972, it was a learning experience for us," said Herb. "Hardship was the daily menu." They could barely pay for the new building, but Y. Hata & Co, Ltd., stepped in to help, allowing Tamura's to take whatever

groceries they needed to fill the shelves for the reopening and worry about paying for it later. The brothers went with second hand equipment, which broke down constantly, and they had a staff that needed training. But they used common sense in dealing with all the problems. They took a staff of housewives and turned them into supervisors with on-the-job training. In the end, what shone through was the brothers' country attitude of offering neighbors good service, fair prices, and quality goods—and backing it up whenever human error occurred. "There's no magic in that formula," said Herb.

In 1970, *Honolulu Advertiser* columnist Bob Krauss wrote an article that told readers Tamura Super was doing what U.S. economists said couldn't be done: underselling the big chain supermarkets. The proof was in a study conducted by University of Hawaii agricultural economists, who had been monitoring 70 basic items in 24 Hawaii supermarkets. Tamura's had consistently come in third to fifth, especially in meats where they were the lowest of all the stores checked.



The Tamura family in 1989

Their secret? Low overhead and hard work. They didn't have managers or a president that stayed in an office. Although Herb and Clifford were the owners, they spent very little time in the office. When salesmen called, Herb would often be found butchering meat. A salesman might have to wait an hour or more until he was finished. "If we sat in an office waiting for the salesman, we'd

have to charge our customers more for the meat," Clifford was quoted as saying in the article. Both brothers could do any job in the store; when a department got too busy, they jumped in to help. They could be found doing anything from stocking merchandise to doing some of their own construction on weekends. The brothers were working 12 to 14 hour days, but enjoyed it, telling Krauss they weren't in it



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to make a lot of money. It was about the people, the community, and charging fair prices and giving good service.

By 1979, they were feeling cramped in the 14,000 square feet. There were four tenants, including a laundromat, restaurant, beauty salon, and a barber shop. They had to take over the barber shop space to add more room to the store, and the customers' biggest complaint was lack of parking. Tamura Super continued its expansion and modernization into the 80s. The brothers followed trends toward full-service meat, fish, bakery, and deli departments with the acknowledgement that a supermarket in Waianae can't operate the same as an urban Honolulu one. Yet, a balance still had to be struck with the fact that non-locals were moving into the area.

In 1988, Herb faced perhaps his toughest challenge. He woke up one July morning and couldn't move—at all. He was struck with a rare case of viral meningitis, which was followed by Guillain-Barré syndrome, a related illness. The doctors told him his chances for



Herb and Janet Tamura, then and now.

recovery were very good at 85 percent, but he couldn't help but think about the 15 percent.

"The more I thought about it, the more I figured the Lord had looked down and decided I needed some signals to slow down," Herb reflected later. There had been some signals already, but nothing bad enough for him to take seriously. "So the Lord finally says, 'well, that dumb samurai down there, we'll show him what we mean.' So he laid me on my back for two months."



Paralyzed for six weeks, Tamura was hospitalized for nearly two months and spent several more months recovering.

It taught him to back off on the throttle when he got too involved, but other than the six weeks of paralysis, it didn't mean he ever came to a complete stop. With Tamura Super in the midst of an expansion, Herb conducted meetings with contractors in his hospital room. Another thing he learned was what his son was made of. Glenn took over the remodeling project and saw that it was properly completed, making his father proud.

By 1989, things were about back to normal. Glenn was working on his



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 and induction to
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master's degree, but already bringing new ideas to the store, and Clifford's son Cliff had joined the business. At this time, Katsuichi, at 84, remained president of the family corporation, and his wife Tsuruko, vice president. Herb and Clifford had the titles of treasurer and secretary, but were the major stockholders of the corporation.

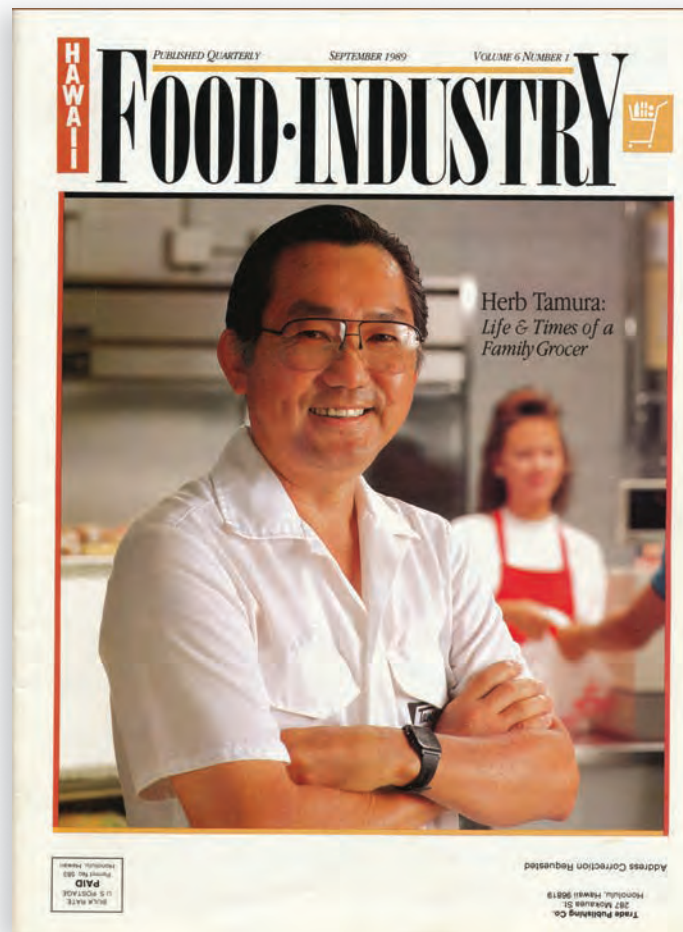
Nineteen eighty-nine was also the year that Herb became HFIA president. Glenn became president in 2001, making them the only father and son HFIA presidents. Herb's advice to his son was, "When you go to meetings, keep your mouth shut and your ears open. You'll learn. These are self-made millionaires."

"HFIA is a classy outfit," Herb said at the time. "It's not just a good outfit, it's a classy outfit." A member since the beginning when Dick Botti used to drive out to Tamura's office to collect dues, Tamura always believed strongly in HFIA because it does an excellent job of meeting the needs of its members and providing services to the community. "HFIA is a big part of his life," says Glenn Tamura of his dad, who is the last of the founding

members who helped shape HFIA. "I don't think we missed a single event." Herb pointed out the rarity of an industry where competitors are friends.

Things continued to progress as they had been for decades, but in 1994, Herb and son Glenn decided to start a new father and son business venture independent of Tamura Super. So in January of 1995, they established Tamura Enterprises, Inc., as an umbrella corporation for all future business ventures. Clifford and son Cliff acquired all control of the existing Tamura Super, while Herb and Glenn struck out on their own.

Glenn attended the USC Management Program to further his education in the supermarket industry while Herb looked for a new



venture. While Glenn was at school, Herb came across an opportunity to purchase the Big Way Super Market in Wahiawa. "This all took place in the first half of 1995," explained Herb. "We opened our doors in June without any fanfare or grand opening. Under the umbrella of Tamura Enterprises, Inc., a new era began for Glenn and me."

The Tamuras kept all 50 or so Big Way employees, some of whom are still with them today. Glenn points to the upstairs offices and rooms in back of Tamura's Wahiawa and explains that his dad physically built everything himself. "He taught himself to weld and learned construction," says Glenn. They worked seven days a week to get the store up and running. Today, you won't find new, shiny floor tiles or fancy décor, and Glenn does a lot of repairs himself, just like his father. All of that helps keep in place the country attitude of offering good service, fair prices, and quality goods.

In 1998, with Glenn the president of Tamura Enterprises and Herb as Chairman, they decided to try a niche market venture in Kakaako called Tamura's Fine Wines & Liquors. After a three and a half year trial with positive growth, they found a permanent home for the new store at 10th and Waiialae avenues in Kaimuki.

New opportunities kept coming. In 2003, the Tamuras purchased property for a warehouse and outlet store. In 2004, the opportunity to buy Big Way Drive In on the corner adjacent to Tamura's Wahiawa came up. Today it is known as Tamura's Kitchen. At the end of the year, the father and son team also opened Tamura's Market in the Hauula Shopping Center. Four years later, a second Tamura's Fine Wine & Liquors was opened in the Aikahi Shopping Center in Kailua. A year later, another opened in Aiea. Then came Tamura's Market Kalaeloa. Under Glenn's leadership, the company has really grown. Last year,

Tamura Enterprises ventured to Maui with a liquor store in Kahalui. A Lahaina liquor store is under construction, as well as a Wailuku warehouse and express store.

Glenn learned from the best. Herb taught Glenn how to manage people, and learned what you can't find in books. He learned to not give up, no matter how hard it gets, or how bad a thing happens—it's just a speed bump. "That's the generation," said Glenn. "[They had] a go for broke attitude. I live in the 21st century, but still have roots in the past

because of dad." His father taught him that he is not bigger than life. ("If I stab you, you'll bleed like everyone else.")

Herb was famous for telling his son, "The higher up you go, the more in a fishbowl you are—you always have to watch what you're doing." To that end, his father cautioned him when he wanted to buy a new car. He didn't want Glenn to come to the store with a fancy car when some employees are making \$8 an hour. "You can buy it, but don't bring it to the store," he said. His father said to never cut employees' pay.

Even when the economy is bad, give them a raise every year.

Another thing Glenn was told not to cut is charitable giving to the community. "That is your lifeline to the community," Herb said. Money is not everything, he would insist. When grandpa Katsuichi passed away 1,000 people came to his funeral. "When you die, that's a measure of your life—how many people come to your funeral," Herb told his son.

Tamura gave generously of his time and money to the community. The biggest



TOP: Herb receiving the Small Businessman of the Year Award of Merit in 2001.
ABOVE: Herb with former Governor Ben Cayetano.

Tamura Enterprises charity, their annual golf tournament, was actually Glenn's idea. All the proceeds go to public schools to purchase supplies. Golf is one of Tamura's passions. In 1999, the St. Francis Healthcare Foundation of Hawaii named him "Golfer of the Year" at its Swing-For-Life golf tournament. Tamura's ties to St. Francis go back to the mid-80s when St. Francis Medical Center-West was being built. He was among the hospital's original board members and chaired their annual GolfWest tournament, which raised tens of thousands of dollars over the years. Tamura has a reputation for getting things done. Wife Janet was fond of saying: "I always tell him, with your determination, you could have built America."

Tamura also devoted his time to the Boys & Girls Club of Honolulu and Waianae Community Association. He served as president of the Waianae Coast Business Association, and on

Mid-Pac's board. However, says Glenn, his father's involvement was more direct, not so much on boards. He was always sensitive to the needs in the community and addressed them directly. For example, once he worked for two years to get wiring from the highway for lights for the tennis courts at Waianae Regional Park. Both Herb and Janet

knew everybody. They became the face of the community.

Glenn became the face of Tamura Enterprises five or so years ago, but to this day, Herb still asks how everything is going at the store. "As good a businessman as he was," reflected Glenn Tamura, "he was even more so a caring father." The man has truly made the man in every way. 🏠



FRONT TO BACK: Bruce Yokochi, Director of Sales, Dean Kaya, Grocery Buyer, Mike Mita, Director of Operations, and Miles Matsumoto, Vice President of Finance, in front of Tamura's Wahiawa.

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*Mahalo to **Stan Brown** for his dedication.*

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HFIA SALUTES PAST PRESIDENTS, CEOS AND CHAIRS

The structure of HFIA changed from President to CEO in 1998, and to Chair in 2011.



George Miura
1973-75



Mamoru Saiki
1975-77



Woody Reed
1977-78



Dennis DeSanto
1978-79



George Miura
1979-80



Robert Milne
1980-81



Tom Okuyama
1981-82



Bob Benson
1982-83



Minoru Morimoto
1983-84



William Prideaux
1984-85



Ronald Shima
1985-86



Theodore Sayle
1986-87



Shuji Sakata
1987-88



Hoagy Gamble
1988-89



Herb Tamura
1989-90



Jesse Berry
1990-91



Wayne Teruya
1991-92



Tom Meehan
1992-93



Tyler Ching
1993-94



Scott Vergian
1994-95



Carl Okuyama
1995-96



Roger Godfrey
1996-97



Barry Taniguchi
1997-98



Wayne Yamada
1998-99



Charles Kawakami
1999-2000



Gary Hanagami
2000-01



Glenn Tamura
2001-02



Ray Sabanal
2002-03



Gary Yoshioka
2003-04



George Zigeti
2004-05



Joe Detto
2005-06



Derek Kurisu
2006-07



Glenn Muranaka
2007-08



Paul Kosasa
2008-09



Mike Walters
2009-10



Bonny Amemiya
2010-12



Alan Nakamura
2012-13



Stan Brown
2013-14

HFIA, THE NEXT GENERATION

Incoming Chair John Schilf Reflects on Managing Career, Life & the Future of HFIA

BY JASON Y. KIMURA

These days, everybody has too many things to do and not enough time to do them. HFIA's incoming Executive Committee Chairman John Schilf is no exception. Yet, he will pour precious time into HFIA when it could be spent on his business, Rainbow Sales & Marketing. The reason is that he sees the big picture of the food supply chain and what it means not only to his business, but to the people of Hawaii. His vision for HFIA is that it will flourish for another generation. *Hawaii Retail Grocer* magazine caught up with Schilf to find out not only more about his vision for HFIA, but to learn how the Illinois native came to live in Hawaii and how he became president and CEO of RSM.

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John Schilf
2014 HFIA Chairman

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KAMEHAMEHA SHOPPING CENTER • BERETANIA • MILILANI • WAIMALU 9am - 8pm

BIG SAVE KOLOA 9am - 7pm



John Schilf and wife Karen at the 2012 HFIA Convention.

After growing up in a small town in the southern suburbs of Illinois, Schilf studied business at St. Xavier College in Chicago, then headed to New Mexico in the mid-80s and worked in the oil fields for a while. He then got a job as a non-foods clerk at Smith's Food & Drug Centers in Farmington, New Mexico. Schilf progressed from his entry-level job to become Southwest Region Perishable Department Director in Tolleson, Arizona, supervising 75 stores. He had found his vocation in the food industry.

In 1997, Smith's was acquired by Fred Meyer, which in turn was acquired by The Kroger Company in 1999. Smith's Southwest Region division was dissolved, and although Schilf could have stayed on with the company in another position, he decided to move on. However, Smith's was the connection that would eventually lead him to Hawaii. Schilf took a job with Target in Atlanta, Georgia, where he became the Southeast Division Field Specialist in charge of meat, produce, bakery, deli, and food safety.

Three years later, a former Smith's colleague recruited Schilf to Winn-Dixie as a District Manager in Charlotte, North Carolina. He was promoted to Regional Operations Manager, managing seven district managers and 73 stores that covered three states. However, Winn-Dixie ran into financial trouble and wanted Schilf to move to Florida. At that time, Abel Porter, President of Foodland, along with Joe Detro, Sr. VP of Sales and Operations—both formerly of Smith's Food & Drug—reached out to him and asked if he'd be interested in an opportunity in Hawaii.

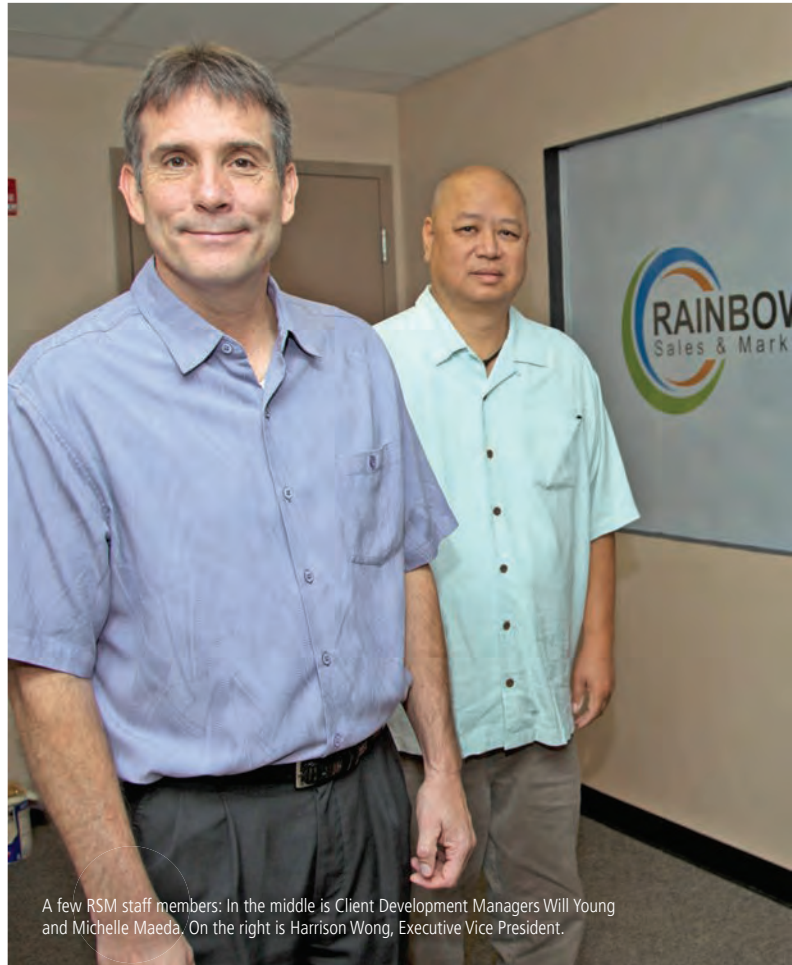
In 2005, Schilf was hired as a District Manager and Director of General Merchandise, but held multiple positions during his time at Foodland, eventually being promoted to Director of Operations, and then Perishable Department Director. Schilf acknowledges Foodland senior management for the opportunities given him, saying that Foodland also offered job opportunities and responsibilities he would not be afforded in other companies and the chance to be in Hawaii. "I've worked with some great people that

**Aloha & Congratulations
John Schilf
HFIA's New Chairperson
2014-2015**





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A few RSM staff members: In the middle is Client Development Managers Will Young and Michelle Maeda. On the right is Harrison Wong, Executive Vice President.

gave me a chance,” reflected Schilf on his ascendancy in the food industry. “They took risks and helped me to the next step when they weren’t sure if I could do it. I didn’t see [the potential], but they saw it in me.” Although Schilf attributes the successes in his career to those who helped him and to some luck, he has met his end of the bargain by always striving to master any challenge given and to excel in it.

Looking at his career from a geographic standpoint, Schilf noted that he and his family had to adapt and adjust to many different cultures along the way. Schilf gives credit to his wife Karen and his two boys as the backbone in being able to successfully adapt to each culture along the way. “It was such a growing experience and a blessing to adapt and understand to become a better leader,” he says. “I’ve worked with great people everywhere I’ve been.”

In not so successful areas, Schilf was able to get people to trust and believe, and to become successful. Although he was the boss, he always tells those under him that they don’t work for him—he works for

them. Schilf explains: “They know I’m the boss, but it’s all about me making them successful, because if they’re successful, then I’m successful.”

Schilf has always taken pride in helping people to succeed: “Given the attention they need, people flourish,” he believes—it’s something he learned from a former boss. He and Schilf would visit stores together, and when they’d see a person or a store that wasn’t doing well, the boss didn’t point out all the


negative things, but would just say, “we gotta water the bush.” What he meant was that things just needed tending.

“When you work with people and tend to things, you never know how much a person will blossom or how big things will grow,” concludes Schilf.


In late 2011, Schilf was approached to take over RSM by owner Bill Prideaux, who was planning to retire. “At first I turned him down,” related Schilf. “A few weeks later, he asked me to




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KEEPING IT IN BALANCE



Reminders of what goes in first: To the left is a photo of Schilf with wife Karen. To the right are sons Tim and Sam.

The coming year may be busier than ever for Schilf, but he tries to keep things in balance with a metaphor someone once told him. Pulling out a glass jar (above) filled with golf balls, pebbles, and sand, he explained. The jar represents your life. The golf balls represent your family, the pebbles and sand your work and other obligations. If you dump the contents out and try to put the pebbles and sand in first—your work and obligations—the golf balls won't fit. "If you put your family first, so many other things will fit in your life too," he explains. Schilf once passed on the metaphor to a coworker, and it resonated with her so much that she made him the jar with its contents—something he has kept for years as a reminder.

reconsider, so we chatted and I explored the opportunity." Schilf was allowed to run RSM for a while before having the opportunity to buy out Prideaux in late 2012. Of course, that meant he had to leave his position at Foodland, which he did in 2012. "[Prideaux] put an opportunity in front of me that may have never come again," Schilf explained of his decision to make the leap. "The ball was put completely in my hands. I was either going to win or lose."

RSM has been a new but rewarding challenge for Schilf, putting him on "the other side of the desk." That entailed understanding the all the dynamics of a business, and knowing that every decision may have a big impact on the organization. Working with all of these dynamics and making the decisions has been an exciting challenge for Schilf, as well as learning the food service side of the business. "I've got great people who work with me," he says. "Hopefully, I've impacted their lives. I hope I've helped them grow and also to have fun doing it."

Thank You Stan Brown! Welcome John Schilf!

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CONGRATULATIONS HERB TAMURA!

Now there's another challenge ahead: chairing HFIA's Executive Committee. "It's not more members, but more participation that will strengthen HFIA," Schilf points out. He isn't talking just about his one-year term as chair; he means for the next 40 years—for the next generation.

Schilf admits that when he first joined HFIA, he didn't see the big picture of what the organization stood for. But after being involved for a while, HFIA's importance to Hawaii's food supply chain has become clear. That both retailers and wholesalers come together in HFIA has given Hawaii's food industry a much stronger voice at the policy table. If that doesn't continue to happen, the food industry will be vulnerable to unfavorable legislation. Ultimately, that means the viability of companies could be threatened and jobs may be at risk. Hawaii's food supply chain, and consequently, everybody will suffer.

Schilf makes the point with a degree of urgency. Dick Botti established HFIA

in 1972. That makes the organization 42 years old—a generation. The founding members are gone or have retired. Some of the old-timers are nearing or at retirement age. "We need support from the younger generation," says Schilf. "If the retailers and wholesalers don't stay together, we're not going to be able to fight those battles."

While HFIA events are a lot of fun for members, it's important to understand the work that must be done on behalf of the food industry, says Schilf. Still, he would like to perhaps see some smaller social activities that are more affordable to small companies, recognizing the importance of the camaraderie that can be built. Schilf believes that HFIA must come together to determine what will involve the younger generation in a lasting way. "Technology will be a big part of that," he says, citing social media as something the organization must adapt to. Methods of communication have changed, and HFIA must bridge the gap with the next generation, he indicated. "If I can put some things in place to make



John Schilf

HFIA flourish for the next 40 years, that would be great," says Schilf. "If HFIA is strengthened, we will be able to extend our reach." 📷



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Debate Rages Over GMO Foods and Labeling

BY JASON Y. KIMURA

The GMO debate is not going away anytime soon and will affect you whether you look at it from the standpoint of a farmer, supplier, retailer, or consumer. Last year, *Hawaii Retail Grocer* published an article comparing the arguments for and against GMO foods. (See *Hawaii Retail Grocer*, Convention 2013, “Food Fight,” pp. 26-34). The subtitle of that article was “Debate Rages Over GMO Foods and Labeling.” We have chosen it as this year’s headline because that is exactly what is happening in Hawaii. The following is an update on the latest news on Kauai, Maui, and the Big Island.

First, Some Definitions & Background

GMO stands for Genetically Modified Organism. It refers to a plant or animal that has been genetically engineered through the insertion of a gene into its DNA to impart new and desirable characteristics. Genetic engineering is much more precise than all other breeding techniques, and can use desirable genes from different species—plant or animal.

Nearly everything about the GMO issue has become contentious, including its name. For the purposes of this article, we will use the name “Genetically Modified,” or GM. Not all GM foods are the same, so it’s difficult to draw a straight line on labeling—if you take into account scientifically accurate distinctions. For example, should labeling cover GM soybeans that have genes from another soybean in it, or only when the gene is from another plant or animal species? Or,

should labels apply if a processed food is chemically and measurably identical to a non-GM version of the product (such as canola oil or corn starch) in which there are no “foreign” DNA or proteins present? What about processed products like pizza, which contain dozens of ingredients? If only one of them is from a GM food, should the product be labeled GM? Opponents of GM generally say all of the above should be labeled, but the average consumer is less decided about which foods should be labeled, depending on the way questions are asked.

GM foods became commercially available in 1994 when the first delayed-ripening tomato was put on the market. Currently, 80 to 95 percent of everyday products in grocery stores use GM products (much less in natural food stores), and 16.7 million farmers in 29 countries grow them. The big three are soy (protein), canola oil, and corn (sugar, starch, etc.). These crops and their derivatives—especially corn—are used in a multitude of processed products.

There is broad scientific consensus that GM foods are no more a risk to human health than non-GM foods. Globally respected organizations such as the American Dietetic Association, the American Medical Association, the Research Council of the National Academies of Science, and the United Nations Food & Agriculture Organization agree that GM foods are safe.

The World Health Organization (WHO) says that every GM food should be assessed for safety because

each includes “different genes inserted in different ways,” and therefore it is impossible to make a general statement. However, WHO also says that, “GM foods currently available on the international market have passed risk assessments and are not likely to present risks for human health.” Proponents point out that farmers have harvested billions of acres of GM foods; people have consumed trillions of servings of food derived from GM products; and not a single health problem has been proven to be caused by them.

Yet, there is controversy—and protests. Hawaii has become a major battleground on the issue. Its warm weather is a boon to GM companies, which can test new varieties year-round.

Kauai Controversy

Making national news in November of 2013, the Kauai County Council passed a





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groundbreaking GM bill designed to put limits on biotech crop and pesticide use on the island. Set to take effect in August of this year, the law will require big biotech companies to disclose pesticide use and GM crops, and to create buffer zones between public areas—like homes, schools, and hospitals—and fields that are sprayed with pesticides.

Kauai Mayor Bernard P. Carvahlo had vetoed the GM bill two weeks after its passage, citing his concerns over its legal standing. Kauai residents have long resisted big biotech companies and demonstrated their outrage with their activism. The bill passed when county council members voted 5-2 to override the veto.

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But the fight isn't over. Pioneer Hi-Bred International (a DuPont company), Syngenta, and Agrigentic, Inc., three of the world's biggest agrochemical companies, have filed suit in federal court to overturn the law on grounds that it is unconstitutional because it is designed to discriminate against GM seed farming on Kauai. The ordinance is invalid," Paul Minehart, a spokesman for Syngenta, said. "It arbitrarily targets our industry with burdensome and baseless

restrictions on farming operations by attempting to regulate activities over which counties in Hawaii have no jurisdiction. These activities are already regulated by governmental agencies under state and federal laws." Together, the three companies lease 11,500 acres on Kauai for testing new varieties of GM crops and for research facilities. The island's climate allows the companies to triple or even quadruple the pace of GM crop development.

Councilman Gary Hooser, who co-introduced the bill, accused the companies of using the lawsuit to keep their pesticide use secret. Arguing that their operations pose no health, safety, or environmental risks, the companies counter that publicizing pesticide and GM crop information will create the risk of "commercial espionage, vandalism and misappropriation of...valuable trade secrets." Hooser has countered that the law asks for general descriptions, not formulas or trade secrets.

THE GMO DEBATE IS NOT GOING AWAY ANYTIME SOON AND WILL AFFECT YOU WHETHER YOU LOOK AT IT FROM THE STANDPOINT OF A FARMER, SUPPLIER, RETAILER, OR CONSUMER.

A number of law firms have offered to fight the federal lawsuit pro-bono for Kauai County. Other environmentalist attorneys are also providing pro-bono assistance without directly representing Kauai County. A voluntary agreement between the state Department of Agriculture and four biotech seed companies on Kauai will remain in effect pending the outcome of the lawsuit.

Big Move for the Big Island

On December 5, 2013, just weeks after passage of the Kauai bill, Big Island Mayor Billy Kenoi signed Bill 113 into law prohibiting biotech companies from operating on the island. The bill also bans farmers from growing any new GM crops, but exempts the GM papaya industry—sort of. In a letter to council members announcing his decision to sign the bill, Kenoi wrote that, "with this new ordinance we are conveying that instead of global agribusiness corporations, we want to encourage and support community-based farming and ranching."

The bill halts all production with GM crops at the current production level and location, with no future increases in acreage. It also bans all open air research and testing. Opponents of the bill argue that this stops research on regional

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HAWAII HAS BECOME A MAJOR BATTLEGROUND ON THE ISSUE. ITS WARM WEATHER IS A BOON TO GM COMPANIES, WHICH CAN TEST NEW VARIETIES YEAR-ROUND.

crops that may provide region-specific solutions. Although most reporting on the bill's passage state that it exempts the papaya industry, they fail to mention that there are restrictions. "It limits my acreage for expansion into new and developing markets," said one papaya grower. "It prevents the research into developing a new variety of Hawaii papaya that is resistant to multiple viruses that affect papayas around the world. It's never if; it's when Hawaii will get a new bug or disease. The Hawaii papaya is world renowned for its high quality and taste; the ban gives the perception to consumers that it's somehow inferior when it's an exceptional superfood for Hawaii and the world."

None of the big biotech companies have operations on the Big Island, and the new law assures that they won't have any in the future—at least for now. However, the majority of the Big Island's farming industry opposed the bill; the fight is really between local farmers and GM opponents.

"Our community has a deep connection and respect for our land, and we all understand we must protect our island and preserve our precious natural resources," Kenoi wrote to justify his signing of the bill. "We are determined to do what is right for the land because this place is unlike any other in the world."

However, not everyone agrees on "what is right for the land," or for the people of Hawaii. Currently, the Hawaii County cultivation ban is under legal challenge by local farmers. There is a temporary injunction on the registration component of the law pending a more permanent one. "We are the backbone of Hawaii County's agriculture industry,"

said a statement from Hawaii Farmers & Ranchers United, "and we find ourselves defending our right to provide our community safe, affordable food against a vocal minority, supported by an international movement against biotechnology that advocates for their self interest with fear and a lack of aloha." Hawaii Farmers & Ranchers United is an informal grassroots organization formed to oppose Bill 113 and others like it. The organization represents almost 3,000 farmers and ranchers working on 630,000 acres of land who collectively produce 97 percent of all agricultural revenue on the Big Island.

Although many GM opponents are sincere in their beliefs and do not use inflammatory rhetoric, others have. A *New York Times* article reported that actress Roseanne Barr, who owns an organic macadamia nut farm here, told the papaya farmers at a hearing: "Everybody here is very giving. They will bend over backwards to help you burn those papayas and grow something decent."¹

Kenoi admitted in his letter that the debate over the bill has been "divisive and hurtful, and some of our hard-working farmers who produce food for our community have been treated disrespectfully. ... Our farmers are essential to creating a wholesome and sustainable food supply on this island, and they deserve to be treated with respect and aloha." Although Kenoi's letter suggested that his administration will seek out new directions for the farming community, his conciliatory tone is not likely to smooth over the disagreements.

The farmers and ranchers believe the ban on GM is ideological, rather than based on facts or science. "It removes my future and choice to farm," said one farmer. "By limiting my tools and options why should I continue to invest in the future to farm?" Another noted that it halts progress to providing increased food security and food self-sufficiency for Hawaii.

Battleground Spreads to Maui

On February 24, the SHAKA Movement, a Maui citizen's group, began a petition to put a GM moratorium on the ballot in the November 2014 election. The group's "temporary moratorium initiative" seeks a moratorium on the production of GM crops on Maui until an environmental and public health impact study on the effects of widespread testing of GM crops and associated pesticide use can be completed.

Ramifications of a moratorium need to be carefully considered. Big biotech companies employ many people on Maui. Furthermore, Maui County includes the island of Molokai, where the biotech industry supports 10 percent of the population.

The group submitted 9,500 signatures to the County Clerk's office in April. They need 8,500 "qualified voter" signatures to move their proposed ordinance forward. The County Clerk has 45 days to verify the signatures, and the office has indicated that they will need all 45 days to do so.

As of this writing, nothing has changed since the signatures were submitted; the 45 days end on May 22. At that time, the Clerk's office will inform the SHAKA Movement if more signatures are needed. SHAKA will then have 20 days to submit additional signatures, for which the Clerk has 10 days to verify.

If the minimum 8,500 qualified voter signatures is reached, then the proposed ordinance will go to the Maui County Council, which has 60 days to conduct hearings on the bill. If the Council fails to pass the bill with no significant changes or rejects the bill, it will be put before voters on the November 4 ballot.

Going Forward

Clearly, the jury is out on the final outcome of the GM debate in Hawaii. Claims cannot be taken at face value, but need to be carefully verified by real science. Ideology and emotion must be set aside. These must be replaced by facts. Otherwise, the decisions made could unnecessarily harm Hawaii and its people. ■

¹ Amy Harmon, "A Lonely Quest for Facts on Genetically Modified Crops," *New York Times*, January 4, 2014.

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DOH Gives Green Light on Placard System

BY JASON Y. KIMURA

Last year at this time, *Hawaii Retail Grocer* reported that the Hawaii State Department of Health's Sanitation Branch was working to modernize Hawaii Administrative Rules (HAR) on food establishment sanitation. "There are 3,000 [food borne illness] deaths across the U.S. every year," Peter Oshiro, Environmental Health Program Manager, Hawaii State Department of Health, stated simply as the reason for the effort. "They are 100 percent preventable." Not only can contaminated food jeopardize lives, but a nationally publicized incident could damage Hawaii's food industry with bad publicity. Oshiro spoke at the April 22 HFIA General Meeting to announce that a new placard system he described last year will soon go into effect in Hawaii.

The new HAR Title 11, Chapter 50 Food Safety Code is based on the most current science and technology on food safety in the U.S. The goal of the new rules is to reduce or eliminate food borne

illness risk factors to prevent illnesses, hospitalizations, and even fatalities—especially among children, the elderly, and people with compromised immune systems.

The placard system will affect lunch wagons, supermarkets, and convenience stores, restaurants, and other establishments, and will be implemented in late June or early July of this year. The Sanitation Branch is committed to give every affected establishment a packet explaining all the details before implementation, and Oshiro will conduct a press conference announcing the beginning of the program. Permit fees have been increased, depending on the size of the establishment.

A placard would be placed at restaurants after an inspection. A green "Pass" placard will be displayed at establishments with no violations. A yellow "Condition Pass" placard will be given for less serious violations, and a "Closed" placard for violations that pose an immediate danger to the public. The Sanitation Branch is committed to coming back within 24 hours if a violation is corrected.

"The placard program is not designed to close more facilities," Oshiro assured, "and we don't anticipate more closures." Enforcement, he emphasized, will be through education, not fines, and the Sanitation Branch is trying to help the food industry. Mandatory food safety education and training will soon be introduced. Preventing food borne illnesses is largely done through self-policing, he pointed out.

However, Oshiro admits that behavior is the most difficult thing to change. "Only 30 percent

of people wash their hands in the bathroom," he stated. "Every study confirms this." The most common problem in food establishments are hand washing station violations, which means there may be no soap or no paper towels. But there are other issues as well. For example, distributors must comply with maintaining a 41-degree temperature for chilled foods. ❏

For more information, visit the DOH Sanitation Branch at www.health.hawaii.gov/san/

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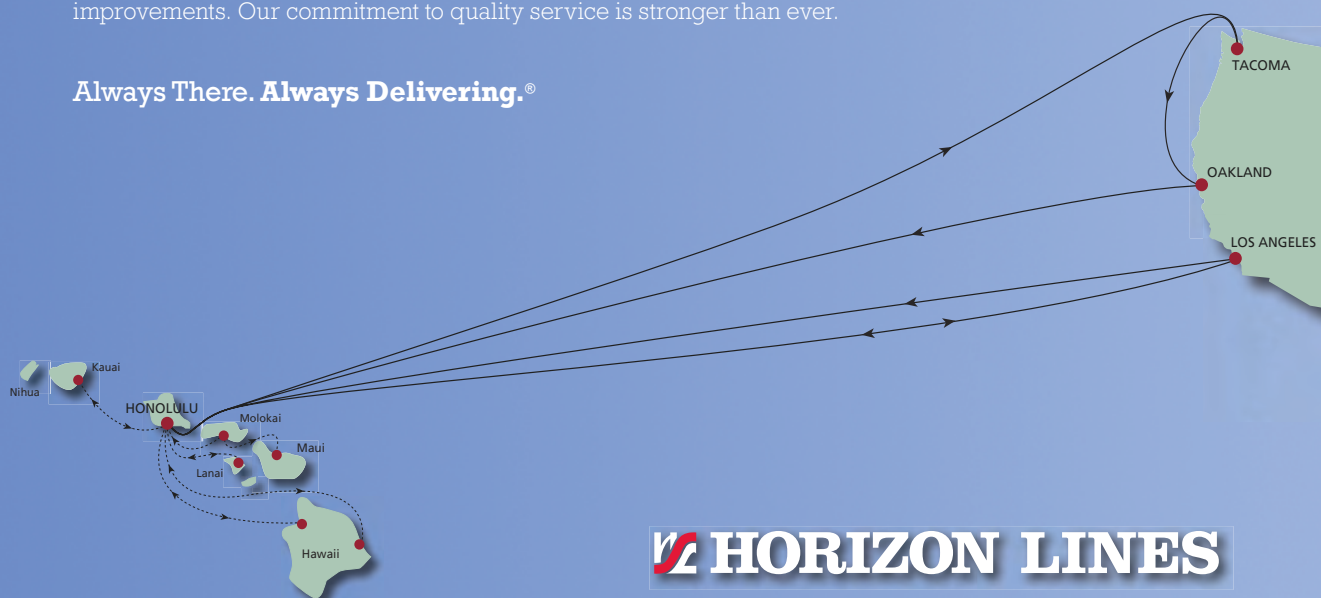




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Winners to be announced at Summer Fancy Food Show

It's special, it's outstanding, it's innovative. That must be why Auntie Lilikoi's Passion Fruit Mango Chutney has been named a finalist for Outstanding Condiment in the Specialty Food Association's 2014 sofi Award competition. "sofi" stands for *Specialty Outstanding Food Innovation* and represents the best of the best from members of the Specialty Food Association. The sofi Award is the top honor in the \$88 billion specialty food industry. Auntie Lilikoi LLC recently became an HFIA member company after successfully selling its many lilikoi products at HFIA's Made in Hawaii Festival for years.

Auntie Lilikoi's Passion Fruit Mango Chutney was one of the 109 Finalists selected by a national panel of specialty food professionals from 2,025 entries across 30 award categories from Outstanding Appetizer to Outstanding Vinegar. Noted chef Dominique Ansel will announce the winners at a red-carpet ceremony on June 30, 2014 at the Summer Fancy Food Show in New York City.



"We never expected one of our products to make it this far in this very large and competitive arena," said Lori Cardenas, owner of Auntie Lilikoi Passion Fruit Products. "We are totally thrilled and delighted with this recognition from the judges of the Specialty Food Association. Our chutney is our newest product, which

we developed because our customers asked for it."

"As sofi is the highest honor for products from our members, who bring craft, care, and joy to the specialty food they create," said Specialty Food Association President Ann Daw, "the honor means the product is simply the best in its category. The sofi Awards are open to members of the Specialty Food Association, a not-for-profit trade association established in 1952 for food artisans, importers, and entrepreneurs with more than 3,000 members in the U.S. and abroad. For more information on the association and its Fancy Food Shows, go to www.specialtyfood.com. Learn more about the 2014 sofi Awards at www.specialtyfood.com/sofi. For more information about Auntie Lilikoi's, contact Lori Cardenas, Owner, at 808-338-1296, or at info@auntielilikoi.com.

WAFC Retail Management Certificate Program

Register Now for Retail Management Certificate Program

The registration and application process is now open for the Western Association of Food Chains (WAFC) University of Hawaii Retail Management Certificate Program. If you are interested in advancing your career in retail management, this program will give you the tools to advance to the next level, increase your income, and boost your marketability. This program provides nothing less than the essential skills necessary for a successful retail management career. If you are an employer in the food industry, have your human resources department promote the Retail Management Certificate Program so your most promising staff will have the skills necessary to take your business to the next level.

Some of the learning objectives for the program are to:

- Apply math and computer skills to solve business operations issues
- Communicate effectively with internal and external customers in the workplace.
- Analyze retail management situations to determine the best basic management, accounting, and marketing strategies.
- Demonstrate understanding of how to train, motivate, and supervise employees/associates to attain the goals of a retail business.

The HFIA Foundation is also very pleased to offer tuition reimbursement to students who qualify. More information on the Retail Management Certificate Program and the HFIA Foundation Tuition Reimbursement can be found at HFIA's web site at www.hawaiiifood.com under Programs.



For more program information, how to apply, and course information, contact: Ross Higa, Community College Coordinator, at 808-551-5289 or at higaross@hawaii.edu.



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Mike Yoshida, Bryan Gomes, and Lek Friel of Matson with Kelvin Takashi of Unicol.





BY LAUREN ZIRBEL

HFIA recently had the privilege of attending the National Grocers Association/Food Marketing Institutes Day in Washington. We were able to schedule meetings with all four of Hawaii's

congressional delegation. The trip was a fantastic opportunity to talk story with Hawaii's national representatives about issues impacting their local food industry.

The meetings were successes and we walked away feeling that our Congressional representation knew more about the issues affecting your businesses. We were able to discuss national industry talking points, such as creating a federal standard for GMO labeling; passing fair legislation on data security; creating tax reform legislation that will be balanced and equitable; and ensuring that the Affordable Care Act does not result in mandatory menu labeling for grocery stores. We were also able to discuss issues which are a priority for Hawaii, such as the growing monopolization of the pharmacy industry in Hawaii by a single pharmacy benefit management company and the resulting impact on local grocers who offer pharmacy services in their stores. We were able to encourage our delegation to reach out to Hawaii's Insurance Commissioner and Department

of Human Services to engage them on why they are not implementing the safeguard legislation that HFIA helped pass last session. We are hopeful that interest from our congressional delegation will help stop some of the worst practices that are eliminating choices for consumers.

In our discussions, we were able to discuss the fact that GMO legislation is heating up locally. We emphasized that the industry would love to see a federal solution to this issue, as it is simply not practical to expect multinational companies to label products for a state with a population of 1.3 million people. We expressed the liability concerns of our local retailers should they be tasked with labeling GMO products when they have no way to verify if a product contains GMO material. If the products are mislabeled anywhere along the chain, the distributor, broker, and retailer may all be liable. Many legislators shared HFIA's concerns and showed a very impressive understanding of this challenging issue.

HFIA also discussed how data security represents one of the largest and most complex challenges facing retailers of all types. Grocers are committed to taking every step possible to prevent data breaches, and if they do occur, to quickly identify them to mitigate any damage to customers. Retailers spend over \$6.5 billion each year trying to protect against card fraud. Grocers support the universal implementation in the U.S. payment card system of PIN security along with chip-embedded cards. PIN and chip technology reduces the risks associated with breaches and makes it more difficult to counterfeit cards and/or add unauthorized users. Advancements in technology such as mobile payments also offer additional user verification solutions and additional layers of security. Grocers do not want technology standards that would limit future competition in the mobile payments space to be imposed.

During HFIA's meetings with our congressional delegation, we emphasized that tax fairness is a priority for our members. Tax reform must be fair, balanced, and equitable. It must include a reduction in rates for both C-Corps and pass-through entities such as S-Corps and LLCs. Calls to repeal the accounting



U.S. Representative Tulsi Gabbard and Lauren Zirbel

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method Last-In, First-Out (LIFO) are unacceptable and would have a crippling effect on both wholesale and retail grocers. Pro-growth tax provisions such as Bonus Depreciation, Section 179 Expensing, 15-Year Straight Line Recovery for Qualified Leasehold Improvements, Charitable Deductions for Food Donations, Work Opportunity Tax Credit (WOTC), and New Markets Tax Credit (NMTC) should be maintained by Congress. We strongly support the bipartisan Marketplace Fairness Act (H.R.684 in the House and S. 743 in the Senate, which passed on a 69-27 vote last May). This bill closes loopholes that currently prevent states from collecting sales and use taxes from out-of-state vendors and harms brick and mortar stores.

One of the most important issues that HFIA advocated is Menu Labeling. The FDA has proposed regulations that would capture grocery stores under a chain restaurant menu labeling law (Section 4205 of the Affordable Care Act). The restaurant industry lobbied for a uniform, federal standard for chain restaurants with 20 or more locations to preempt various state and local menu labeling laws, none of which cover grocery stores. The FDA also proposed an alternative "Option 2" that would limit chain restaurant menu labeling regulations to establishments with 50% or more of their operation devoted to restaurant type food. On April 4, 2014, the FDA sent the final rules for menu labeling to the Office of Management and Budget (OMB). We emphasized that Congress must send a clear message that this regulation should not be expanded to grocery stores. H.R. 1249/S. 1756—The Common Sense Nutrition Disclosure Act—is bipartisan legislation adopting the FDA's Option 2 to prevent restaurant menu labeling regulations from being expanded to mainstream grocery stores.

One final issue that National Grocers Association leaders informed us of that is popping up nationally is the issue of unfair pharmacy practices put in place by insurance companies and pharmacy benefit managers. In Hawaii, we are particularly vulnerable because we have one of the worst health insurance monopolies in the country. As a result of this monopoly insurance company and their semi-exclusive relationship with a pharmacy benefit manager, many of our local pharmacies have been thrown into a devastating situation. Their customers would like to continue patronizing them, but their insurance company is telling them they must get their prescriptions filled by a different company. HFIA helped pass legislation to address this exact problem; however, we are running into issues with enforcement of the law.

Stay tuned to HFIA Alerts to learn more about legislative happenings that can impact your business! 📺



TOP: Bob Gutierrez, Times Supermarkets, U.S. Senator Colleen Hanabusa and Lauren Zirbel
MIDDLE: Zirbel with U.S. Senator Brian Schatz
BOTTOM: Kailee Tkacz, National Grocers Association, U.S. Senator Maizie Hirono, and Lauren Zirbel



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