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Retail Grocer

the magazine of the hawaii food industry association

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The Chair's Message

BY STAN BROWN



Aloha HFIA Members,

2014 is off and running, and I hope everyone's year has gotten off to a great start!

I know that ours did, as we kicked off the year with a very successful Social event on January 16, held once again at Honolulu Country Club. As you all might know, I have never been much for costume parties, but I guess even an old dog can learn new tricks! I truly enjoyed the camaraderie and refreshments of the evening, and especially enjoyed seeing all of the wonderful superhero and villain costumes. Special thanks to event co-chairs Wendy Fujio and Larry Ishii and their committee for once again putting on such a successful event.

This year's legislative session is now well under way, and with it comes the weekly Government Relations Committee meetings headed by Executive Board Vice Chair John Schilf. I want to thank everyone for their participation, time, and efforts on this increasingly important committee. Seems like every year we have more and more legislation that will directly affect us, not only financially, but in many other areas. While I get the feeling that many of our elected representatives either don't know or don't care due to their actions and decisions, it becomes more difficult every year to run a successful business. Once again this year, Lauren Zirbel has been busy tracking and testifying on a lot of bills that could affect our industry, and she will update you more on that in her Legislative Update on page 6. I believe that we are lucky to have her doing what she does best.

The Annual HFIA Golf Tournament is right around the corner (Friday, March 14), and I know that Director of Golf (DOG) Mike Kaya has a great event planned for us all at beautiful Ewa Beach Golf Club. I know that I am looking forward to it. Be on the lookout once again for the Hawaii Foodbank fundraising "Closest to the Pin Par 3" hole!

Also, believe it or not, our HFIA annual convention is not far off. I am looking forward once again to this special annual event and I know that the Convention Committee has some fun things planned for us this year. I also hear that the HFIA Hall of Fame Committee has been hard at work, and I look forward to seeing the results of their efforts.

When I took over the reins of HFIA at the beginning of the year, I stated that my main goal was to work closely with Lauren to make sure that the organization was taking

the necessary steps to remain on a strong financial footing, and I am happy to report that at this point we are indeed doing just that. As much as Lauren and I would like to take all of the credit for that, I must admit that you all have played a big role in making that happen as well. Your participation in our events like the Social, Golf Tournament, and Convention are critical to maintaining a vibrant and healthy organization, so I thank you all for your support. These events, along with revenue from the Made in Hawaii Festival and *Hawaii Retail Grocer*, continue to provide the organization with the necessary resources to meet our long-term goals and achieve our mission. Thanks goes to the Executive Committee and John Schilf, Derek Kurisu and Lisa DeCoito for their guidance and leadership in this area.

A secondary goal of mine this year was to get greater member participation in our various committees and activities. To be honest, I don't feel that we have been as successful in this goal and I certainly would like to see that change for the better. I want to again remind everyone that in addition to staying strong financially, we simply must have widespread participation to maintain a vibrant organization. If it is left to only a few people to do all of the heavy lifting, eventually folks will wear out and things will start to get stale and go downhill. That is a killer for any organization. I know that over the past few years we have relied on a few super individuals to chair and volunteer for our main committees and events, and as we have seen recently with the retirement of Ron Cloutier, we simply can't count on these same folks forever. It is a sobering thought, but the one thing that is always constant today is change, and we need to be prepared for it in order to not just survive, but thrive. Hopefully, before my term is over, we can get some new folks to step up and participate. If you are interested, please contact any of existing committee chairs, myself, or Lauren directly. I can tell you from personal experience, participation on these committees is very rewarding. It gives us a chance to meet new people and forge new friendships, all while having a great time! Please give it some thought.

In the meantime, best wishes to all of you and mahalo for all of your continued support. 🍻

Aloha,

Stan

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DEPARTMENTS

Legislative Update	6
Trends: Top 5 Protein Rich Shakes.....	9
Trends: The Supermarket of the Future is Now	10
Trends: Root Vegetables 101.....	11
New Members	26
The Last Word	34

FEATURES

RPCs Nix Cardboard Boxes for Produce	12
Down to Earth Launches e-Store	12
7-Eleven: New Stores, Products & Technologies	14
Bringing Home The Goods	16
Talk Story: GRC & Legislative Style.....	28
HFIA Superheroes and Villians a Social Bunch	29



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Legislative Update

BY LAUREN ZIRBEL



Despite the fact that this is an election year for the entire Hawaii State House of Representatives, 2014 is one of the most controversial legislative sessions I have ever seen. There are a plethora of bills that would hurt the food industry in Hawaii, increase the price of food, decrease the availability of food products, and generally increase the cost of doing business in Hawaii. Some of these bills have passed out of committee and are still moving forward, while others have died.

As I am writing this, we have just passed the first lateral deadline, which means that all bills must be referred to their final committee in their house of origin. Any bills which are not referred to the final committee in their originating house are considered dead. For these “dead” bills there is still the possibility that they can be re-referred or that the language from one can be placed into a bill which is still alive as an amendment, but overall the field has narrowed and we are now focusing considerable efforts on getting the best outcomes for our members on the bills which are still alive and moving through the legislature.

In this article I will review some of the bills HFIA has testified on this session, on behalf of our members.

GMO Labeling

SB 2736 and SB 2521, which would require labeling of foods that have been genetically engineered, were both heard by the Senate Committee on Health. The Department of Health testified that they are not able to enforce the bill because there is no way for them to tell which products are GMO and which are not and also because they do not have the authority to interfere with interstate commerce. HFIA testified that international and national supplies would not label products specifically for Hawaii. HFIA also testified that it is unfair and unreasonable

to place liability on distributors and retailers in Hawaii for not labeling products. They have no way of knowing which products contain GMO ingredients considering the products were not labeled as such by the manufacturer. The Senate Committee on Health passed both of these bills out of committee; however, the bills have not been scheduled in their next committee and we are hopeful that the other committee chairs will recognize the economic reality that multinational food manufactures will not label products for our population of 1.3 million.



Minimum Wage

Two of the worst possible outcome minimum wage bills have passed out of Labor Committees in the House and the Senate. Hundreds of testimonies were heard on February 11, 2014 for several minimum wage increase bills. Of the six bills, the House Labor Committee passed HB 2580. HB 2580 annually increases the minimum wage from 1/1/15-1/1/17 by 75 cents per year and

thereafter requires DLIR to adjust the minimum hourly wage in accordance with the Honolulu region consumer price index. It also deletes the tip credit, which would hurt the restaurant industry. The bill will now move to the House Finance Committee. The Senate Committee on Judiciary and Labor passed out SB2609, which increases the minimum wage rate to \$8.20 per hour beginning on 01/01/15, \$9.15 per

hour beginning on 01/01/16, and \$10.10 per hour beginning on 01/01/17. This measure also repeals the tip credit. This bill authorizes the department of labor and industrial relations to adjust the minimum hourly wage to the nearest 5 cents based on the Honolulu region consumer price index beginning on 09/30/17 and on September 30 of each year thereafter.

Given the variability of the consumer price index, which can fluctuate year to year by around 3%, it would be very difficult for retailers who operate on margins of about 1% to budget for these fluctuations in labor costs. HFIA's testimony emphasized the problem of budgeting for large and variable increases in labor cost in our testimony. We expressed that small increases over 3 or 4 years would be preferable to large dramatic increases and tying the minimum wage to the CPI. We expect to see the minimum wage make it to conference again this year and likely to pass out in some form. We will work with legislators to convey the best way to implement this measure.

Aspartame Warning Labels

The Senate Committee on Health passed SB 2570 which would require a warning label for all food products containing aspartame that are offered for sale or distribution in the State. HFIA submitted and presented testimony in opposition.

Our testimony noted that some claims made in the bill are false and cited safety confirmation from the EU Food Safety Authority, FDA, and American Cancer Society. We are hopeful that this bill will not get a hearing in Consumer Protection Committee.



Polystyrene Mandates

A bill which would have mandated that food establishments to provide consumers with the option of using compostable or reusable disposable food service containers was deferred in committee. I had the chance to be interviewed by Hawaii Public

Radio about why this bill makes no sense for Hawaii. Hawaii has no commercial composting facilities. Compostable products will meet the same end as polystyrene and cost considerably more. The house committee on energy and environment deferred this bill.

Pre-Paid Surcharge

A bill that eliminates the enhanced 911 surcharge exemption for prepaid connections is moving forward in the Senate but was deferred in the House. HFIA has submitted testimony in opposition to both of these bills stating that it would be a financial and administrative burden for retailers, and that we already have an overly complex fee and surcharge system. This bill was introduced by public safety representatives because they need more funding for enhanced 911 services. The retailers on our

Government Relations Committee stated that it would be difficult for them to implement this fee, as most fees of this nature, such as the HI5 fee, are remitted at the wholesale level. There is also a reason to be concerned about the effect of this bill on low-income individuals who utilize pre-paid services because they can't afford a monthly plan. A surcharge of 66 cents per transaction may have an unintended consequence of hurting individuals who can barely afford their access to technology.

Sanitation Fine Increases

SB 2859 and HB 2309 increases from \$1,000 per day to a maximum of \$10,000 per day fines levied for violations of sanitation laws and rules for establishments required to undergo sanitation inspections by the Department of Health. The DOH testified that this bill's increase in sanitation penalties establishes parity with existing food adulteration penalties. However, this bill is much too broad in its reach. HFIA testified in opposition to this measure because the increased amount was not specified and because the scope of this bill was extremely far reaching and includes a wide range of businesses from manufacturers and suppliers to restaurants. After talking with the Acting Director of DOH, we have learned that this bill came about because of some high profile cases where restaurants refused to get a permit and opted to pay the \$1,000 a day fine. They told us that the fines do not go to their department but instead go to the general fund, so they have no reason to want to fine businesses. They said they have only done it twice in the past few years and it is highly unusual. The members of our Government Relations committee wanted HFIA to oppose this bill because it is too broad in scope and could have devastating impact on small business if it were to be enforced aggressively or inappropriately in the future. A \$10,000 a day fine for minor violation could put some small businesses under. We think the fine should be lowered.

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Tax Credits & General Excise Tax Exemptions

There are a number of good bills introduced this year that HFIA supports. SB3082 and HB 2626 establish an income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii. HB 1260 adds milk, poultry eggs, poultry carcasses, poultry meat, beef, beef carcasses, goat meat, goat carcasses, lamb meat, lamb carcasses and aquaculture and aquaponic products to be

consumed in the State to GET exemption for the loading, transporting, or unloading of agricultural commodities shipped into the State. SB 2169 provides a GET exemption for food and medical services. HB 2371 creates a refundable food/excise tax credit for low-income individuals. HFIA testified in support of all of these bills.

Tobacco & e-Cig Issues/License Fee Theft

As usual, there are a lot of tobacco bills up this year. SB 2495 requires persons engaged as wholesalers and dealers of electronic smoking devices and retailers of electronic smoking devices to obtain a license from the Department of Health. It also:

- Limits the retail sale of electronic smoking devices to those retailers who also hold a retail tobacco permit, and specifies that the revenue from electronic smoking device license fees shall be used to support smoking cessation programs in the State;
- Amends Hawaii's anti-smoking statute to prohibit the use of electronic smoking devices in places open to the public and places of employment; and
- Clarifies that the sale, distribution, or display of electronic smoking devices is restricted in the same manner as cigarettes and other tobacco products.

HFIA testified that it is not fair for our license fees to be

stolen and used for cessation programs when these programs are already funded by the tobacco settlement funds. Who knows how high our fees will be increased if they tie them to smoking cessation? The fees should be used to regulate the licensing program. This bill passed out of the Health Committee, and HFIA's amendments to not tie our fees to tobacco cessation were granted. There is a similar bill, SB 2497, which would increase the license fee for persons engaged as a wholesaler, dealer of cigarettes, or tobacco products, and increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products. This bill also specifies that revenue from the license and permit fees shall be used to support smoking cessation programs in the State. HFIA opposes this bill for the reasons stated above. SB 2222 prohibits the sale, offering for sale, or distribution of any flavored tobacco product. HFIA opposes this bill.

Bottles and Glass

SB 2931 amends the advance disposal fee for glass containers to a tiered structure based on the interior volume of the glass container and HB 1550 requires large businesses that sell deposit beverage containers to serve as redemption sites for the deposit beverage container program. SB 2931 passed out of its first committee; however we are working with stakeholder to develop a resolution that would address the underlying issues with glass, namely that the State

pays recyclers to ship a nearly worthless material to the mainland for a huge net loss. We need to develop a way to use the recycled glass on island. Some states have developed programs which achieve this goal. Chair Chris Lee deferred HB 1550 which would have turned retailers into redemption sites. We are grateful, because there are ample recycling opportunities in Hawaii, retailers don't need to be mandated to get involved in redemption.

Gift Cards

HB 2108 requires an issuer of a gift card to hold in trust the moneys received in payment for the card. HFIA testified

against this bill, as it would be nearly impossible to implement and places an incredible administrative burden on retailers.

These are just a few of the bills being discussed this session. Please stay tuned for our "Action Alert" emails which utilize our new Voter Voice platform. This platform allows HFIA members to communicate with the legislature with only a few clicks of a mouse! Thank you for all of your support, your voice matters! 🗣️

Top 5 Protein Rich Snacks

THE LEMPert REPORT BY PHIL LEMPert, THE SUPERMARKETGURU®

Protein is key to a successful snack; it helps keep you fueled, is satisfying, and provides healthy vitamins and minerals. Here are SupermarketGuru's top five protein rich snack suggestions:

1. Looking for something savory? Try low-fat cottage cheese sprinkled with your favorite seasonings like chili pepper, pepper, or Italian spices, or serve with a circle of pineapple, chopped pears or apples, or a small handful of green or red grapes. Cottage cheese is one of the richest sources of protein in the dairy department and can be enjoyed both sweet and savory. In the produce department, make sure to shop for what's in season; it's more delicious and nutritious, your body will thank you.

2. Yogurt, cheese and more dairy. Other good protein rich dairy choices are 4 ounces of plain yogurt (add your own fruit, nuts, or other toppings), one to two ounces of cheddar cheese with apples or a thick slice of mozzarella with a slice of fresh tomato either with a sprinkle of balsamic vinegar and olive oil or with a few leaves of fresh basil. Some other great protein rich dairy snacks include a small bottle of kefir or mozzarella string cheese.

3. Make a smoothie! Blend seasonal fruit, veggies, and even frozen berries with protein rich nuts, yogurt, or a scoop of protein powder. The fiber from the veggies and fruit will keep you feeling full, and the protein will have you fueled until your next meal. The blender is also a great tool for freshly made vegetable juices. Use it for blending leftover veggies, or use fresh ones with water or add a little vegetable or chicken stock, blend, heat, and serve as a pureed soup or hot drink – add some sliced chicken or beans for a protein kick!

4. Crudité's aren't just for cocktail parties. Cut up stalks of celery, buy some baby peeled carrots, slice some colorful bell peppers (red, yellow, green, or purple), and dive in. Lightly blanched cauliflower or broccoli florets are also delicious for snacking. Pair with protein rich hummus, cheese, or even a hard-boiled egg...the perfect protein!



5. Go nuts and nut butters!

Nuts and nut butters are excellent sources of protein, healthy fats, minerals, and vitamins. Small quantities of raisins or currants, nuts (pistachios, cashews, almonds, walnuts), or a homemade trail mix of dried fruit, nuts and seeds (pumpkin, sunflower) are delicious and filling. Peanut, almond, sunflower, and other nut butters aren't just for sandwiches. Slather sliced apples and bananas, spread on delicious whole grain crackers, or fill celery stalks with nut butters.

There you have it—the top five protein snacks and then some! Start paying more attention to your snacks and making sure to include a protein rich option; your energy and mood will soar! 🌱



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Baskets of heirloom tomatoes.

The Supermarket of the Future is Now

THE LEMPERT REPORT BY PHIL LEMPERT, THE SUPERMARKETGURU®

Over the past few years, we have seen modest changes in the bricks and mortar side of supermarkets in spite of supermarkets losing 1.6% of dollar sales (and the customers who represent that percentage) to other channels of distribution, including drug chains, convenience stores, non-traditional outlets, and farmer's markets. Shouldn't this loss be a wake up call that some things need to change?

The only subset of supermarkets that is growing is the Fresh Format, up one percentage point, and those food retailers who have focused on fresh (e.g., Whole Foods, Earth Fare, Fresh Market, Sprouts) are adding additional locations (estimates are an additional 320 stores by 2017) and excitement to the shopping experience.

According to Nielsen, fresh foods account for 30% of consumer expenditures on food, grocery, and personal care here in the U.S. We should expect in 2014 to see dramatic differences take place as major chains include, and build on, many of the attributes of this Fresh Format.

Look for traditional supermarkets to wake up and rival farmer's markets...and begin a new way of selling produce and other foods.

I would suggest that it is time that food retailers stop merchandising categories together. Learning from "upgrades" like Greek yogurt, European butters, fine wines, and even the new controversial Starbucks \$7-a-cup experience, expect to find for example, heirloom tomatoes, corn and melons (which traditionally sell for 50-200% more than their commodity counterparts) to be merchandised in separate, high-end display cases which are temperature controlled with the produce more carefully handled and displayed.

Supermarkets need to once again become the center of their communities by offering such services as "community cooking centers," where shoppers can collaborate and learn from each other, rather than the old school model of instructor teaching students. It is time for supermarkets to look around us and take the lead from what has already occurred in food recipe social media, and to create a "connected culture" for and with their shoppers. These community cooking centers will also add excitement in-store with their aromas, visual appeal, participant interaction, and sounds...and of course let's push the envelope a bit and include sampling the prepared dishes for those shoppers who pass by in order to reach out and include them as well.

A few years ago "meal assembly locations" were one of the hottest fads of the moment, and consumers tired of that experience quickly. More recently we are seeing "meal kits" being promoted and sold online and delivered to your door—everything you need to prepare six to eight meals for about \$10 a meal for two. While a few supermarkets around the country have developed similar programs (Publix in particular), why shouldn't every supermarket offer this convenience?

The 2013 NGA SupermarketGuru Consumer Panel Survey revealed that almost half of shoppers are cooking more at home and roughly the same amount do not feel "confident" or "in control" of their cooking skills. Approximately 75% of survey respondents said that they wanted better cooking skills. What an opportunity for supermarkets to build a stronger relationship by offering sensible home cooking solutions. ■

Root Vegetables 101

THE LEMPERT REPORT BY PHIL LEMPERT,
THE SUPERMARKETGURU®

What are root vegetables? Roots or plant parts that grow underground and are edible. Root vegetable categories include tubers, rhizomes, taproots, corms and bulbs.

How to buy: Look for smooth-skinned choices with few blemishes that are firm to the touch. Some roots like turnips, beets, fennel, or celery also have edible stalks or green tops which are nutritious. Tubers are not roots, but stem tubers are. Rhizomes are stems, as their roots grow horizontally (ginger, arrowroot, ginseng); tuberous roots are turnips, cassava, and sweet potatoes; corms and bulbs are underground plant stems (garlic, shallots, fennel); Asian root veggies are galangal, lotus root, daikon, and Chinese water chestnut.

How to store: Always discard plastic bags and store in a cool, dark cupboard with some ventilation. Most tubers can be stored up to three months; others should be used within one month. Overlong storage increases the starch and sugar and reduces valuable nutrients.

How to use: It is imperative to thoroughly wash with a scrub brush before using. Do not soak and do not clean before storage. Well-cleaned skins are not only edible, they offer extra fiber and valuable nutrients. Root veggies can be baked, fried, sautéed, or steamed, and take very well to seasonings.

Health Benefits: Root veggies are very low in fat and calories, yet excellent sources of protein and phytonutrients. The more intense the color, the more nutrients (beets, purple kohlrabi, carrots, purple potatoes). Root veggies such as sweet potatoes, boiled potatoes, yams, onions, raw carrots, and beets have a medium GI (Glycemic Index) rating. When baked or mashed, potatoes, parsnips, carrots, and rutabagas have a high GI rating. 🥕



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RPCs Nix Cardboard Boxes for Produce

BY JASON Y. KIMURA

One national supermarket chain eliminated about 17 million pounds of corrugated cardboard usage. They did it by switching to Reusable Plastic Containers (RPCs). Claire Sullivan, Purchasing and Public Affairs Coordinator for Hawaii stores, says that Whole Foods Market is moving in that direction, noting that there is a tremendous reduction in waste and a huge cost savings on cardboard box expense.

The interlocking RPCs stack well, as they are standardized, but come in different depths. They promote ventilation and drainage, and are ideal for delicate fruits and vegetables. The containers can also be collapsed in seconds when empty for storage and transport. Farmers and produce distributors could greatly benefit from using RPCs, and would enjoy reduced cost over time.

The main hurdle right now is getting businesses to buy into RPCs. If a big enough market is developed, then it would be likely that someone will set up a business to



Claire Sullivan speaks to HFIA members.



Whole Foods Produce Supervisor Andrew Haden shows a collapsed RPC and RPCs holding organic carrots.

maintain RPCs for farmers, produce distributors, and supermarkets instead of these businesses having to maintain them.

For more information on RPCs, contact Lauren Zirbel, HFIA Executive Director, at laurenzirbel@hawaiifood.com, or Claire Sullivan at Claire.Sullivan@wholefoods.com. ■

Down to Earth Launches e-Store

BY JASON Y. KIMURA

If you like both Amazon.com and organic vegetarian foods, you'll love Down to Earth's new e-store, which was launched earlier this year. The e-store features over 100 local Hawaii products, Down to Earth private label items, and many other products. Ordering is as simple as ordering from Amazon.com.

"The new e-store has been designed on an Amazon.com platform, which provides customers with the confidence of a familiar and secure environment using their Amazon.com account," explains Mark Fergusson, Chief Organic Officer (CEO/CFO). "Opening an e-store marks a major milestone in the 37-year history of Down to Earth. People from underserved parts of the state and throughout the nation will now have easy access to popular local products sold in our brick-and-mortar stores." One of Hawaii's leading retailers of local products and organic and natural foods, Down to Earth has five stores throughout Hawaii in Honolulu, Kailua, Pearlridge, and Kapolei on Oahu, and

Kahului on Maui.

Down to Earth's e-store features local Hawaii products such as coffee, honey, cosmetics, noni, and spirulina. Other products include cosmetics, sunscreen, facial care, oils, massage lotions, and Down to Earth private label and branded products, as well as vegetarian supplements like vitamins, protein powders, heart and bone health aids, antioxidants, cold and flu herbal remedies, and much more.

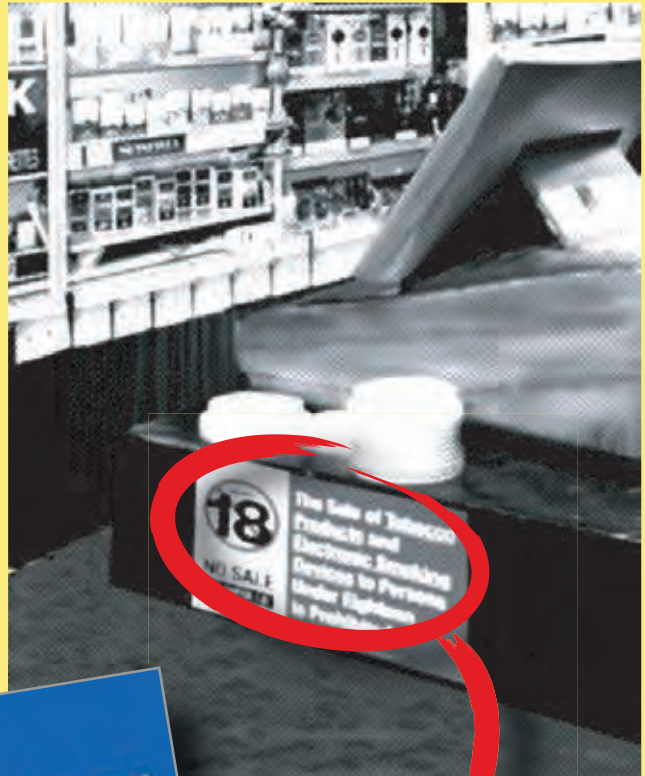
"From humble beginnings with a small store in Wailuku, Maui, in 1977, Down to Earth has grown and flourished to become an important part of the Hawaii community," said Fergusson, "and now the e-store enables us to serve customers beyond our shores." Check out Down to Earth's e-store at <http://estore.downtoearth.org>. ■



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7-Eleven: New Stores, Products & Technologies

BY JASON Y. KIMURA



People don't usually hang around in a 7-Eleven parking lot—they get their goodies and go. Such was not the case on January 18 when the locally operated convenience store chain opened its 60th Hawaii store at 306 Kalihi Street along Nimitz Highway. Crowds hung out in the parking lot at tents that gave out samples and prizes on the 2,640 square foot store's first day of business. 7-Eleven will open its

61st store in March at 555 N. King Street in the Kingsgate Plaza.

Despite the fanfare outside, the real prize was inside. The new store is not only inviting with a warm colored flooring, Hawaiian-style etched glass, and a large selection of brightly arranged merchandise, it incorporates cutting edge technology.

If you're in for some quick eats, the first thing you'll see is the Wiki Wiki hot foods. The Wiki Wiki menu is balanced between popular American fare like pizza, potato wedges, hot wings, mini corn dogs, and mini tacos, and a local/Asian selection with manapua, egg rolls, and other local favorites. The menu and prices and are displayed over the

counter on digital flat screen monitors, along with scrolling store specials.

There's also a large, open chill case with ready-made breakfast foods, sandwiches, fried noodles, bentos, sushi, and other things for an instant meal. This is also where basic groceries like cold cuts, eggs, and cheeses are kept. The store also has a F'real machine. Choose a milk shake, smoothie, or frozen coffee container from a huge selection of flavors, open the top, and use the blending machine to create your frozen treat.

One of the most interesting features is the novelty ice cream cases, which have open tops. Instead of doors, a blanket of frozen air constantly flows over the top, so no cold air is lost. Made in Japan, the ice cream case is energy efficient. The entire store is built with energy-efficient technology. A ceiling pattern of small LED lights illuminate the store. Energy-saving



Open top novelty ice cream cases with vaulted glass door refrigeration units behind.



Masae Dote, Chief Financial Officer, and Blake Yokotake in front of Wiki Wiki hot foods. Dote holds a bag of 7&i Premium "Barbecue Snack."

LEDs also keep bright a long row of refrigeration units with vaulted glass doors. Tubular day-lighting devices in the storeroom bring in enough sunlight from the roof to work without turning on the electric lights. Less obvious features are the modular counters, which can be rearranged, and thinner, adjustable-depth shelving that provides more efficient merchandising space. Both are designed and made in Japan.

7-Eleven came to Hawaii in 1978 with its first store in Kaimuki. However, the convenience store concept began in 1927 in Dallas, Texas, by Joe C. Thompson, Jr., icehouse manager for the Southland Ice Company, where he was successful in selling convenience items from one of the company's icehouses. Thompson eventually bought the company and turned it into the Southland Corporation, which opened several convenience stores. In 1946, the stores' name was changed to 7-Eleven to reflect their hours—7:00am to 11:00pm—but of course later became known for being open 24/7. In 1991, the Japanese company Ito-Yokado gained a controlling share of 7-Eleven. Ito-Yokado formed 7&i Holdings and 7-Eleven became a subsidiary in 2005. Although 7-Eleven Hawaii is also a subsidiary of 7&i Holdings, it operates independently of mainland 7-Eleven stores.

The first stores to be renovated with the new look and high tech improvements were the Hawaii Kai and Wilder locations. Product assortment was also modified to cater to customers in the neighboring areas. In addition, 7-Eleven Hawaii stores are beginning to carry many 7&i Premium snacks and other products originally developed for 7-Eleven Japan customers (see page 20). With the success and customer approval of the new style stores, the goal is to remodel all 7-Eleven stores in Hawaii, which the company hopes to achieve in five years. With the addition of two new stores in the first quarter of this year, 7-Eleven Hawaii will have an employee base of 980 statewide. The company has plans to expand to 100 stores in Hawaii. ■

Left to right: Blake Yokotaka, Human Resources Manager, Sung Kim, Operations Manager, and Chuck Jones, Facilities Manager.



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Bringing Home THE GOODS

HFIA Member Companies Bring Homegrown and Overseas Products to Market

BY JASON Y. KIMURA

Where's the beef? Well, in Hawaii, we may say instead, "Where's the pork?" In presenting May's brand new Pork Adobo product, Executive Chef Ryan Day of Palama Holdings LLC noted that pork is the most-consumed protein in Hawaii. (Nationally, chicken recently overtook beef as the most consumed meat, with pork a distant third.) However, there's room for beef too—Makaweli grass-fed beef from Kauai brought in by Big Save and Times Supermarkets on Kauai—along with many other diverse products from here and the mainland. In this issue of *Hawaii Retail Grocer*, we once again review the newest products to come to the Hawaii market. There are products that bring us right back to childhood like Wonder Bread from Love's Bakery, drinks that promise to cure what ails us from Aloha Friday Beverage Company, a fuel additive brought in by Harbour Brokerage to BOOST our gas mileage, and even dog wash for pooches and people too.

For starters, what's a better way to begin your day than a good breakfast...



New Steel Cut Instant Oatmeal are Better Oats®

To some, nothing is as plain as oatmeal, but not to the folks at Better Oats, which calls their instant oatmeal line Oat Revolution.® The company has introduced three new Oat Revolution varieties, some of the fastest cooking steel cut oats on the market. The instant oats allow consumers to enjoy all the flavor, texture, and health benefits of slow-cook steel cut oats in just two and a half minutes in the microwave.

A good source of fiber, Oat Revolution steel cut oats come in three varieties: Classic, Maple & Brown Sugar, and Cut Apples & Cinnamon. Better Oats products are marketed by Ohana Sales & Marketing, Inc., and distributed by C&S. Family owned since 1919, MOM Brands® is the parent company of Better Oats, which is a part of its growing brand portfolio. The three varieties of Oat Revolution instant steel cut oatmeal will be available at Foodland, Times Supermarkets, Don Quijote, Tamuras, and other retailers. Contact your C&S rep for more information.

Pork Adobo, May's Style

Since its introduction last March (see *Hawaii Retail Grocer*, Spring issue 2013, p. 16.), May's Local Boy Sliced Pork is selling like gangbusters, according to Ryan Day, Executive Chef of Palama Holdings, LLC. If the standard issue two-pound box at the supermarket just isn't enough for you, the old-timey drive-in flavor of Local Boy can now be found at Costco and Sam's Club in 10-pound boxes. Now Palama Holdings has another local favorite to add to its line of May's products: Pork Adobo.

As locals know, pork adobo is very popular at plate lunch places and at Hawaiian-style eateries, not to mention potlucks. The name "adobo" was adopted from the Spanish, who colonized the Philippines in the late 16th and early 17th centuries. In Spanish, the word "adobo" refers to the pickling of raw meat or fish in a marinade, which preserves it. However, Filipinos had a completely indigenous cooking method involving stewing with



vinegar and seasonings rather than pickling. The Filipino dish's original name has been lost and it eventually became known as adobo, even though the Spanish version is completely different, with only vinegar and salt as common ingredients.

The May's team did some research to find out how many people order pork adobo at these places and how many variations there are. "We began with an authentic recipe from the Philippines," says Day, "and created a more local flavor profile." The development team ate a lot of pork adobo from local eateries, and went through 14 variations before finalizing their recipe. They even vetted their recipes with Palama Holdings Market Analyst Lilie Herbon, who cooks adobo at home every week. May's Pork Adobo has real Filipino characteristics, like bay leaves and whole peppercorns, but less vinegar, a little less salt, and a little more soy sauce.

Producing quality meat products since 1951, May's Hawaii's other offerings include Local Boy Pork, Kalua Pork, Teri Beef Patties, Teri Chicken Thighs, Kalbi Short Ribs, Chicken Katsu, and Char Siu Chicken. Palama Holdings LLC is a food manufacturing and distribution company with roots dating back to 1952 when the Palama Meat Company was established. The company became Palama Holdings LLC after acquiring a number of companies and food brands, including May's Hawaii, Hawaii Gourmet, Palama Meat Company, and Hawaiian Warrior Beef Jerky.

To be released early this summer, May's Pork Adobo will be packaged similarly to May's Kalua Pig but a bit deeper, and will be right next to it at your local supermarket. Just heat and add rice! For more information about May's Pork Adobo and other Palama Holdings, LLC, products, email Gary Hanagami at ghanagami@palamameat.com.

Products of Our Times

Times Supermarkets hopes the time has come for local, grass-fed beef, and will put thought to action by introducing a new line of 100% grass-fed beef from Makaweli Meat Company. The beef will be found in Times and Big Save Markets on Kauai and a small, select group of other retailers. "Times is excited about its partnership with Makaweli Ranch and being able to provide their customers with a quality product that meets the growing demand for natural and sustainable products," says Times Marketing Manager Tad Fujiwara.

Located in one of the most isolated environments in the world, Makaweli Ranch is committed to producing 100% grass-fed beef. Through its abundance of clean mountain stream water used to irrigate its protein-rich grass pastures, Makaweli promises a fresh,



What's the next best thing to May Day in Hawaii? How about eating delicious pork adobo anytime you want at home!

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farm-to-table experience with its beef. Their cattle are raised without antibiotics, growth hormones, or steroids and meet strict USDA-certified standards. Makaweli is also committed to the humane treatment of animals. The Ranch believes in sustainability and uses state-of-the-art technology to produce its own electricity and turn wastewater into fertilizer for its pastures.

Started in 1864 by Aubrey Robinson to provide food for the Robinson family, Makaweli Ranch has been passed down to family members to this day. By 1910, raising beef cattle became a significant business for the family, and provides quality products to Kauai residents and visitors. For more information, visit www.makawelimeatcompany.com. For information about Makaweli beef in Times and Big Save, email Tad Fujiwara at tadf@times-supermarket.com.

Also new to Times Supermarkets are their Full Service Seafood Counters, now in eight Times locations on Oahu and in two Big Saves on Kauai. The Oahu locations include Aiea, Beretania Street, Kahala, Kamehameha Shopping Center, Kaneohe, Liliha, Mililani, and Royal Kunia; Kauai locations are in Koloa and Kapaa. The service seafood counters allow Times to increase its selection of freshly made poke and other pupu favorites. Times is also now able to better support sustainable fishing by offering more local auction fish like ahi, au, mahi mahi, ono, and opah. Service Seafood counters are open from 9:00 am to 7:00 pm daily; Beretania Street and Mililani stay open till 8:00 pm.

Safe Harbor for Ledbetter Fillets & Uncle Louie's Sausages

Some may be disappointed that we can't get Makaweli beef on Oahu, but Harbour Brokerage (see new member profile on page 26) has brought to our shores a premium beef product—Ledbetter Foods' Bacon Wrapped Beef Tenderloin Filets. Ledbetter's Chicken Breast Filets and Pork Filets—both bacon wrapped—are also available. The bacon wrapped beef, chicken, and pork filets come in portion-sized packs of two 5-ounce filets for the convenience of both consumers and food service companies. The cuts are high quality at a good price.

Founded in 1959, Ledbetter's vision is to be the premier provider of case-ready products. Their three facilities process millions of pounds of beef, chicken, and pork annually. Ledbetter fillets are available at all major retailers.

Another line of products available through Harbour Brokerage is the Uncle Louie Sausage Company line of sausages, which are made in Maui. All-natural casings are used in the premium sausages. The varieties include fully cooked Uncle Louie's Portuguese Brand Sausage Sticks, Rings, and Pupus, Pineapple Flavored, Sweet Onion Sausage, Blood Sausage, and Maui's Own Hot Dogs.

In business for over 20 years, the Uncle Louie Sausage Company has been available mainly at Maui outlets. Harbour will now stock Uncle Louie's at major retailers on Oahu. For more information about Ledbetter's filets and Uncle Louie's sausages, contact Rod Gomes, Harbour Brokerage Vice President of Sales and Marketing, at 808-445-2375 or at rod@ixhawaii.com.

A Boost For Pooches, People & Engines Too

Taking a break from all those good grinds, we now turn to some non-food products. Times Supermarkets is carrying a unique product called Bungalow Woof, a wash for pooches and people too. Made in Hawaii by Bubble Shack, the company advertises its product as "naturally magnificent" because it is a natural wash made with organic extracts and is free of sulfates, detergents, parabens, phthalates, and artificial colorants. Bungalow Woof will maintain a shiny coat and help heal hot spots (presumably on people too) with its coconut and kukui nut oil ingredients. Deodorizing and naturally anti-bacterial, it also includes shea butter and aloe vera to relieve dry, itchy skin. The wash will also naturally

rid your pet of fleas and ticks (not sure if that applies to people too). It comes in three flavors—Flowers in My Shower, Citrus Wipeout, and Rainforest Run—cute graphics included.

For every purchase of Bungalow Woof, Bubble Shack donates to the Bungalow Woof Foundation, which supports “no-kill” rescue groups in Hawaii and on the mainland that actively seek to protect and improve the welfare of homeless, abused, and abandoned dogs. For more information, visit www.bubbleshackhawaii.com, and stop by your local Times Supermarket’s pet isle to pick up some Bungalow Woof for you and your dog!

If your low diesel (low combustion) or gasoline engine needs help, try Boost Fuel Saver, which is being brought to Hawaii by Harbour Brokerage. Actually, virtually any engine can use Boost, but especially older ones. Boost Fuel Saver does what its name implies—it gives you better fuel efficiency—but also does much more. In comparative tests, the fuel additive decreased combustible carbon residue by up to 90 percent, resulting in more power per pound of fuel. Considered an environmentally green product, the effect of Boost is twofold: more combustion for better mileage and less soot and smoke.

Adding Boost allows you to use a lower octane gas and eliminate valve ping. The fuel additive also eliminates water, and engine emissions are reduced. Just one ounce of Boost treats 80 gallons of fuel. “It’s amazing,” said Rod Gomes of Harbour Brokerage. “Mechanics have a hard time believing

it, even after they see the result.” Since the 1950s, the Boost Fuel Saver Products Company has been chosen to provide fuel additives to the federal government, major utilities, and some of the nation’s largest manufacturing operations.

Until recently, Boost was only available in bulk containers, but now is also packaged for businesses and consumers. It comes in 8oz. and half-gallon sizes, as well as in 55 gallon drums. Boost can be used in generators, military equipment, ocean freight vessels and cruise ships, RVs, automobiles, motorcycles, boats, lawn and garden equipment, and more. Harbour Brokerage will initially concentrate on big users like the State, military, and industry, but Boost will also be available in Hawaii retail stores. Gomes noted that Harbour Brokerage and parent company International Express will be the first to use it in their trucks. For more information about Boost Fuel Saver, contact Rod Gomes, Harbour Brokerage Vice President of Sales and Marketing, at 808-445-2375 or at rod@ixhawaii.com.

Every Day Can Be Aloha Friday

Some need a boost for their ailing engines, but many of us need one for our bodies in the afternoon, or maybe even in the morning if you’re burning the candle at both ends. Different from typical energy drinks, Aloha Friday is a beverage that helps keep you healthy and hydrated any day of the week.

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Aloha Friday doesn't have any sugar, artificial sweeteners, caffeine, gluten, sodium, or very many calories. (Its enhanced waters have just 5 calories per serving; iced teas have 0.) What it does have is a proprietary blend of nutrients that have specific functions in the human body required to maintain proper health and function on a daily basis. "Aloha Friday has enough vitamins and minerals to relieve and prevent a variety of symptoms," says Andrea Gall-Krasnick, Founder and President of the Aloha Friday Beverage Company, Inc., a Kailua-based start-up beverage company. (See New Members on page 26.) "It keeps your mind alert and your body working properly." The beverage doesn't focus on just one ailment, she says, and it doesn't get you wired for a few hours and then let you crash later on.

Aloha Friday has eight major nutrients, including 100% of the Recommended Daily Allowance (RDA) of Vitamins B3, B5, B6, and B12, 25% RDA of Vitamin D3, and antioxidants such as EGCG (epigallocatechin-3-gallate, a potent antioxidant), plus Vitamins A and E. According to the company, when your body is low on essential nutrients, it tends to stop functioning properly and can result in a variety of symptoms like anxiety, stress, constipation, dehydration, fatigue, headaches, insomnia, irritability, and leg cramps. The longer your body goes without the necessary amounts of water, vitamins, and minerals, the harder it becomes for your body to fight illness, and the easier it gets for your health to decline.

Aloha Friday beverages come in five flavors: Apricot + Nectarine, Lychee + Lemon, Mango + Orange, Apple + Peach Tea, and Hibiscus + Raspberry Tea. All use natural sweeteners, not artificial ones like aspartame. Each 16 oz. bottle contains two servings. You can buy Aloha Friday beverages at Maui Tacos, Lanikai General Store, Muddy Waters Espresso Café, Aloha Salads, and at the Hawaii Convention Center. For more information, visit www.alohafridaybevco.com. If you are a retailer and want to stock Aloha Friday beverages, contact Andrea Gall-Krasnick at 808-352-2939 or at andrea@alohafridaybevco.com.

Mango Chutney with Passion

In response to customer demand, Auntie Liliko'i Passion Fruit Products introduced its Passion Fruit Mango Chutney last year. Auntie Liliko'i's owner Lori Cardenas calls it her "everything but the kitchen sink" chutney. "It's sweet, tart, spicy, and savory—all in one delicious bite!" she says.

Cardenas starts with chunks of mangoes and adds tart apples, onions, ginger, dried fruits (mango, pineapple, papaya, and cranberries), lemon juice, maple syrup, cayenne pepper, cloves, cinnamon, and, of course, passion fruit. Suggested uses of Passion Fruit Mango Chutney are as an accompaniment to chicken, fish, turkey, curry, and pork.

If Cardenas says her chutney has everything but the kitchen sink, that's a microcosm of her entire company. When it comes to passion fruit, Auntie Liliko'i products cover everything but the kitchen sink. The company produces, jellies and butters, mustards and dressings, syrups and juices, and even personal care products—all with passion fruit as an ingredient. Personal care products include passion fruit shaving gel, moisturizer, bath gel, soap, body wash, shampoo, essential oil, lip balm, and revitalizing hydrator spray.

A new HFIA member (see New Members, page 26), Auntie Liliko'i sells their Passion Fruit Mango Chutney and other products at their factory outlet in Waimea, Kauai, and on its website at www.auntylilikoi.com. They can also be found at HFIA's Made in Hawaii Festival each year.

Japanese Twist on Snacks at 7-Eleven

If you're in the mood for snacks, check out 7&i Premium products, 7-Eleven's exclusive new offerings from Japan. The first 7&i items

arrived in May of last year, and there are currently 15 items ranging from chocolates to cookies, to savory snacks. The newest addition, Nori Potato Chips, will be launched in mid-March, and features ridged chips flavored with a grilled nori seasoning. Top sellers include Chocobo (\$1.99), which are individually wrapped, light, tube-shaped corn puffs covered with semi-sweet chocolate, and Cheese Ring (\$1.99), bite-sized rings made with four types of cheeses—gouda, camembert, gorgonzola, and cheddar—and recommended to be paired with sparkling wine. Prices for 7&i Premium items range from \$1.59 to \$3.99.

7&i Holdings Co., Ltd., is the parent company of 7-Eleven Hawaii, a subsidiary which operates independently of mainland 7-Eleven stores. 7&i Premium products were originally developed for 7-Eleven Japan customers, but because of their uniqueness and quality ingredients, 7-Eleven Hawaii decided to make them available to its customers.

Love's Brings Back Wonder, Home Pride & More!

All that talk of jams and jellies brings bread to mind, but not just any bread. How about some good old fashioned white bread—the kind that's made for peanut butter and jelly? If you crave some white bread nostalgia, you're in luck. Wonder Bread will be back in Hawaii. It was an American grocery

store mainstay that has been around since 1921; that is, until Hostess filed for bankruptcy in 2012. Another Hostess bread, Home Pride, also had a fan base for its butter top and wheat bread.

Last year, Flowers Foods, Inc., owner of the Mrs. Freshley's and Tastykake brands, acquired Hostess' bread brands, which included Wonder and Home Pride...and now Love's Bakery is under contract with Flowers to begin producing both breads. Once upon a time, Love's had a production and distribution agreement with Hostess to produce the two breads, so this will be a return to familiar times. Production at Love's could start as early as April, so keep your eyes peeled for Wonder Bread's red, blue, and yellow polka dots, and Home Pride's familiar yellow packaging.

Love's has become the distributor and local sales representative for another nostalgic treat. Fans of Krimpets and other bakery sweets will be happy to know that Tastykake is coming back to Hawaii in 2014. It's been over 10 years since



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Tastykake snacks have been in Hawaii and almost as long since distribution has been open West of the Mississippi. Tastykake snacks will be available in March and will be found in most convenience gas and grocery locations. Available varieties will be Cream Filled Koffee Kakes, Koffee Kake Juniors, Butterscotch Krimpets, Cream Filled Buttercream Cupcakes, Chocolate Cupcakes, Peanut Butter Kandy Bar Kakes, and S'mores Kandy Bar Kakes.

If you're not that familiar with Tastykake snacks, it all began in 1914 when Pittsburgh baker Philip J. Baur and a Boston egg salesman, Herbert T. Morris, went into business in Philadelphia to produce baked goods using only the finest and freshest ingredients delivered to the bakery daily. They insisted on farm fresh eggs, Grade A creamery butter, real milk, and cocoa, spices, and natural flavorings from afar. The products were so good that Morris' wife, after trying some of the samples, said they were "tasty," so they eventually named the business the Tasty Baking Company and came up with the name, Tastykake. In Philadelphia, Tastykakes are second only to Philly cheesesteaks. The company became a wholly owned subsidiary of Flowers Foods in 2011. For more information, contact Byron Chong, Love's Vice President, Director of Sales and Marketing, at bchong@lovesbakery.com.

New Additions to the Bud Light Lime Rita Family

After all that talk about new products, a party is in order, and Anheuser-Busch never fails to deliver when it comes to adult beverages. Read on for what's new in 2014:

When the Bud Light Lime-A-Rita was launched in 2012, it created a new category that filled a consumer need between beer and cocktails—an "Alco-Fusion" category combining the taste of cocktails with the refreshment of beer in a convenient, ready-to-drink package. The following year, Strawberry-Rita was added, and then lime Cran-Brr-Rita for a limited time during the holidays. The Rita line has been the fastest growing brand in the industry and tops in their category. To build on the brand's momentum for 2014, Bud Light Lime Mang-O-Rita and Lime Raz-Ber-Rita have been added to the Rita family.

With 8% ABV (alcohol by volume), the margarita-flavored drinks each have a twist of Bud Light Lime and are best served over ice. All the Bud Light Lime Rita flavors are perfect for parties, get togethers, and any time you're looking for a refreshing change of pace. Consumers are encouraged to blend the Rita flavors to create unique drink combinations.

Johnny Appleseed Hard Apple Cider

Betcha didn't know that Anheuser-Busch's April 7 national launch of Johnny Appleseed Hard Apple Cider is much closer to what the real pioneering horticulturist had in mind than you may think. John Chapman, better known as Johnny Appleseed, wandered the frontier, ultimately planting over 100,000 square miles of apple orchards in the 1800s. Back then, most apples were grown for making hard cider and didn't have the wholesome, all-American reputation it does today. Water was dangerous because it often carried diseases, not to mention that it could have a bad smell. As a result, many people relied on alcoholic beverages to quench their thirst, and hard apple cider was one of the most popular.

Cider is a rapidly growing category, and Anheuser-Busch is now positioned to capture a share. The hard cider's flavor profile was co-developed with over 750 Millennial consumers in three countries. Served best over ice, Johnny Appleseed Hard Apple Cider has "a unique blend of sweetness and intensity," according to Anheuser-Busch. We can thank prohibition for changing the apple's image to wholesome and healthy. Now



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MADE STRONG



we can thank Anheuser-Busch for returning it to its all-American roots. Look for Johnny Appleseed Hard Apple Cider at retailers in April.

In the meantime, also check out these other recent Anheuser-Busch products: Goose Island 312 Urban Pale Ale, Shocktop Honey Bourbon Cask, Bud Light Platinum 25oz can, Budweiser Black Crown 25oz can, Budweiser Chelada Extra Lime 25oz can, and Bud and Bud Light Cheladita. Also look for Bud Light in resealable aluminum bottles. New to Hawaii are Goose Island Pepe Nero, Matilda, Sofie, and Pere Jacque in 765ml bottles.

Craft Brew Alliance (distribution partners with Anheuser-Busch) has also recently released new products, including Widmer Upheaval and Kona Big Wave. CBA's Square Mile Hard Cider, Square Mile Spur, and Vine-Hopped Cider were pending launches as of this writing, and Redhook KCCO and Kona Castaway will be launched in April. For more information on the Bud Light Lime Rita Family, Johnny Appleseed Hard Cider, and other Anheuser-Busch products, contact Anheuser-Busch Sales of Hawaii, Inc., at 808-484-4339.

Your Fortune Awaits from MillerCoors

Anheuser-Busch is not the only company to bring something to the party. MillerCoors has some 2014 brand launches that are big news in the alcohol beverage industry. The first new product is Miller Fortune, a more spirited 6.9% ABV beer that will resonate particularly with 21 to 27 year old Millennials. Launched in February, Miller Fortune has a rich, golden color from caramel malts and an inviting aroma with malty cues and subtle citrus notes. With a light body mouth feel, its taste is balanced with hop tones and restrained sweetness. Finish is crisp and clean.

Miller Fortune elevates Miller into the above premium (AP) segment, which has enjoyed 100 percent of beer growth in 2012, with high ABV being 70 percent of that growth. Packaging includes 6-packs, 12-packs, and 24oz. single serve cans. Bottles (12oz.) come in 6- and 12-packs.

Introducing the Sturdy Side of Cider

MillerCoors has also launched its own version of hard cider: Smith & Forge Hard Cider. Launched in March, Smith & Forge is a mainstream, masculine brand that brings the grit and greatness back to hard cider. The dark amber colored hard cider has 6% ABV and is gluten-free. It has a crisp, refreshing taste, and is moderately sweet, with a clean, dry finish. Smith & Forge Hard Cider comes as single serve 16oz. cans and 4-packs, as well as in 12-packs with 12oz. cans.

Three Ways to See Redd's

MillerCoors has introduced Redd's Hard Iced Tea, a new flavor available only in a Variety Pack, which also includes Redd's Apple Ale and Strawberry Ale. The company says, "Redd's will inspire consumers to Pick Different™ with 3 different flavors." With retail timing set from February through August 2014, the new Redd's Variety Pack promises to drive incremental volume. Awareness of Redd's continues to grow, and it has become the second fastest growing brand in the category and the fastest growing brand in Grocery. Redd's is designed to appeal particularly to Millennials, who will make up 40% of the legal drinking population in 10 years and are more likely to explore new alcohol beverages than any other generation. The Redd's Variety Pack comes in a 12-pack with 12oz. bottles.

For more information on MillerCoors products, contact Jeremy Taylor, Distributor Sales Manager – Hawaii, MillerCoors – Pacific Region, at 808-227-0151 or at jeremy.taylor@millercoors.com. ■

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New Members

ALOHA FRIDAY BEVERAGE COMPANY, INC.

PROFILE: Aloha Friday Beverage Company, Inc., is a Kailua-based start-up beverage company that makes healthy, ready-to-drink, vitamin-enhanced waters and iced teas. According to Founder and President Andrea Gall-Krasnick, her company manufactures and markets the best tasting beverages designed for daily health and wellness that are made in Hawaii. Aloha Friday's beverages have low to no calories, no caffeine, no sugar, no gluten, and are loaded with vitamins and antioxidants. The products use natural sweeteners and flavors and make it easy and affordable to live a healthier lifestyle. (see p. 20)



Andrea Gall-Krasnick



REASON FOR JOINING HFIA: Gall-Krasnick joined HFIA to become more involved in Hawaii's local food and beverage industry. She hopes to learn what retailers and consumers want from a locally made beverage. Joining HFIA will help the company better understand and continue to provide retail solutions.

UNIQUE TO THE COMPANY: Aloha Friday originally launched its brands in 2011 as ready-to-drink beverages designed to prevent and relieve jet lag symptoms. They soon found that consumers also wanted the beverages for daily health and wellness once they discovered that the drinks prevented and relieved everyday health ailments such as anxiety, headache, fatigue, and insomnia. Once marketing efforts were refocused and the company was renamed to reflect the new direction, sales began to pick up. The company also found that consumers enjoyed the fact that the beverages are made in Hawaii.

LOCATION AND SERVICE AREA: Based in Kailua, Aloha Friday's service area is statewide.

CONTACT INFORMATION:

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Ph: 352-2939, Fx: 261-0470
Email: andrea@alohafridaybevco.com, Web: www.alohafridaybevco.com

AUNTY LILIKOI LLC

PROFILE: Aunty Lilikoi LLC (dba Aunty Lilikoi Passion Fruit Products) is a Kauai-based manufacturer, wholesaler, and retailer of condiments, personal care products, and desserts made with passion fruit or passionflower. (see p. 20)



Lori Cardenas

REASON FOR JOINING HFIA: People have enjoyed Aunty Lilikoi products at HFIA's Made in Hawaii Festival every year since 2004. This year, they decided to join HFIA to take full advantage of the other benefits the organization has to offer, specifically in education and information opportunities.



UNIQUE TO THE COMPANY: To their knowledge, Aunty Lilikoi is the only company that specializes in all things passion fruit. The company currently offers approximately 50 unique products featuring either passion fruit or passionflower.

LOCATION AND SERVICE AREA: Aunty Lilikoi's manufacturing facility and retail outlet is located in Waimea,

on Kauai's west side, and the company services wholesale accounts throughout Hawaii and on the U.S. mainland. Aunty Lilikoi ships their products to retail customers worldwide via their web site at www.auntylilikoi.com.

CONTACT INFORMATION:

Lori A. Cardenas, Owner
Mailing address: P.O. Box 454 Waimea; Kauai, Hawaii 96796
Shop Address: 9875 Waimea Road; Waimea, Hawaii 96796
Ph: 808-338-1296; Fx: 808-332-5619
Email: info@auntylilikoi.com, Web site: www.auntylilikoi.com

FINANCIAL SUPERMARKETS, INC.

PROFILE: Celebrating 30 years as the official provider of The Supermarket Bank,[®] Financial Supermarkets, Inc. (FSI) is the nation's leader in attractive, functional, and professionally designed in-store and storefront financial centers. FSI partners with supermarkets to locate and install financial or medical tenants, as well as assists with updates to their existing tenant spaces.



Shannon Nadasdy

REASON FOR JOINING HFIA: FSI has been active in partnering with associations at both the state and national levels since its founding. FSI believes that the company's success depends on the success of their grocery partners. Joining HFIA is a way to support food and beverage industry retailers.

UNIQUE TO THE COMPANY: FSI is the largest and oldest in-store bank provider in the U.S. During its 30-year history, the company has built thousands of in-store banks in 37 states. As of the end of 2013, FSI has worked with both independent grocers and national chains in every state. Currently, there are approximately 1700 actual stores across the country looking for a bank partner. FSI has enjoyed working with a variety of financial institutions and food retailers in Hawaii for the past 15 years.



LOCATION AND SERVICE AREA: Headquartered in Georgia, FSI has East and West divisions and service is nationwide.

CONTACT INFORMATION:

Shannon Nadasdy, Sr. Vice President, Retail Development
P.O. Box 1450; 383 Clarkesville Street; Cornelia, GA 30531
Ph: 707-656-6814, Toll free: 800-992-4978
Email: snadasdy@supermarketbank.com, Web site: www.supermarketbank.com
Facebook: www.facebook.com/pages/Cornelia-GA/Financial-Supermarkets-Inc/189397071104163; Twitter: <http://twitter.com/#!/FSItweeting>

INTERNATIONAL EXPRESS, INC., DBA HARBOUR BROKERAGE, LLC,

PROFILE: A full service trucking/express business, International Express, Inc., is in its 26th year of operations and continues to grow. Recently, owner Masao Mitsui established a completely new division, Harbour Brokerage, LLC, which is a stocking brokerage company that specializes in bringing unique products to the Hawaii market. Harbour Brokerage is headed by Rod Gomes, who is well known in the brokerage business in Hawaii. Gomes has responsibilities in both the trucking/express and brokerage sides of the business.



Rod Gomes & Masao Mitsui

REASON FOR JOINING HFIA: Gomes has been associated with HFIA for approximately 20 years, and realizes the many benefits the organization offers to the food and beverage industry.

UNIQUE TO THE COMPANY: International Express is a one-stop trucking/express company that can accommodate virtually all requirements that their customers expect, including freight hauling, break bulk, delivery, and warehousing. The company has a fleet of vehicles ranging from small utility vans and flatbed trucks to box and refrigerated box trucks, to heavy tractors and 45-foot trailers. The addition of Harbour Brokerage will offer another dimension to their existing customer base and opportunities for new customers. Rather than competing with other brokerage companies, the unique products Harbour Brokerage plans to bring to Hawaii will fill specialized niche markets.

LOCATION AND SERVICE AREA: International Express has two locations—one for the express part of the business (soon to move to a newly remodeled facility on Sand Island), and one for cold storage and the new Harbour Brokerage division in Mapunapuna. Harbour Brokerage will service accounts statewide.

CONTACT INFORMATION:

Rod Gomes, Vice President, Sales & Marketing
Cell: 808-445-2375, Office: 808-836-4744, Fax: 808-836-7747
Email: rod@ixhawaii.com, Web site: www.ixhawaii.com

LOTUS SPIRITS, LLC

PROFILE: Lotus Spirits, LLC, of Honolulu is a diversified import and distribution company for boutique wine, sake, and spirits. Its specialty is premium spirits from East Asia, which blend well with Hawaii's multi-ethnic cultures. Among its top quality spirits are Kuba Awamori from Okinawa, Japan, HWAYO Soju from Korea, Ohishi Shochu from Kumamoto, Japan, and Tom Eddy wines from Napa Valley.



Randy Kuba

REASON FOR JOINING HFIA: Owner Randy Kuba believes a strong, unified voice is necessary to upkeep a viable food supply chain in our island community. Lotus Spirits' contributions to HFIA to help foster government relations, advocacy, and community relations will ultimately help meet the company's own business goals and objectives.

UNIQUE TO THE COMPANY: The Lotus Spirits slogan is "Superior Quality, Superior Choice." Its wine, sake, and spirits are custom crafted to be gluten-free and sulfite-free with no impurities and extremely low sugar content. Its products are ideal whether you are watching your waistline or simply enjoy the finer pleasures in life. Lotus Spirits is also recognized as a go-to custom wine and spirits importer by Hawaii retailers who want to offer exclusive brands from anywhere in the world.

LOCATION & SERVICE AREA: Location is in Honolulu; service is statewide.

CONTACT INFORMATION:

Randy Kuba, Owner
Office: 1314 Victoria St., #1601; Hon., HI 96814
Mailing: 4354 Paho Ave., #10446; Hon., HI 96816-0446
Warehouse: Hawaii Foreign Trade Zone #9, 521 Ala Moana Blvd.; Honolulu, Hawaii 96813



Cell: 808-780-3440

Email: Randy@LotusSpirits.com, Web site: www.lotusspirits.com

TERMINIX

PROFILE: Businesses aren't all one type or size, and neither are their pest control needs. From day one on the job, Terminix starts with a custom-tailored plan to fit the needs of its customer, then draws from its 80 years experience in pest control to employ techniques and practices that will best serve the pest control needs of every type of business.

REASON FOR JOINING: The staff of Terminix believes its business is not just about solving pest problems. It's also about developing long lasting relationships, and HFIA is the perfect place to help build and maintain those relationships.

UNIQUE TO THE COMPANY: Terminix has become a one-stop shop that specializes in taking care of anything a customer might need. The company offers the strongest guarantee in the business with unlimited callbacks and a termite damage repair warranty.

LOCATION AND SERVICE AREA: Terminix has locations nationwide and on all major islands in Hawaii. Service is statewide.

CONTACT INFORMATION:

David Miyamoto, Terminix Commercial Hawaii Branch Manager
Ph: 808-479-3605

Email: dmiyamoto@terminix.com; Web: www.terminix.com



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Talk Story: GRC & Legislative Style

BY ALEXIS CHAPMAN

As KTA Superstores Executive Vice President and Legislative Talk Story facilitator Derek Kurisu pointed out, “We all work hard to feed the people of Hawai’i.” Both the January 6 HFIA Government Relations Committee Meeting and Legislative Talk Story were opportunities to discuss legislative issues that are likely to impact that work during this legislative session, and a chance to discuss the ways we can manage those issues and continue to improve how we feed the people of our state.

The Government Relations Committee was consistent with previous years’ stances on important issues, such as opposing the raiding of the deposit beverage container fund; opposing pseudoephedrine prescription bills (while continuing to support the up-to-the-minute tracking of sales of pseudoephedrine); opposing bans on consumer products; and working to make sure that if there is an electronic recycling bill this session, that it is reasonable. The Committee is continuing to analyze issues such as minimum wage increases and GMO labeling in order to ensure that when these complex matters do come up, we have a position that is appropriately nuanced and represents the best interests of our varied membership.

In addition to Derek Kurisu, we had the opportunity to hear from several leaders in our industry and several legislators during the Legislative Talk Story. The panel included Tom Jones, minimum wage expert and owner of Gyotaku Japanese Restaurants; Philana Bouvier, Executive Vice President and General Manager of Young’s Market Company of Hawaii; Tish Uehara, Agricultural Development Vice Chair and one of the owners of Armstrong Produce; Rep. Tom Brower of District 23, Chair of the Committee on Tourism; Rep. Chris Lee of District 51, Chair of the Committee on Energy and Environmental Protection; Rep. Nicole Lowen of District 6; and Sen. Josh Green of District 3, Chair of the Committee on Health.

A number of issues of consistent importance to the food and beverage industry that may come up during session this

year were discussed, including the potential complexities of increasing the minimum wage (especially given that Hawaii’s tip credit is so low); inefficiencies and complexities with liquor licensing and vending; the multitude and complexity of taxes affecting our industry; food safety; and maintaining, increasing, and adding value to the Made in Hawaii concept. The legislators expressed a commitment to supporting the food and beverage industry and had a solid understanding of these complex issues and how they affect the ability of our businesses to feed the state. Rep. Brower advocated bringing taxation suggestions or problems with tax clearance directly to his office. Rep. Lee discussed the new Local Food Caucus in the Legislature and its plans to avoid contentious debate on this topic and bring together stakeholders to find ways to get things done. He also emphasized his commitment to adding accountability and decreasing inefficiency in dealings with neighbor island liquor commissions. Sen. Green discussed the importance of maintaining safety, but not overregulating the industry. He also stated that he would like to hear directly from food and beverage industry leaders on bills.

Both events were very successful in large part because of the commitment by HFIA members and leadership to be inclusive and have respect and understanding for the wide range of businesses and viewpoints that are part of our organization. Though diversity of opinions may sometimes present challenges, our ability to work together and recognition of our common work of feeding the people of Hawaii provides a strong platform from which to handle these issues and anything else that comes our way this session. ■



HFIA Superheroes and Villains a Social Bunch

BY JASON Y. KIMURA

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Anheuser-Busch Sales of Hawaii, Inc.

TEEN TITANS

ConAgra Foods

Horizon Lines

KTA Super Stores

Punalu'u Bake Shop

Times Supermarkets

Young Brothers

Both superheroes and villains were seen at HFIA's annual Social event presented by American Savings Bank. But there were really no bad guys here—all who came were the superheroes of HFIA. Many thanks go to all who organized and attended this year's Social.



Meadow Gold Dairies

Front: Joni Marcello, Paul Tolentino, Rose Tsuru, and Davelyn Pao.

Middle: Richie Betancourt, Craig Higa, and Chad Hilea. Back: Layne Kaita and Jerry Linville



HFIA Chair Stan Brown of ConAgra, a.k.a. Clark Kent





Mike Kaya, Denise Sasaki, Kellsie Sasaki (guest), and Brandee Sasaki (guest) of Meadow Gold Dairies



*A flash of goodwill:
Larry Ishii of American Savings Bank*



Liz Christensen, Brian Christensen, Verna Oshiro, and Carl Oshiro of Pint Size.



*Palama Holdings
Front: Patti Day, guest, Ryan Day, and Kevin Oguma
Back: Eric Jewell, Dina Jewell, guest, Jessica Bird, Louis Santos (guest), Meryl Hanagami (guest), and Gary Hanagami*



Front: James DeJesus, Times Supermarkets, Bob Gutierrez, Times Supermarkets, and Melissa Pavlicek, HPPA, LLC. Back: Dean Nakama, Aaron Yokomizo, Chester Gumban, Chris Villanueva, Keith Kiyotoki, and Natasha Laymay of Young Brothers



*Rainbow Sales & Marketing
Front: Karen Schilf (guest), John Schilf, Harrison Wong, and Trudy Wong (guest).
Back: Karen Yamauchi, Jill Chiang, Michele Maeda, Elaine Miyagi, Kim Mann, and Will Young*



Gail Hayashi of Aloha Air Cargo wins the drawing for the iPad Mini



Drafted: The 2015 Social Committee!?



Sandy Gomes (guest), Rod Gomes, Harbour Brokerage, and Jessica Hulser, Harbour Brokerage



*American Savings Bank
Nelson Moku, Jennifer Moku (guest), Erin Flores, Derick Tam, Dee Keyser,
Donna Yano, and Terri Ishii (guest)*



*Honolulu Star Advertiser
Front: Dave Williams, Lester Kodama, Shannan Okinishi, Ron Nagasawa,
and Mitchell Chun. Back: Cody Takata, Lance Takaki, Sierra Hettacote,
Sylvia Nanbara, and Holly Suyama*



Jay Higa of the Honolulu Star Advertiser



Social Superheroes: Lauren Zirbel, HFLA Executive Director, Larry Ishii, American Savings Bank, Stan Brown, HFLA Chair, ConAgra, Miyuki Hirano-Hollingworth, Centerscale, Bernie Salvador, Hawaiian Airlines, Wendy Fujio, ABC Stores, Chad Shimamura, Coca-Cola Hawaii, Denise Sasaki, Meadow Gold Dairies, Lyle Akasaki, Anheuser-Busch, Mike Kaya, Meadow Gold Dairies, and Tyler Ching, Ken's House of Pancakes



Ron Cloutier of Young's Market Company of Hawaii announces his retirement after 40 years in the liquor business and says aloha to all his HFLA friends.



*ABC Stores
Front: Jacky Uesato and Terri Min. Back: Neil Ishida, Paul Kosasa, Scott Shimogawa, Warren Ishii, Kevin Chung, and Vince Fong*



Kendara winner Kevin Chung of ABC Stores



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FOOD, FAMILY & FRIENDS.



The Last Word...

BY LAUREN ZIRBEL, EXECUTIVE DIRECTOR



Running a local business can be one of the most rewarding jobs in the world—you are a part of what makes your community unique, you are providing something your neighbors need and want, you create jobs and strengthen our economy. Running a business can also be one of the most challenging jobs in the world—the profit margins are slim, the hours are long, and, especially with small businesses, your job is actually a dizzying variety of jobs: CFO, HR representative, community liaison, and even cashier and stock person. Now it seems we must add fee and regulation expert to that list. Each year, there are attempts to add more surcharges to products, more labeling requirements, more regulations on what our businesses can sell, and how. As these add up, we have to ask ourselves: What's the limit? How much can a business bear? If small businesses are the backbone of our economy, then why does it seem so much regulation is designed to break them?

One example of such regulation is upcoming changes to the Supplemental Nutrition Assistance Program (SNAP) in the 2014 Farm Bill. Fortunately, we didn't see the drastic cuts to SNAP that earlier versions of the bill proposed. However, the bill does include provisions that mandate retailers have more sophisticated point-of-sale technology systems and that increase retail "depth of stock mandates." The Farm Bill requires SNAP retailers to stock at least seven different "varieties" of food items in each of the four "staple food" categories on a "continuous basis." The new Farm Bill also requires that SNAP retailers stock at least one "perishable" food item in at least three of the four staple food categories. It is unclear which of these stock provisions will take effect, as the USDA is in its initial stages of planning the implementation process.

In addition to the new federal regulations, businesses may soon have to contend with a variety of new challenges from state laws. The administrative burden of the proposed state labeling requirements alone could be tremendous. Is it really reasonable to expect small business owners to know the genetic makeup of every product they stock? To know the exact geographic origins and percentages of the coffee, chocolate, and mac nuts they sell? And to be able to look at a label and determine if the font size is in compliance? These are some of the things that may be asked of businesses in the future. Added to this are the potentially huge financial and administrative costs of increases in fees,

wages, and surcharges. The toll of these increases will be compounded by the fact that they may not simply go up, but could go up by indeterminate amounts each year.

Overall, what this means is that businesses will have to spend time and resources navigating an increasingly complex series of regulations and will not be able to budget their resources because everything could change unpredictably next year. They will have to take that responsibility on while trying to maintain some kind of profit margin even though they are paying higher wages, higher fees, and higher surcharges. If retailers want to serve those in their community who use SNAP, they will have to do all this with even less control over what products they sell.

It's easy to see where this ends for a food retailer. There will be little choice but to raise prices. For many small businesses, even price increases may not provide them with the resources they would need to stay competitive and keep doing business while dealing with all of this. It may seem bleak to imagine a future where all our grocery baskets are lighter and our neighborhoods are made

up exclusively of big national chains, but understanding the potential effects is actually a positive tool. Looking critically at legislation and acknowledging the unintended consequences rather than just focusing on what the legislators want to happen or hope will happen is the first step to mitigating those negative consequences.

If we want to maintain our local businesses, and, by extension, our local economy, we have to acknowledge that they have a breaking point, and we have to be able to see when legislation is pushing them toward it. We all know the value of our businesses in our communities, we know it transcends dollars and cents and is also about character, neighborhood identity, and community involvement. The best way to protect and add to that value is to support our businesses with our wallets, and to develop a regulatory environment that helps businesses of all sizes survive and thrive. ■



Congratulations to Denise Sasaki who has been promoted to Marketing Manager for Meadow Gold Dairies Hawaii. She will oversee advertising, marketing, and community relations.

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