

Hawaii Retail Grocer

HOLIDAY 2016

the magazine of the hawaii food industry association

Branching Out

HFIA Member Companies
Share Insights on Growing Their Brands

Don Quijote team members (clockwise from front): Kimberly Rodriguez, Automotive Clerk;
Darren Arzaga, Grocery Section Leader; and Albert Lozano, Oriental Department Manager

INSIDE

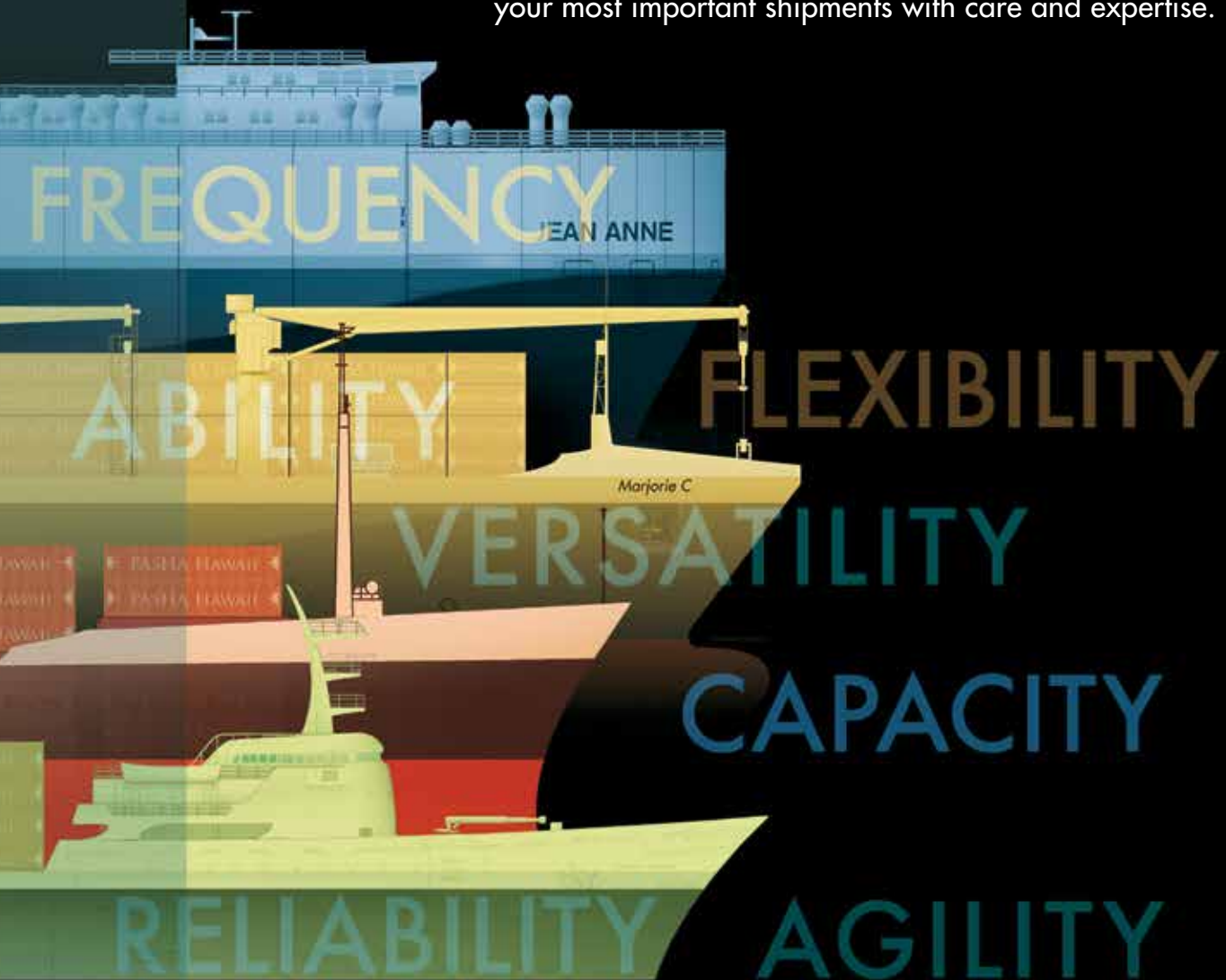
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- Family Programs Hawaii
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LEGISLATIVE UPDATE

HFIA has racked up quite a few miles these last few months traveling to visit our county councils on the neighbor islands. This fall has been full of progress with regard to waste management and important successes at the county level. At the state level, we are getting ready for the upcoming legislative session, which starts on January 18. We catalog some of the leadership changes in the State House below and the legislation we've been actively tracking and working on.

City & County of Honolulu

Bill 59, as introduced, would have prohibited the use of both reusable plastic bags and compostable bags. The bill seeks to include compostable plastic bags in the existing prohibition on plastic bags and increases the thickness of reusable bags from 2.25 to 3 mil. HFIA submitted testimony in opposition due to concerns about the potential impact on retailers. After unanimously passing the first reading on October 5, it was referred to the Committee on Public Works, Infrastructure and Sustainability. It has not yet been scheduled for a hearing. HFIA has serious concerns about this bill, as many of our members have spent years preparing for the conditions laid out in the original ban bill. To change the rules so soon after implementation would have a very negative impact on the ability of retailers of all kinds to adjust. We see this bill as a way to limit choices for consumers. We strongly believe that the proponents should focus on ways to encourage consumers to bring their own bag, not further limit choices and penalize them.

County of Hawaii

For Hawaii County, this has been the year of solid waste management, as one bill or resolution dies and a similar one is introduced. In August, the Council passed a resolution creating a task force from the public and

private sectors to “identify solutions addressing the production and distribution of environmental friendly products and packaging to improve and reduce product and packaging waste from entering our ocean as it has been proven to be detrimental to marine life.”

As a member of the Hawaii Island Packaging Sustainability Initiative Stakeholders Taskforce (HIPSIS), HFIA participated in several council hearings, as well as three full-day taskforce meetings over the fall to discuss packaging issues and waste reduction. HFIA strongly supports better waste management. However, we strongly oppose blaming the food industry for the problem and taxing consumers of food to solve the problem. More than half of the residents of this state live paycheck to paycheck. Taxing food is the most regressive form of taxation and would have serious negative consequences, leading many people to be

unable to afford enough food to feed their families.

Along with other business members, we made it clear that we could not agree to any proposed product ban and any proposed tax on food. At the same time, we strongly acknowledged the need for waste diversion from the Hilo landfill and better management of marine debris and litter.

At the end of the HIPSIS Taskforce meetings, there were some issues that environmentalists and the food industry agreed on. Those issues included urging the County to establish educational programs to reduce land-based contributions to marine debris; urging the County to join Malama 808 (best practices in litter management); encouraging the use of Litterati (a phone app which tracks litter); and requesting the Department of Parks and Recreation to install water bottle filling stations at County of Hawaii parks and recreation facilities.





County of Maui

IEM-56 seeks to prohibit the use of reusable plastic bags. It was deferred at both the October 31 and November 14 committee meetings. At the October 31 meeting, the committee also deferred IEM-05, which sought to prohibit polystyrene foam containers. HFIA submitted testimony opposing both bills.

Hawaii House of Representatives

The House of Representatives recently announced committee assignments for the 2017 legislative session. Rep. Joe Souki remains as the Speaker, and the Vice Speaker is Rep. John Mizuno. There have also been a few changes in committee leadership. Rep. Richard Creagan will be the Chair of the Agriculture Committee, and Rep. Bert Kobayashi will replace

him as Vice Chair of the Health Committee. Rep. Justin Woodson will be the chair of the Higher Education Committee, and Rep. Linda Ichiyama will replace him as Vice Chair of the Consumer Protection & Commerce Committee. Rep. Aaron Johanson will replace Rep. Mark Nakashima as Chair of the Labor & Public Employment Committee. Rep. Mark

Nakashima will become the Chair of Economic Development & Business.

With the 2017 legislative session right around the corner, HFIA is already preparing for a productive season of lobbying and advocacy on behalf of our members. We look forward to seeing you at our annual Legislative Talk Story event at the Hawaii State Capitol on January 30!

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Kimbal Musk Really Wants to Change Food

Elon Musk's brother wants to sell fast, healthy, and organic food for under \$5

BY PHIL LEMPERT
THE SUPERMARKETGURU®

We've talked before about Musk and his now famous quote given in an interview to *CNN Money* is even more telling of his path: "I think food right now, it feels like 1995 in the Internet days. The amount of innovation and excitement and enthusiasm is unbridled."

Yes, he made a fortune with his brother pre-Tesla days, then went on to culinary school, has built neighborhood gardens, and opened up

restaurants. Now he is setting his sights on fast food and hopes to challenge the likes of McDonald's and Subway with Kitchenette, where everything will be fast, healthy, organic, and cost under \$5.

He told Grubstreet that "the space will be like a coffee shop, with a counter, indoor seating, and a big patio out front, and the menu will mostly consist of sandwiches, soups, and salads, all made using ingredients sourced from nearby farms. The locavore bent will ensure ingredients stay seasonal."

The influx and influence of Silicon Valley into the food world – in every aspect of the supply chain – is a good thing. While some may feel that these big buck entrepreneurs have no place in the food world, I think it is critical to tap into and learn from a new lens



Kimbal Musk

looking at what has been traditionally a non-innovative industry. Just piling it high and loading it with sugar, sodium, and fat doesn't work any more.



Is the GMO War Over?

BY PHIL LEMPERT
THE SUPERMARKETGURU®

Just when we thought that the GMO war was over, it looks like technology is still on the battleground. Forget about inserting one gene from one species into another—now there is a new technology that allows scientists to either snip out or add little bits of DNA to a genome more easily than ever. And unlike the scary terminology of genetically modified organism, this one is called CRISPR.

Authorities in Sweden are allowing a CRISPR crop, "a strain called *Brassica oleracea* that looks and tastes similar to broccoli, underwent a snip, the deletion of a single gene to

make it grow slower, to be cultivated without requiring any special regulatory authority because it doesn't include any "foreign DNA."

In the US, the USDA approved CRISPR mushrooms that are engineered to not brown. The USDA's approval included the statement that because the new mushroom "does not contain any introduced genetic material," it isn't subject to the agency's GMO regulations.

CRISPR gives scientists the power to alter crops more easily, and presumably faster and cheaper, without adding genes from another species. Stay tuned, as the term GMO might well disappear from our lexicon and be replaced by CRISPR.



Building a Strong Shopper Relationship

According to a survey from C Space, forget about those plastic loyalty cards

BY PHIL LEMPERT
THE SUPERMARKETGURU®

A new survey of 500 shoppers by C Space reveals that “Despite the prevalence of loyalty and rewards programs across the grocery industry, an examination of brand intuition from the customer’s point of view shows that this kind of transactional, financially based approach is inherently limited, unreliable, and does nothing much to build emotional connection.”

The survey, published June 6, finds that loyalty programs “may generate short-term business, [but] consumers will bolt as soon as they have a better option.”

Julie Wittes Schlack, Senior VP, Product Innovation at C Space, told FoodNavigator-USA that the main problem with relying solely on conventional loyalty programs to connect with consumers is they reinforce a relationship that is purely transactional, which fosters a fickle relationship between consumers and retailers.

So what does C Space recommend?

“In our view, if retailers want to build real loyalty, they have to do it through relationships. They have to do it by making their customers feel smart and appreciated and valued, and they have to do it by focusing on the values that consumers consider most important.”

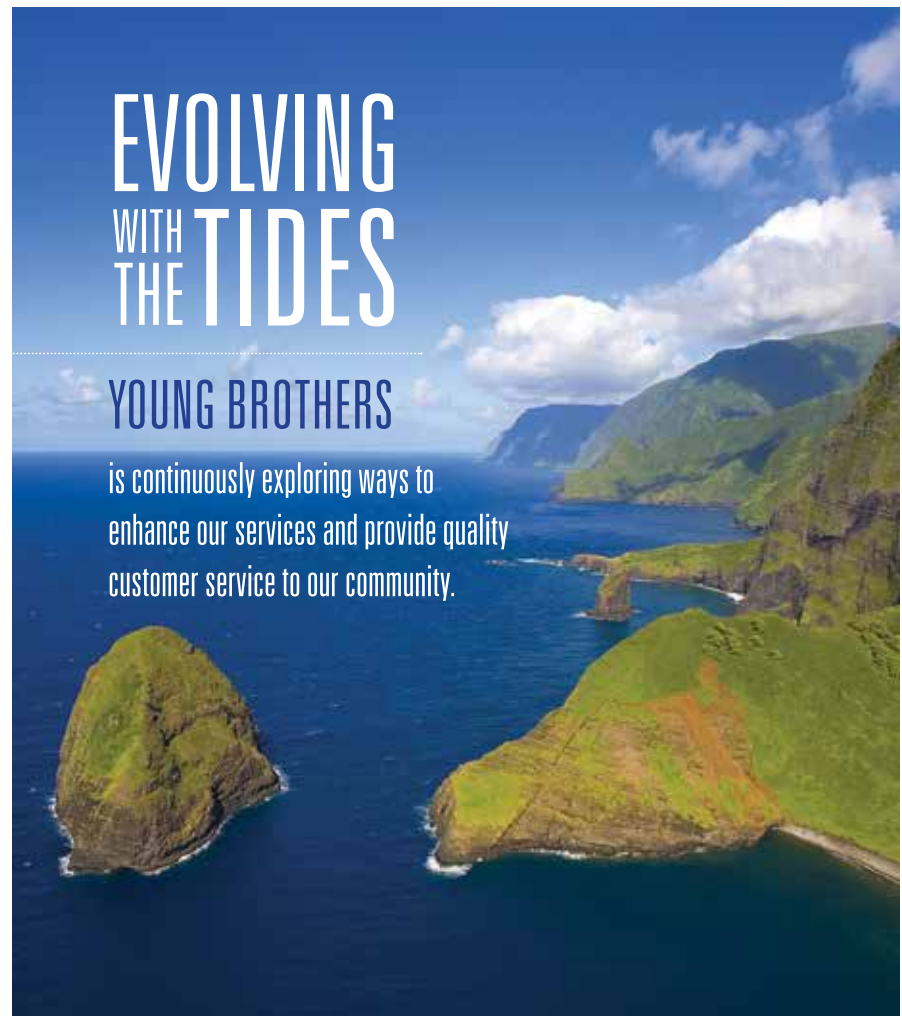
Friendly and helpful employees was one of the top values that consumers consider an important attribute of stores that “get them,” the survey found.

It reports that 41% of respondents said they want consistent customer service, meaning friendly,

helpful employees who proactively provide assistance and who value helping consumers as part of their

mission, not just as a way to earn a paycheck.

Exemplary operators ranging from Wegman’s to Hy-Vee to Mariano’s to Trader Joe’s all have known that the key to success is building a workforce that cares.



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BranchingOut

HFIA Member Companies Grow Their Brands

BY JASON Y. KIMURA

If you're not growing, you're dying," goes the oft quoted adage. In this issue of *Hawaii Retail Grocer*, we look at a few unique HFIA member companies, small to large, to see what's behind their businesses and growth. First, we turn to three manufacturers: Hawaii Lassi, Shaka Tea, and Diamond Bakery. Then we look at two retailers, Minit Stop and Don Quijote.



Samania Akmal (left) and crew at Taste of Hilo.

Hawaii Lassi

Lassi is traditional Indian drink made from a blend of yogurt, water, and spices. The traditional version is savory, but there is a sweet lassi, which contains sugar and fruit. Hawaii Lassi offers the sweet variety, describing their version as "a traditional Indian drink with a tropical twist." Owner and founder Samania Akmal makes her own yogurt and infuses it with fresh mango, strawberries, passion fruit, or coconut to make the refreshing beverage, which is similar to a smoothie. According to Akmal, the key to a good lassi is

Hawaii Lassi

A traditional Indian yogurt drink with a tropical twist, Hawaii Lassi is a healthy probiotic that is good for the bones and soothes the digestive system—and makes a great snack.

Flavors:

Mango: A traditional part of Southeast Asian cuisine, mango is the classic lassi flavor that started it all.

Strawberry: Tastes like you just picked the strawberries yourself!

Likikoi: Hawaii Lassi passion fruit is picked fresh on Hawaii Island.

Coconut: A flavor that takes you on a vacation, wherever you are!

Hawaii Lassi founder Samania Akmal says, "Aloha is a way of life. At Hawaii Lassi, we put those feelings into every bottle. That's why we say that each and every Hawaii Lassi is made with aloha."

For more information, visit www.HawaiiLassi.com

in the yogurt. By producing her own yogurt, she can handpick live cultures to ensure the tastiest, most refreshing, and healthiest yogurt.

"It all began with one of my biggest heroes, my father Muhammad, who opened an Indian-Pakistani grocery store in Frankfurt, Germany in 1974," relates Akmal. "As a child, I saw just how hard my father worked. Being an entrepreneur wasn't just a job—it was a lifestyle. He worked tirelessly to

make his business better for his customers." Akmal wanted to be just like him, so she helped out at the store and made lassis for customers. "I fell in love with the drink and always experimented with different types of flavors: sweet, salty, and of course, my favorite, mango," she says.

Years later, Akmal moved to Hawaii Island, which she now considers home. She opened an Indian/Pakistani food stand called Akmal's Indian Kitchen at the Makuu and Hilo farmer's markets. Soon the business grew to include a presence at events such as the Chinese Festival, Merrie Monarch, and the World Heritage Festival. In 2005, Akmal opened her first sit-down restaurant near West Lanikaula Street. Four years later, the restaurant moved to Haili Street, and finally to the old Kress building in downtown Hilo.

Akmal soon realized that the lassis she served in her restaurant, which were made to order, were very popular. She began bottling and selling mango lassi at the restaurant, then friends encouraged her to sell it at health food stores. In 2011, Hawaii Lassi went island-wide via her beverage company, Akmal Foods.

The brand grew after Akmal got some help with the bottling process. Still made at the restaurant, about 1,000 bottles of Hawaii Lassi are produced each month. Now with a brand new look, varieties of the popular drink are available at KTA Super Stores, Abundant Life, Island Naturals, and at Sharks Coffee Shop. Of course, you can also get Hawaii Lassi at Akmal's Indian Kitchen at 174 Kamehameha Avenue.

Akmal wants to expand to Oahu and all the other islands. In order to do that, she is preparing for the next step, which is to partner with a manufacturer to make the popular drink

in larger quantities. In the meantime, Akmal is promoting Hawaii Lassi at First Friday events in downtown Hilo, Indian Diwali Night, Hilo Hui, Brew Fest Hilo, Taste of Hilo, and other venues while continuing to get Hawaii Lassi in more stores. As a new HFIA member, Akmal also hopes to network with other members.

“Hawaii’s delicious, indigenous fruits, together with my father’s hard work and my love of lassis, all inspired me to start Hawaii Lassi,” says Akmal. “In my own humble way, I set out to follow in my father’s footsteps and honor the example he set.”



Shaka Tea

Recently, new HFIA member Shaka Tea was recognized as one of three Trailblazers by Food Vision USA. Shaka Tea president and co-founder Bella Hughes was featured on the Trailblazer Panel in Chicago on November 9, alongside Seth Goldman, co-founder of Honest Tea, and John Haugen, Vice President of General Mills. The Food Vision USA event is designed to facilitate knowledge transfer, develop commercial opportunities, and grow business relationships for leaders in the international nutrition and food & drink industries. At the event, Hughes introduced Shaka Tea and talked about the health benefits of mamaki, the antioxidant-rich leaf from which her product is derived.

Not bad for a fledgling company whose first bottle was produced in March 2016. “It shows confidence in the need for Hawaii-based products,” said company co-founder Harrison Rice, of Shaka Tea’s selection on the

Shaka Tea Health Benefits

Peer-reviewed studies from the University of Hawaii show mamaki contains:

- Metabolism-boosting catechins—5 times more than green tea
- Chlorogenic acid, which supports balanced, enlightened energy, healing, and anti-inflammatory rutin
- Macro and micro minerals, including potassium, calcium, magnesium, copper, iron, and zinc.

Shaka Tea contributes 3% of its profits to the Ho’oulu ‘Aina Foundation, which addresses the health needs of Kalihi Valley and stewards a 100-acre upland resource of forest to strengthen the connection between people and land.

For more information, visit www.ShakaTea.com

panel. “Source location is incredibly important. There are other RTD [ready to drink] products from the Amazon, but Hawaii has a deeper connection for many people.” Other “Hawaiian” drinks are not even based in Hawaii, he noted.

The origin of mamaki tea goes back hundreds of years. The tea was used for medicinal purposes. Born in Hawaii, Hughes grew up drinking mamaki tea. Peer-reviewed studies have shown that mamaki contains many antioxidants, including catechins, chlorogenic acid, and rutin. It also contains macro and micro minerals, including potassium, calcium, magnesium, copper, iron, and zinc. According to Rice, the vast majority of people who buy RTD products are looking for hydration and health, rather than energy.

Unlike traditional tea, mamaki tastes better the longer you brew it, even overnight. Naturally caffeine-free, it has a light, sweet, earthy flavor with a nice “texture.” Shaka

Tea’s mamaki comes from a farm on Hawaii Island. Rice hopes makaki becomes a trend and evolves into a successful crop for farmers.

Shaka Tea starts with handpicked mamaki leaves, which are cultivated in the mineral-rich volcanic soil of Mauna Loa. The brews are naturally sweetened with organic juices (no sugar added) and flavored with fruit purees. Varieties include Hilo (pineapple mint), Honokaa (mango hibiscus), and Koloa (guava ginger blossom).

Shaka Tea was a natural fit for Rice. “I always loved ready to drink teas,” he says, “and we always wanted to create a product from Hawaii. It’s something I’m passionate about, and with the tea, we saw a gap.” The company started in March 2015 and took a year to get the manufacturing process going. Hughes’ and Rice’s marketing background and brand-building know-how helped Shaka Tea get off to a quick start. Hitting the tradeshow and other venues to get the word out, they built awareness of what differentiates their tea from other RTD products.

Currently, Shaka Tea is in about 100 stores. The company also has an Amazon account in Japan. Recently, the brand was picked up by Paradise Beverages, which shows the teas have momentum. “You have to be organized, and you have to be out there engaging with customers,” advises Rice. “We have to have a ground game over the next year.” You can find Shaka Tea in the refrigerated section or end cap of most supermarkets.

Diamond Bakery

A household name in Hawaii, Diamond Bakery has been around a long time—95 years to be exact. One of Hawaii’s oldest companies, Diamond Bakery is known for many iconic products, such as Diamond Soda Crackers, Royal Creem Crackers, Saloon Pilot Crackers, Salty Crackers, and Graham Crackers. Over one million crackers are baked daily, right in their Honolulu factory.

The company started out with just a handful of products. Today, there are over a hundred, and new ones are still being developed. Changing tastes and



evolving retail channels demand it, yet the company still has to be true to its more traditional fans. In spite of many challenges, growth is a must.

Recently, Diamond Bakery has branched out into the tourist market. “Millions of people come here, so we want to capture some of that market share,” says Diamond Bakery’s Sales and Marketing Manager Maggie Li. “While many regard soda crackers as a comfort food that evokes all sorts of childhood memories, crackers are not exactly a gifty item.” So the company has turned to cookies.

“We’re learning as we go,” says Li about entering the tourist market. Diamond now has their Hawaiian Shortbread cookies at Duty Free Shops. Flavors include Original, Lilikoi, Brownie, Pineapple, Chocolate Chip, Kona Coffee, and Coconut. The cookies are packaged in colorful, attractively designed boxes that could be given as gifts. A “Made in Hawaii” graphic is prominent on each box, even more so than the Diamond Bakery logo.

But there are challenges. “The challenge is that everybody wants an exclusive,” says Li. Unique package sizes or exclusively shaped cookies may be the answer for the tourist market. The challenge is also to develop high-end products that are price-competitive. To be price-competitive, the products need to be produced on a mass scale to keep costs down. Finally, the products must have a unique flavor. Cost is a consideration, but people are looking for something unique, especially if they’re on vacation. It’s a tricky balance.

At the same time, Diamond hasn’t abandoned efforts to create new cracker varieties. On the contrary, there are quite a few new ones on their website (see box). The company continues to work on new varieties, but crackers take much longer to develop than cookies due to the differences in the dough and the equipment need-



New from Diamond Bakery

Hawaiian Soda Crackers

Sweet Chili, Furikake, Cinnamon Toast

Royal Creem

Blueberry, Kona Coffee, Cinnamon

Graham Crackers

Coconut

Hawaiian Shortbread cookies

Original, Lilikoi, Brownie, Pineapple, Chocolate Chip, Kona Coffee, Coconut

Visit www.DiamondBakery.com for a full product line up.

ed to make them. There are a lot of new products in the pipeline in 2017, including Hawaiian Biscuit Crackers.

To add interest to their lineup, Diamond has a seasonal Pumpkin Crunch Graham Cracker, and a redesigned Hawaiian Cookie Christmas tin collection. Repackaging existing products can also help grow market share and boost sales. Diamond recently repackaged Original and Cinnamon Toast Hawaiian Soda Crackers and Royal and Blueberry Creem crackers in convenient new Grab N’ Go packages. About the size of other similar snack foods, Grab N’ Go packages are now in 7-Eleven stores. The snack-sized packs are good for those who are already fans of the products, but also serve as a trial

size for new customers who may not want to commit to a whole box.

Li says that the Cinnamon Toast and Blueberry flavors were designed for younger taste profiles. Millennials are looking for convenience and fresh flavors at the same time. She also notes that today’s shoppers are more sophisticated, and that packaging matters. Designs and labels should be clean and healthy looking, and need to stand out because there are so many choices today. It’s something that Diamond wants to address.

Diamond Bakery has been producing favorite snacks since 1921, but they’re branching out more than ever, keeping the cracker—and cookie—business crisp for new generations.



Ohana Fuels and Minit Stop go hand-in-hand.

Minit Stop

Filling a niche in many rural neighbor island communities, Minit Stop Convenience Stores is one of the fastest growing businesses in Maui and Hawaii Island, with a goal to add a new store every year. There are 16 locations in all, with nine on Maui and seven on Hawaii Island. A Hawaii store on Hawaii Island opens in December or early January, and another at Kohanaiki near the Kona International Airport will launch in March or April of 2017, increasing the number of stores to 18.

The stores have all the great stuff



Above: Friendly service at Minit Stop. Below: Hurricane Wedgies

consumers have come to expect in modern convenience stores, but what creates Minit Stop envy in those of us who live on islands that don't have one is the food. "Our food is our ace in the hole," says Jon Miyabuchi, Vice President of Retail Operations. "It's our biggest category." There's good reason. Minit Stop is unique in that its food doesn't come from third-party vendors, as is common these days. All the food at any given store is prepared at that store in a fully equipped kitchen—and made fresh daily. Famous for their fried chicken and varieties of potato wedges, Minit Stop also offers deli items, bentos, and plate lunches.

The Minit Stop staff brainstorms for new menu items as a group. For the last addition, Furikake Chicken, a foodservice manager developed the new recipe, and a district manager came up with Hurricane Wedgies. "That's the fun part, where we get to play and experiment," says Miyabuchi. "We make food we like to eat." Minit Stop has been successful in following a balanced strategy that serves the general population, rather than focusing on certain groups such as tourists, Millennials, or any other subgroup. Rather, their business success is tied to the local population.

Minit Stop is the retail brand of Hawaii Petroleum, Inc., a leading independent distributor of petroleum products, lubricants, and bulk fuel on the islands of Maui and Hawaii. Hawaii Petroleum's retail fuel brand is Ohana Fuels, which can be found at



Minit Stop stores. Minit Stop also offers gas redemption to Hawaii Fuel Network wholesale customers with HFN charge accounts.

The store chain grows primarily through acquisitions of new sites, and Ohana Fuels grows through selling fuel at Minit Stop stores, as well as accepting other fuel resellers that want to change over to Ohana. New Minit Stop locations are often chosen in underserved rural areas that meet certain metrics and demographics. Although they get some of their data from third parties, an in-house Minit Stop group does the scouting and decision making on new sites. Opening a store on Oahu is not out of the question—Minit Stop receives a lot of requests to do so—but it's much harder to find the right assets and partners. Plus, opening on Oahu would represent a different paradigm and strategy for the store chain.

The preference is to find a place that can be retrofitted because it costs less, but Minit Stop is also willing to build a store from scratch, as is the case with the Kohanaiki store. Store

sizes range between 2,000 and 3,000 square feet.

Minit Stop also has a cutting edge loyalty program. At the beginning of 2016, they launched a Minit Stop app, compete with exclusive Coop-Ons and Chicken Pop game where you can win prizes, deals, and free stuff when you play. The app also lets you get the scoop on the latest in-store deals, keep track of rewards points, and locate stores. Customers can also choose to receive text messages and follow Minit Stop on Facebook, Twitter, and Instagram. Those who download the app are automatically entered in a contest. In a partnership with Monster Energy, the grand prize is a trip for two to see the December 30 mixed martial arts event UFC 207: Nunes vs. Rousey at the T-Mobile Arena in Las Vegas.

There are challenges on the horizon, such as menu labeling, and more significantly, re-vamped U.S. Department of Labor overtime rules for salaried managers, which will increase costs for many businesses beginning December 1. Still, there are many more positives than negatives at Minit Stop, such as great headquarters, staff, and managers. Fresh with award-winning new shaka chicken logo and chicken boxes, along with a decidedly low tech Minit Stop chicken bobble head, they're ready to branch out in the new year.

Don Quijote

One of the great things about Don Quijote is its controlled chaos. With a goal to entertain, the jumble of produce and plethora of goods allows customers to discover wonderful treasures—if not to buy, then at least to marvel and tell tales. The customer service is also unique. Last time while buying eggs at the Kaheka store, the cashier popped open the carton, found a cracked egg, and had someone run back to the grocery section to exchange it. Amazing.

The first Don Quijote store opened in Tokyo in 1989. Since then, it has added over 340 stores, and branched out to Hawaii in 2006 by buying out Daiei stores. More recently in 2013, Don Quijote purchased Marukai



Don Quijote's Kaheka store is busy, even on a rainy day.



Customer Service Clerk Erica Rice of Don Quijote

Corporation USA, which includes the two stores in Hawaii and nine in California. It appears that Marukai will essentially remain Marukai and keep its own format, and that there are plans to expand the brand by opening more stores on the mainland. Marukai will enjoy Don Quijote's large volume buying power and likely be able to increase their margins, according to financial analysts.

But back to Don Quijote, which originally did not have a big food presence in their stores. The stores in Japan had already begun to develop the food and grocery section of their stores before coming to Hawaii. Food has been successful in increasing draw and market share. But not every Don

Don Quijote Store Locations

Don Quijote Honolulu

801 Kaheka Street
Phone: 808-973-4800
Open 24 hours
Pharmacy: 808-973-6661
Post Office: 808-973-4822

Don Quijote Pearl City

850 Kamehameha Highway
Phone: 808-453-5500
Open: 6:00 am – 11:00 pm
Post Office: 808-453-5500

Don Quijote Waipahu

94-144 Farrington Highway
Phone: 808-678-6800
Open: 24 hours
Pharmacy: 808-678-6831

For all the latest, visit www.DonQuijoteHawaii.com

Quijote store is the same in Japan. Some are small, while others are large, with six to eight levels, and they have different formats, unlike many chain stores that follow a formula that is essentially the same from store to store.

The Don Quijote Group website (www.donki-hd.co.jp/en/) explains their business model. The company emphasizes that they place great emphasis on customers' two greatest needs: convenience and discounts, which is combined with amusement that creates a desire to buy. They further state that, based on this concept,

"Don Quijote has developed an integrated discount store product lineup for one-stop-shopping that ensures all purchasing needs can be met at just one store. To an abundant product line up, we have added value-added services that infuse elements of fun and enjoyment." The company also states that they have "developed business by responding to customers' voices."

These concepts have carried over to the Hawaii stores. Ed Sawai, President of Don Quijote Hawaii, says that they do want to be a one-stop shop, but also to appeal to whatever customers' needs are. "We want customers to know they have a voice, and that we will try to implement their requests and suggestions," he says. "We want them to feel that it's their store, and that it's what they want it to be." So while Don Quijote is an everything store with an emphasis on Japanese foods and goods, the three Hawaii stores can each have a unique flavor based on their locations, such as carrying products that other ethnic groups may want.

Sawai says that the parent company wants ideas to come from their stores, noting that aggressive managers who



Ed Sawai

are willing to try new things are good for the company. "In Hawaii, we try to have as much representation of products as possible, plus the Japanese goods," he says, "but the customers dictate what we sell."

The Don Quijote Group is very aggressive in its strategy to expand and branch out. There's always a possibility of more Don Quijote stores in Hawaii, the right conditions and opportunities depending. In the meantime, the treasure hunt at Hawaii's three stores continues. And speaking of eggs, the next time you're there, check out farm fresh TKG eggs from OK Poultry in Waimanalo, which have golden yokes achieved by feeding their hens natural herbal ingredients. Don Quijote is only one of two retailers that carry them.

A man with glasses and a light blue button-down shirt is speaking and gesturing with his hands. In the background, a presentation slide is visible with a list of topics: Retirement Plans, Consulting, Administration, and Established. The slide also mentions 'Hawaii' and 'California'.

IS YOUR BUSINESS WORKING FOR YOU?

Or are you working for our business?

Mike Hicks talks retirement plans.

Wealth Strategy Partners (WSP) attempted to answer the above questions at a panel presentation held prior to HFIA's After Hours Networking/Made in Hawaii Show held in September at the Japanese Chamber of Commerce.

The first speaker, tax attorney Alan Schlissel, gave attendees a flavor of how tax laws work, how your company can take advantage of them, and the different lifecycles of a business. "A lot of taxes are geared towards certain industries the government is looking to incentivize," said Schlissel. "Whether you realize it or not, the government gets you to do things via taxes. If they want you to buy a home, they let you deduct mortgage interest, they let you deduct the property tax you pay. Somebody who is renting a house is not going to have that tax benefit." According to Schlissel, we will never have a flat tax because the government will lose its incentives. If everyone is taxed at 10%, the government loses its leverage to get you to buy a home, for example.

Speaking about the food industry in particular, Schlissel noted that there are "a whole host" of tax incentives for manufacturers compared to distributors. Even farming falls under the IRS's definition of manufacturing, he said. Those who are manufacturing, whether it's producing soda or

some kind of food product, have the DPAD, or the domestic production activity deduction.

"Whether you realize it or not, the government gets you to do things via taxes."

Schlissel explained that the government wants us to get back into manufacturing—it doesn't want every product we purchase to be made in Korea, Japan, China, or elsewhere. "It drives the government crazy," he said. "It doesn't want us to be just a service economy." So to encourage manufacturing in the U.S., they give manufacturers a 9% deduction off of their profits. "That's a 9% deduction for doing nothing," Schlissel emphasized. "You don't have to spend a dime to get this deduction, [but] make sure you're availing yourself of it on your tax return. It's an incentive that the Ford Motor Company is taking, and so can you. Regardless of your size, you just have to be profitable."

Moving on to Hawaii's General Excise Tax (GET), Schlissel advised companies to make sure they are not

overpaying this tax. He compared the GET to California's sales tax, noting that although their tax is higher percentage-wise, ours is a nastier tax. Although California's tax is higher, a lot of things are exempt, such as goods that are considered necessities of life. Hawaii's tax is on everything: 4.5 % on retail sales, but also another .5% every time something changes hands at the wholesale level, causing a pyramiding effect.

However, said Schlissel, there are a lot of incentives for a lower or no GET for manufacturers on the products and the raw materials they buy, so you should understand what the tax incentives are to prevent overpaying. For example, construction companies who pay a subcontractor don't have to pay GET on it. And although accounting and law firms say there are no exemptions for them because they just do simple distribution, Schlissel's firm tries to "pigeonhole them into an industry that is incentivized." Schlissel also mentioned that if you buy anything for your business, you are eligible for the capital goods excise tax credit, but be sure to claim it.

Schlissel covered other topics:

Captive Insurance. Hawaii is one of the two or three states that have the most captive insurance companies in the nation. Captive insurance is a fancy name for self-insurance—with a massive tax benefit. Schlissel gave an

example: “I’m oversimplifying but... I set up a separate company that is going to insure some of the stuff I would pay another insurance company to handle. The money I paid to the insurance company that I own is a tax deduction to my company and [money that doesn’t get paid out in claims] accumulates tax-free.” There are costs to setting this up, but according to Schlissel, you can distribute funds to yourself and it’s almost like a retirement plan.

Bonuses. It’s another easy incentive for a tax-advantaged idea. At the end of the year, everyone is used to getting a bonus, but it doesn’t have to be paid out at the end of the year. The IRS allows payment of bonuses till March 15 of the following year while getting a tax deduction in the previous year.

Retirement Accounts. Tax-advantaged ones in which you get a deduction from your business on what you pay in are the best.

Renewable Energy. Especially for manufacturers or any business that has warehouse space, renewable energy is something they should look at, says Schlissel. For example, if you spend \$10,000 on panels for a photovoltaic system, there are tax credits: 30% on the federal side and 35% from the state. For every \$10,000 you invest, the government is giving you \$6,500 of credit on your tax return. Out of every \$10,000, your out-of-pocket cost is only \$3,500. Businesses also get to deduct depreciation of the PV system on top of the tax credits, noted Schlissel. “It makes renewable energy a no-brainer,” he concluded.

Alan Schlissel explains “a whole host” of tax credits manufacturers can take advantage of.



the GET for a set period of time. “If you’re in an industry that qualifies for the Enterprise Zone, and your business will be physically located there, it’s something to consider,” he said.

Schlissel also talked about retirement and exiting your business. “In the lifecycle of a business, we obviously look forward to retirement and enjoying the good life,” he said. “Hawaii is the home of the small to midsize business, but how do you get out of that business?” From a tax perspective, Schlissel outlined several ways:

Selling Your Business. Selling can be structured as an asset sale or

are taxed at a lower capital gains rate. Understanding the structure of the sale of your business is key, because each type of sale is going to have a different tax impact.

Employee Stock Option Plan (ESOP). One way to get out of a business and still be compensated is through an ESOP. “Basically, you as a business owner are selling it to your employees,” said Schlissel. “Whether it will be 50% of the business or 100% of the business or something in between doesn’t really matter. It’s something to think about, but it’s not as simple as selling to a third-party.” Schlissel warns that ESOPs are not easy to structure, especially with changing regulatory requirements.

Tax Deferral. If your company is a small C corporation (\$50 million or less) and you’ve held the stock for at least five-plus years, you can defer paying income tax on 50% to 100% of the gain. The incentive was intended to create more investment in these smaller companies. “Ironically, \$50 million is not really small, at least here in Hawaii,” notes Schlissel, “but there are rules and hoops to jump through.” To permanently defer the gain from a sale, the investment has to have been directly into the company rather than a simple stock purchase.

“Hawaii is the home of the small to midsize business, but **how do you get out** of that business?”

Enterprise Zones. If you are relocating your business, consider moving to an Enterprise Zone, which is a low income, socially disadvantaged area. Schlissel points out that in Hawaii, Enterprise Zones have become the rule, not the exception, even in downtown Honolulu. Enterprise Zones enjoy tax abatement, meaning you don’t have to pay income taxes or

a stock sale. Generally, sellers prefer stock sales, while buyers prefer asset sales. According to Schlissel, most buyers don’t want to buy your stock because a company’s liabilities and future liabilities come with it. In an asset sale, the buyer can depreciate and expense all the assets they purchase. However, Sellers often favor stock sales because all the proceeds

Family Limited Partnerships.

You may want to turn over the businesses you created to the next generation, but there's a gift tax. However, you can let a family limited partnership buy it at a very discounted rate. "When you're going through the sale process, think of what you are going to do with the proceeds and how you are going to reinvest it. The IRS and the State Department of Taxation will take will try to take a chunk of it. "Consider the best investments for you with the proceeds of the sale."

Alan Schlissel, Managing Partner
at Schlissel & Associates

Business Type: Tax & accounting firm

Expertise: Tax planning, tax minimization, and income tax returns for manufacturing and distribution businesses

808-732-7232

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The second speaker, Mike Hicks, is President of Hicks Pension Group, a leader in complete administrative and compliance services for tax-qualified retirement plans. The company also prepares reporting forms required by the Internal Revenue Service, Department of Labor, and Pension Benefit Guarantee Corporation.

Hicks gave attendees a flavor of what's going on in the retirement world. He outlined two kinds of retirement plans: defined contribution, or 401(k), which most are familiar with, and defined pension benefits, where you work for a company for 20 or 30 years and get a paycheck continuation for the rest of your life after you retire.

401(k) or defined contribution.

Every Single person in the U.S. whose employer sponsors a 401(k) plan can put away up to \$18,000 a year. It's a large number that's hard for many of us get to, but a lot do get there. "That's \$18,000 pretax," emphasized Hicks. "Today's tax rate is 39% federal and 10% state—that equals 49%." Rounding it to 50% to make it easy, Hicks pointed out that on \$18,000, you can save \$9,000 in taxes, depending your tax rate. Another option is to invest \$18,000 Roth style, where you

pay your taxes now, but never pay taxes on your investment or its earnings again. It's a big concept in the 401(k) market right now. Ask your employer if they offer a Roth-style 401(k) and consider it as an option.

"If you happen to be lucky to be over 50 this year, you can do a \$6,000 catch up," says Hicks. In addition to the \$18,000, you can put in another \$6,000, up to \$24,000. "That's huge," he said. "You can save \$8,000 to \$10,000 in taxes if you can afford \$24,000." There is no cap, so you can contribute 100% of your paycheck.

"The concept of the 401(k) is that you put the money in, and because of its portability, you roll it over and take it with you to your next company," said Hicks. "But that's just the employee contribution." The employer, he says, can contribute up to 25% of your pay. The total amount any one person can get in one year is \$53,000. Odds are that if you are an employee in a big company, you would not be getting \$53,000 from your employer in your retirement account every year. However, in small businesses in Hawaii, Hicks pointed out, family members quite often work together. Hicks Pension Group is designing plans to get key family employees \$53,000 a year. If they're over 50, they can get an additional \$6,000 for a total of \$59,000 a year. "With small family-owned businesses, we design plans to get \$59,000 for the husband, \$59,000 for the spouse, and maybe \$25,000 for the son or daughter who is taking over the business." It's a strategy that will not only help build wealth for retirement, but helps to pass the business to family members. "Often, the business owner doesn't want to let go until they're financially secure, but doesn't want their financial security to hang on their son or daughter," said Hicks. "So if you can find a way to get financially secure, you're going to feel little bit better about giving up the purse strings to the next generation."

Defined Pension Benefit. Currently, there is about \$16 trillion in retirement accounts—in IRAs, 401(k)s, and pension plans. In the last 20 years, 401(k)s have taken off and become a do-it-yourself retirement program in the United States.

"Because most people don't work for the same company for 20 or 30 years, most companies no longer have pensions, unless you're in the public sector or a union," said Hicks, noting

"The cool thing about the State of Hawaii is that it *does not* tax pension distributions."

that some unions and public sector jobs have full pensions that are 100% of their pay for the rest of their lives. "But in the private sector, they rarely set up pension plans nowadays."

"Defined [pension] benefit is the total flipside [of the 401(k)]," said Hicks. "It doesn't tell you how much you can put in—it just tells you how much you can take out." The maximum pension you can fund for at age 65 is \$17,500 a month, or \$210,000 a year, which works out to a total accumulation of \$2.2 million. "Basically, what the defined pension benefit does in the small plan market—we're talking about a small business with 15 employees and an older business owner—is that we can fund a pension plan and get up to \$2.2 million within 10 years," said Hicks. He gave an example of a 55-year-old business owner who has paid off his mortgage, paid for his son's education, and has profits coming in. He has a 35-year-old son who wants to take over the business and is working him. The business owner might want to shift his income from taking it as pay—remember he pays about 50% in taxes—to putting \$210,000 in a pension plan every year. All contributions are tax-deductible and all funds are tax-deferred. "The cool thing about the State of Hawaii is that it does not tax pension distributions," said Hicks. "If you're taking a pension payment or taking a payment out of profit sharing, matching, pension, or anything that originated as employer dollars—not 401(k)—you do not pay

state income tax. If I have a union pension plan, I'm not paying state tax. If I'm a doctor or CPA and started drawing off of my \$2 million pension plan, I'm not paying state tax."

Another retirement plan angle: Structure a business' sale such that the new owner pays, say \$5,000 over five years, but the seller becomes an employee and the new owner agrees to contribute \$100,000 to the seller's retirement plan.

"It's about tax planning and wealth building," concluded Hicks. "It's about passing it on to the next generation. There's lots of planning involved to keep wealth and not give it to the government."

Mike Hicks, President,
Hicks Pension Group

Business Type: Tax-qualified retirement plan design and administration

Expertise: Administrative and compliance services for tax-qualified retirement plans

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The third speaker was Vladimir Sasic, ChFC, CFP, AEP, Managing Partner of Wealth Strategy Partners, who is a certified financial planner, accredited estate planner, chartered financial consultant, and a certified business exit planner. Acting as a kind of personal chief financial officer to clients, Sasic helps them navigate through the complex financial world that we live in today.

Whether you are an individual or business owner, Sasic had one major point to make: focus on things that you can control—they can lead to financial success. "The first thing that you should focus on in a big way is financial organization," he said. "When I say financial organization, I don't mean just the dreaded form that shows where all your stuff is and how all of these are organized. What I mean by it is to have a financial synergy behind the financial decisions that you are making in your business and in your life."

Typically, Sasic points out, people have all kinds of advisors like a CPA, a third party administrator, attorney, real



Vladimir Sasic: "Focus on things that you can control—they can lead to financial success."

estate broker, mortgage insurance broker, property and casualty insurance person, life insurance person, investment guy, and banker, all of who are trying to sell you a service or product but aren't talking to each other. The result is a lot of inefficiency because you have no idea whether the advice you're getting from one is counter-productive to the advice you're getting from another. Money gets drained off your balance sheet unnecessarily and it goes to other people.

Often, people starting a business will have an operating agreement between partners but there has been no attention paid to the tax implications nor the financial dynamics of that legal transaction. In setting up captive insurance as Schlissel spoke about, there may be seven different advisers involved, so making sure that everybody is on the same page working for your benefit is extremely important, stressed Sasic.

"You want to make sure that you are keeping most of your money," he said. "The financial services industry is by and large failing the American public because they are advertising the rate of return as opposed to the rate of savings." Rate of return, said Sasic, is far less important than rate of savings. "Internally we all know this to be true," he said. "It doesn't matter how much money you make—it's

about how much you keep. "When you're extremely organized and you have clarity on your financial situation, you have synergy behind the financial decisions that you make."

Sasic emphasized that another thing you have control over in your financial world is protection, *i.e.*, making sure that what you have built so far can never be lost. "Protection doesn't necessarily mean just having insurance," he said. "It also means having good legal documents."

Protection can mean having a good operating agreement in place when starting a business. Protection can also mean having an estate plan, a will, trust, and advance directive, *etc.*

"Those are some of the simple steps we can take to ensure that what we work so hard for can never be lost and will potentially continue for generations," Sasic concluded. "Lastly, plan for the long-term."

Vladimir Sasic, ChFC, CFP, AEP,
Managing Partner, Wealth
Strategy Partners

Business Type: Financial Planning

Expertise: Innovative solutions for sound financial decisions using a holistic approach; business exiting

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A Giving Spirit

HFIA Member Companies Give Back to Community

BY GLEE STORMONT

It's the season of giving, and Hawaii Food Industry Association members are strong proponents of giving back to the community. Member organizations offer support in many ways, from physical participation to in-kind or monetary donations. All are part of the spirit of aloha that makes our Hawaii the special place that it is. The following is just a snapshot of the many ways our member companies give back.

ChoiceMART Supermarket and Kealakekua Ranch Center

Established in 1881, kamaaina company Kealakekua Ranch, Ltd. owns and operates Kealakekua Ranch Shopping Center and ChoiceMART supermarket in Captain Cook, Hawaii Island. A major employer in the South Kona district, they support hundreds of local farmers, fishermen, and producers by featuring local produce, fish, and island products for



A recent Kohomua Music Series event sponsored by ChoiceMart to support The Food Basket.

sale. ChoiceMART gives to over 100 local charities, schools, churches, and causes throughout the year, frequently partnering with the community.

The Food Basket, Hawaii Island's food bank, is staunchly supported by ChoiceMART. This year, a new music series has been created as a fundraising venue. The Kohomua Music Series at The Ranch debuted in mid-November and will be held monthly through February from 4:00

to 6:00 pm on the lawn at Kealakekua Ranch Center. Admission to each performance is two cans of non-perishable food items to support The Food Basket. ChoiceMART will host an in-store display of top needed items that will be available for purchase on the day of the events. Beer, wine, and pupu will be available at the event for purchase.

"Kealakekua Ranch has been a partner in the community for over 135 years," said Rhonda Kavanagh, CEO of Kealakekua Ranch, Ltd. and ChoiceMART. "When Kealakekua Ranch launched ChoiceMART in 2000, our goal was to ensure the community had a local source for groceries. Helping feed families in our community is important to us. We make contributions to The Food Basket on a weekly basis, and this concert series is another way to help serve families in need."



L-R: Kimo Haynes, President of Hawaii Petroleum, Joy Madriaga, Marketing Representative for Hawaii Petroleum, Jay Kimura, Director of Friends of the Children's Justice Center of East Hawaii, and Lloyd Leong, Vice President of Business Development.

Hawaii Petroleum, Inc.

Hawaii Petroleum, Inc., the parent company of Ohana Fuels, Minit Stop,



Jon Miyabuchi, Minit Stop Vice President of Retail Operations with the Community Business Award given to Hawaii Petroleum.

and Hawaii Fuel Network, is a leading independent distributor of petroleum products and lubricants on the islands of Maui and Hawaii. Hawaii Petroleum is committed to making a positive contribution to the communities in which Ohana Fuels stations operate, and gives local residents a way to support the community with every tank of gas they purchase. Minit Stop Convenience Stores is the retail brand of Hawaii Petroleum, Inc., and offers gas redemption to Hawaii Fuel Network wholesale customers with HFN charge accounts. Minit Stop has 16 locations with 9 on Maui and 7 on Hawaii Island, and is an active contributor to the communities they serve by supporting strong family and community values.

Hawaii Petroleum has a long history of community giving, donating thousands of dollars to charitable organizations and fundraising events throughout Hawaii Island and Maui County. Through the "Fuel up. Do good." program, Ohana Fuels partners with nonprofit organizations in the local community by donating a portion of the proceeds of every gallon of gasoline sold at its stations within that community. Donations from gasoline sales during the first half of this year on the islands of Maui and Hawaii were more than \$30,000.

Additionally this year, Hawaii

Petroleum has donated \$77,499 to local communities, including \$45,000 to Saltchuk's Hawaii Regional Giving Program. Hawaii Petroleum is a subsidiary of Saltchuk, a Seattle-based privately owned family of diversified transportation and distribution companies. Saltchuk prides itself on its commitment to community giving and support, calling it the very heart of the company's culture. Over the past decade, Saltchuk companies have given an average of \$2.5 million each year, totaling more than \$20 million in cash and in-kind support to the communities in which they operate.

Hawaii Petroleum was awarded the Community Business Award by the Maui Nonprofit Directors Association for work as an outstanding business leader in the non-profit community. "It's an honor to receive this award," said Kimo Haynes, Hawaii Petroleum President. "Giving is a big part of our culture, both personally and professionally. As a local company, our business only exists because

of our community, and we feel it's important to give back."

Paul Tonnessen, President of the Maui Nonprofit Directors Association noted, "The Friends of the Children's Justice Center of Maui was fortunate, along with numerous other nonprofits, to financially benefit from the generosity of Hawaii Petroleum. We have completed a variety of educational projects that have impacted the children of abuse and neglect dramatically. Hawaii Petroleum is always reaching out to the nonprofits in various ways, including the ability to participate in their quarterly give back from

fuel sales. They also allow nonprofits the use of Minit Stops to conduct car washes, which brings not only additional revenue to the agencies but also gives them exposure within the community. The nonprofit community recognizes the difference they have made and how they continue to impact the lives of those in need in our community. Hawaii Petroleum has and continues to show us all the true meaning of giving."

"As a local company, our business only exists because of our community, and we feel it's important to give back."



One of many Oahu Publications donations



Pasha Hawaii partnered with Hawaii Stevedores to host Kaewai Elementary School keiki at a Halloween event at Bishop Museum.

Oahu Publications, Inc.

Oahu Publications' flagship publication is the daily *Honolulu Star-Advertiser* newspaper, established in 2010 with the merger of the *Honolulu Star-Bulletin* (est. 1882) and the *Honolulu Advertiser* (est. 1856). In addition to the *Star-Advertiser*, OPI owns and publishes a diverse group of publications, including *West Hawaii Today*, *Hawaii Tribune Herald*, *The Garden Island*, *MidWeek*, three

military papers, and various specialty publications, as well as luxury and hotel magazines.

The Subscriber Donation Program launched in 2011 to raise money for the Red Cross Japan Disaster Relief Fund. *The Honolulu Star-Advertiser* now selects a local charity organization to support year round by soliciting donations from subscribers. The YMCA is the current beneficiary, with monies tabulated at the close of the year. Since 2011, the fund has donated more than half a million dollars to various local charities, including Adult Friends for Youth,

Kapiolani Health Foundation, Hospice Hawaii, Big Brothers Big Sisters, Child & Family Services, and HUGS. In 2012, *Editor & Publisher* named the *Star-Advertiser's* Subscriber Donation Program as one of the "10 Newspapers That Do It Right."

The Good Neighbor Fund program begins just before Thanksgiving and runs through the end of the year. *The Star-Advertiser* runs feature stories focusing on the needs of Helping Hands Hawaii, and readers donate money, food, and household goods. First Hawaiian Bank is a partner in the program and accepts monetary donations at all branches. Monetary donations alone to the Good Neighbor Fund have grown consistently, and last year topped \$100,000. To recognize the donors, the *Star-Advertiser* runs donor names (unless otherwise requested) in the Sunday paper during the run of the campaign.

Pasha Hawaii

An independent operating subsidiary of The Pasha Group, Pasha Hawaii is one of the nation's leading domestic ocean shipping companies serving Hawaii from the continental U.S. Their fleet of six fully Jones Act-qualified vessels provide reliable containerized and roll-on/roll-off cargo services that leverage a unique combination of ocean transportation and inland distribution capabilities.

Through its Employee Community Action Team Program, Pasha Hawaii partnered with Hawaii Stevedores, Inc. to host keiki from Kaewai Elementary School and their families for a festive Halloween event at Bishop Museum in Honolulu. Guests enjoyed dinner, museum exhibits, and trick or treating. Close to 100 kindergartners and family members attended, as well as around 150 Pasha team members and their families. A Thanksgiving lunch was served and new and gently used clothing given to approximately 90 residents of Hale Mauiola, a homeless shelter located across the street from the company's Sand Island container shipping facility.

Pasha Hawaii contributed \$141,901 in cash donations and \$118,200 in in-kind donations to Hawaii-based 501(c)(3) charitable organizations in 2015.



Desiree Rose, HFIA, and Derek Kurisu, KTA, conduct a raffle to raise money for the Hawaii Foodbank. Gerald Shintaku (right) of the Hawaii Foodbank says that the nonprofit organization provides food assistance to 287,000 residents, or one in five people in Hawaii.



Mary Smith and Eric Chang of Kona Brewing Company touted a coming bigger better brewery with a 100,000 barrel capacity.

Made in Hawaii Showcase

Members & Manufacturers Gather for After Hours Networking

PHOTOS BY JASON Y. KIMURA

HFIA's Made in Hawaii Show & After Hours Networking Event is a great venue to showcase new and existing products. Over 100 HFIA members gathered for an intimate evening of networking while sampling some of the best Hawaii-made food and beverage products. The event was held in September at the Japanese Cultural Center's Manoa Grand Ballroom.

Exhibitors were: Aloha Water Company, Kona Brewing Company/Anheuser-Busch, C2O Coconut Water, Diamond Bakery, La Tour Bakehouse, Meadow Gold Dairies, Maui Brewing Company/Paradise Beverages, Nani Moon Meadery, Rainbow Sales & Marketing, Shaka Tea, Southern Wine & Spirits, Wealth Strategy Partners, and Young's Market Company.



Bella Hughes of Shaka Tea, which offers flavored teas brewed from mamaki leaves



Clockwise from left: Ryson Khara, Pasha Hawaii, Mike Ohashi, Pasha, Sheldon and Pauline Wright, Higa Foodservice, Shane Wright, Higa, Sandy Oshiro, Higa, Dwayne Fujitani, Pasha, and Shellie Hayashi, Pasha



L-R: Laurence Laforge, Reena Manalo, Sherwin Doropan, and Heather Saenz want you to like, follow, and friend Rainbow Sales & Marketing on all social media.



Dustin Gomes of Maui Brewing Co.



The Meadow Gold Dairies team sported Trolls wigs to tout their TruMoo Orange Scream drink tie in with the DreamWorks movie. They also created a new drink by mixing POG with Old Lahaina Rum and Ocean Vodka from table neighbors Southern Wine and Spirits, just for the show.



June Namba and Maggie Li of Diamond Bakery



Andy Kawano, Foodland, and Derek Kurisu, KTA



Mark Poynter and Hugh Duncan of Young's Market Company with New Belgian beers, Koloa Rum, and Pau Vodka



Samantha Haas and Theo Stiller of Wealth Strategy Partners



Bryan Gomes, Matson Navigation, with Ed Sawai, Ryan Hekusa, and Mak Hanawa of Don Quijote



Shirley Pagatpatan shared breads aplenty from La Tour Bakehouse



Bill Carl, Robson Piiohia, and Mike Hinton of Southern Wine and Spirits with Big Island Brews from Waimea



Hope Lanier and Yvonne Sylva gave away bottles of Aloha Water, the only alkaline water in the state. Sylva displays the company's 5-gallon bottle with convenient handle



Clockwise from left: Derek Kurisu visits Punalu'u Bake Shop, papaya farm, Clover Leaf Dairy, Kulana Foods, and Hirako Farms.

BY JASON Y. KIMURA

Walking down the street in Hilo town, KTA Super Stores EVP Derek Kurisu invariably runs into folks he knows. Sometimes, the friendly conversation turns to business. It just so happens there's a surplus of produce going to waste, or some sort of byproduct is available that can be turned into a new "value-added" product. It's exactly the kind of thing Kurisu looks for to create win-win situations for producers, consumers, and KTA. It's the old Hawaii way of helping each other out that still exists on Hawaii Island, where everybody's a part of one big ohana.

On Hawaii Island, the economy fluctuates, so KTA takes it further than those chance meetings. "We try hard to help producers to sell what

would otherwise go to waste," says Kurisu. "There's all kinds of ways to take things and turn them into value." Sometimes it's simple, like buying a surplus of papayas, bananas, or other produce and putting it on sale. The farmer wins by making some money instead of throwing the surplus away.

Customers win because they get a great price, and KTA wins by making a little bit of profit on the sale.

Sometimes it takes a lot of creative thinking. One example is KTA's recent work with local fishermen.

There might be an overabundance of marlin, aku, or ahi. Certainly the fish can be bought and put on sale, but customers need to be alerted immediately so it can be sold while it's still fresh. KTA resolved the problem with a multi-pronged approach. First, they put fresh fish on sale and alert cus-

tomers through their Facebook and Twitter accounts. Then, some of the fish is made into sakura boshi—seasoned dried fish—or smoked.

Wild boars creating havoc in people's yards? The solution: Mountain

"We try hard to help producers to sell what would otherwise go to waste. There's all kinds of ways to take things and turn them into value."



LOVE IS IN THE AIR

Celebrating a special occasion with a loved one who's on a Neighbor Island, just one of the reasons to use JetExpress and get your shipment on our next flight.



HAWAIIAN
— AIR CARGO —

Call 1-877-HA-CARGO | HawaiianAirCargo.com

Apple Wild Boar Sausage. But it's not that simple. The biggest challenge is to catch the boars alive, which is required to properly create and sell products. KTA is willing to go through the trouble of setting it all up with local meat processors if there's a win-win to be had.

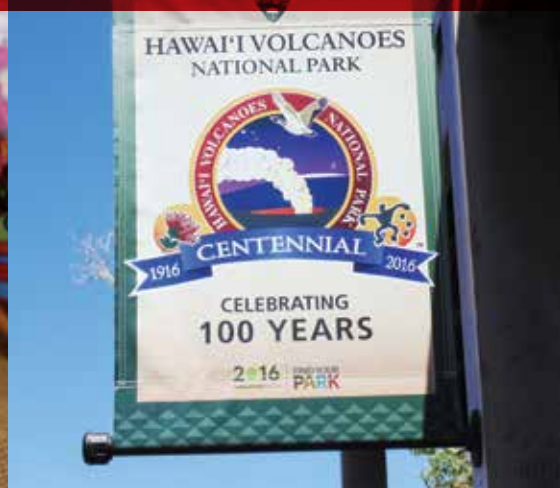
For each type of product, it takes a lot of time and effort to set up a system that will benefit everyone. Practical processing and good recipes need to be developed, for example. Working with the local beef industry has a lot of moving parts. "In order to make it profitable, the whole animal has to be sold," explains Kurisu. KTA helps make that happen by buying the cheaper cuts after hotels and restaurants buy most of the expensive ones. There are a variety of cuts that need to be used, so KTA created a multitude of value-added products. Some of the beef is used in KTA's beef and pork lau lau. Other cuts are made into teriyaki beef for fundraisers, and then there's pipikaula and pipikaula poke. "We also found an old ranch recipe for Portuguese sausage that ranchers used when they had extra beef," says Kurisu.

KTA is also experimenting with making corned beef with briskets—just in case a surplus of briskets become available. Someone from KTA visits the meat processor weekly to see what they have a lot of, or they call KTA if something becomes available in large quantities. Currently, 40 to 45 percent of the beef sold at KTA is locally raised. "Local beef has no hormones or antibiotics," emphasizes Kurisu, explaining that Hawaii Island beef comes from about 20 ranchers. "They are the same breed, same age [at slaughter], and fed the same grass. The product has become very consistent." KTA is trying to build a similar system for local pork.

Other KTA partnerships involve the support of local products (such as coffees and macadamia nuts) and local causes. The supermarket chain has entered the very competitive milk market to ensure there is plenty of local milk available by forming partnerships with local dairy farmers and Meadow Gold Dairies, which processes the raw milk for KTA's Mountain Apple Brand milk at their



Top left: At KTA, 95% of the leafy greens come from local farmers; Top right: Kurisu checks out the beef at Kulana Foods; Below: a KTA- Punalu'u Bake Shop partnership to produce a line of Mountain Apple Brand cookies benefits Hawaii Volcanoes National Park.



Hilo plant. Mountain Apple nectar is also processed by Meadow Gold, which helps control stock to keep waste to a minimum.

Through a partnership with Punalu'u Bake Shop, five flavors of Mountain Apple 'Brand Lava cookies were developed: Berry 'N Oats, Ka'u Coffee, Passion Lov'ah, Taro & Nuts, and the spicy Red Hot. Ten cents from every bag sold will be donated to Hawaii Volcanoes National Park. Both established in 1916, KTA and the national park are celebrating their 100-year anniversaries. Meadow Gold and Punalu'u Bake Shop are both HFIA member companies, which is an added reason for forming close partnerships with them.

"We're always looking for opportunities to create something different," says Kurisu, while emphasizing KTA's

Mountain Apple Brand is not about creating commodities. He points out that in farming, if somebody is making money, lots of people jump in, but Mountain Apple cultivates stability and support by working with one producer so they don't have to worry about being undercut on price.

Kurisu admits that forming partnerships and creating value-added products is very difficult and requires a lot of time and good communication. "It's got to be a win-win for everybody, and you have to be aware of what's going to happen next in the marketplace [to keep everyone afloat]," he says. "But employing old-fashioned principles of working together are worth it. The rewards are incredible—by forming partnerships, we can all help support families, the community, and industries to survive."



IT'S THE LAW: Do Not Sell Tobacco Products or Electronic Smoking Devices to Anyone **Under 21**



1. All vendors must display this sign at points of sale.
Free signs available by calling (808) 586-4613.

2. Always ask to see I.D. and do not sell to anyone under 21 years of age.
Undercover inspections will be conducted for enforcement.

3. Know that if you sell to persons under 21, you will be fined.

Act 122, Effective January 1, 2016



Questions? Contact the Tobacco Prevention & Education Program, Hawaii State Department of Health at (808) 586-4613.

find out more at <http://health.hawaii.gov/tobacco/retail>

Be a Customer Service Contender

Why most customer service isn't as good as it could (or should) be and what you can do about it

BY KATE ZABRISKIE

"We need to improve our customer service. Get someone in here for an afternoon to fix these people."

"We're busy. I may be able to spare a couple of people for a few hours. Beyond that, we don't have time for training."

"I don't get it. I send them to training with an expert consultant, and they seem as if they're learning something. Then, after a few days, it's back to the same old stuff. I want to scream."

Too often, organizations recognize they have a service issue, yet their efforts to address shortcomings fail to solve the problem. In the worst cases, customer service initiatives back-

fire and motivate people to do less.

So, what's going on? Usually, a few things.

Typically, there's an organizational mindset misalignment, a lack of commitment from the top, an absence of recognition for giving great service, or a combination of all three.

In contrast, legendary service organizations have a service mindset, commitment, and reward great performance.

Service Mindset

Great service companies eat, sleep, and breathe extraordinary service. They don't pull people off the phones for a few hours and expect magic.

1. They have a service mission, and it does more than sit in a frame on a wall in some conference room. It's top-of-mind throughout the organization. People know it and live it through their daily interactions with customers and

each other.

2. They design processes with the customer's best interest in mind. Think about that well-known airline, so full of love for its customers; it allows them to cancel flights for full credit on a future trip. Clearly they believe most of their customers won't book travel they don't need, and those who must make a change will eventually choose to fly with them again.

3. They hire people who genuinely love service and are proud to live the brand.

4. They constantly retool the customer experience because they know what worked well in earlier years is long overdue for a makeover.

5. They educate, educate, and then they educate some more. They want to make sure that the people who represent the brand understand what the brand experience is and how to deliver it.

Commitment

Great service companies involve everyone in their service culture and improvement efforts. They invest in their employees and trust them to do what's right.

1. Their management team models service-centric behavior and holds others accountable for doing the same.

2. Their leaders participate in education efforts, often introducing workshops, wrapping them up, and actively taking part during sessions.

3. They commit to and believe in their staff. Because they've chosen their employees well and trained them appropriately, they treat staff members as the adults they are and give them latitude when solving service problems.

Reward

Great service companies reward service-centric behavior. They don't ignore great work or punish people for taking initiative.

1. They value their employees and recognize that without them there is no customer service.

2. They reward employees by trusting them to do what's right.

3. They encourage people to find



new ways of solving problems.

4. They recognize that a paycheck alone is not enough.

When thinking about everything that the greats do, it's easy to get discouraged or think your business or department will never achieve true service success. The good news is you're wrong. While it won't happen overnight, you can take a page or two from the masters to elevate your approach.

What to Do When You Realize You're Not Great

1. Start by thinking about your purpose. What is it that your organization does? Articulate your purpose. Everyone needs to understand your core reason for existing and how the actions they take related to service support that mission.

2. Next, think about your processes and how customers interact with you. Do you have your customers' best interests at heart? If not, what changes can you make to remedy those

shortcomings? This step has an added benefit. When your organization's and your customers' goals are in harmony, you will have happier customers. Furthermore, it is less likely your people will find themselves dealing with the unhappy, disappointed, or disgruntled.

3. Model what you want to see. People work for people. If you supervise others, they are watching and learning from you. If you are disengaged, they probably are too. On the other hand, if you embody the spirit of service, you probably see elements of yourself in their performance.

4. Teach your staff what to do and how to do it. You can't expect people to deliver great service if they don't know how. Furthermore, you can't expect them to care if no one at the top does. Take employee development seriously. This means being a champion for training, participating in education, and coaching for new skills after the fact. Eventually, your people will be able to do more, will make better choices, and solve problems more imaginatively.

5. Hire for service skills. The next time you have an opening, think about what makes someone great at service in your organization and seek those attributes. Don't settle. You'll be sorry later.

6. Reward. Even if you have no budget, you can reward employees for giving great service. Start with a sincere "Thank you." Heartfelt appreciation can work wonders.

7. Finally, put your continuous improvement hat on. Systematically evaluate where you've been, where you are, and where you are going.

None of these steps is necessarily hard. The trick is to take them. In other words, to win the service game, you've got to be in it. What will you do better today?

About The Author: Kate Zabriskie is the president of Business Training Works, Inc., a Maryland-based talent development firm. She and her team help businesses establish customer service strategies and train their people to live up to what's promised. For more information, visit www.businesstrainingworks.com.

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Diamond Bakery Celebrates 95 Years

Diamond Bakery celebrated its 95th anniversary in October by giving away 9,500 packs of their new line of Grab N' Go crackers. The company, which began as the dream of three Japanese immigrants, has now grown into a household name in Hawaii.

"We wanted to do something special and unexpected to show the community how much their support means to us," said Gary Yoshioka, President of Diamond Bakery Company, Ltd. "We are incredibly proud to be one of Hawaii's oldest companies, baking over one million crackers a day right here at our factory. Our brand is all about sharing aloha and doing something to brighten people's day."

In addition to the Grab N' Go line, a limited edition Hawaiian Cookie Christmas tin collection is available in stores for the holidays. "Two Thousand Seventeen is going to be another busy year for us," said Yoshioka. "We have lines of projects in development, including Ha-



waiian Biscuit Crackers that created a lot of buzz when tested at this year's Made in Hawaii Festival."

Diamond Bakery is also holding a 95th sweepstakes that kamaaina can participate in via email or at [facebook/diamondbakery](https://facebook.com/diamondbakery). Ninety-five winners will each receive a \$100 gift certificate to shop the company's website, www.diamondbakery.com. There are a wide

variety of gift items to choose from and share with friends and family.

Diamond Bakery's now iconic products include Soda Crackers, Royal Cream Crackers, Saloon Pilot Crackers, Salty Crackers, Graham Crackers, Animal Crackers, Hawaiian Shortbread Cookies, Ruff n' Ready Cookies, Coconut Cookies, Candy Bead Cookies, Chocolate Chip Cookies, and Coconut Taffy Cookies.

Pasha Hawaii Orders Two New Containerships

Honolulu-based Pasha Hawaii has ordered two new containerships with the option to order an additional two by the end of the year. Details for the vessel order outline a shipping capacity of 3,400 TEUs, including 500 45-foot containers and 400 refrigerated containers, and a sailing speed of 23 knots. Delivery of the first vessel is expected mid-2019, with delivery of the second vessel to come in early 2020.

"Since entering the Hawaii shipping business in 2005, Pasha Hawaii has made and will continue to make significant capital investments to support our expanding customer base and the local business community as a whole," said George Pasha, IV, President and CEO. "In addition to increasing capability for our customers, these new ships will represent a new era in shipping for Hawaii in terms of greatly reduced emissions and increased efficiency."

The two LNG (liquefied natural gas) dual-fueled vessels will be the first of their kind in the Hawaii/mainland trade lane, operating fully on LNG from day one in service, dramatically reducing environmental impact, and increasing fuel efficiency. Energy savings will also be achieved with a state-of-the-art engine, an optimized hull form, and an underwater propulsion system with a high-efficiency rudder and propeller. When compared to conventional fuels, LNG is a much cleaner alternative fuel for shipping and offers significant environmental benefits, including the reduction of up to 95 percent sulphur oxides, nearly 100 percent particulate matter, up to 90 percent nitrogen oxides, and up to 25 percent carbon dioxide emissions from engine exhaust emissions.

"We are fortunate to have shipyards within the United States that are very capable of building best-in-class cargo ships, including LNG-powered vessels compet-



itively," added Pasha, IV. "Both the *Jean Anne* and *Marjorie C* are Jones Act-qualified vessels, and like our new containerships, represent many firsts for the industry in terms of design and performance. Pasha Hawaii is proud to support our shipyards and the many skilled workers who are a part of this important industry."

Pasha Hawaii is a wholly owned subsidiary of the family-owned global logistics and transportation company, The Pasha Group is one of the nation's leading Jones Act shipping and integrated logis-

tics companies. Pasha Hawaii is a partner for many of the nation's leading retailers, manufacturers, and U.S. government agencies, providing containerized and roll-on/roll-off cargo services that leverage a unique combination of ocean transportation and inland distribution capabilities. Pasha operates facilities at the ports of San Diego, San Francisco, and Los Angeles, California; Baltimore, Maryland; Honolulu and Maui, Hawaii; and Grays Harbor, Washington. For more information, visit www.pashahawaii.com and www.pashagroup.com.

KTA Super Stores

Barry Taniguchi, CEO & Chairman of the Board, KTA Super Stores, has been honored as Retailer of the Year by the Retail Merchants of Hawaii at their 30th annual conference held recently at the Hilton Hawaiian Village Waikiki Beach Resort. This is the local retail industry's top award and recognizes Taniguchi's above and beyond level of service. "Barry is a true icon in the industry and has always been committed to making not only Hawaii Island, but the entire state a better place," said Tina Yamaki, President of the Retail Merchants of Hawaii. "His dedication is evident in his caring for his employees, customers, and the community. Barry continues to be a true visionary in knowing the value in leaving a legacy to the next generation."

Continued on next page

Enterprise Holdings Offer Rideshare Incentive Program

Enterprise Rideshare is now partnered with the City & County of Honolulu in a Vanpool Incentive program. The City is offering \$500 per vanpool to split monthly among riders as an incentive to commute to work. The vanpools are open to all Oahu residents and feature new model crossovers, SUVs, minivans, and large passenger vans. The monthly cost of gas, insurance, and maintenance are all included. Vanpools are also eligible for a \$500 subsidy from the State.

Vanpooling offers flexible options and benefits for the commuter and local businesses. They can save individuals up to \$10,000 per year and qualify for payroll pre-tax benefits for even more savings.

A new carpool shoulder lane on Oahu now extends two miles eastbound on the H-1 Freeway from Kualakai Parkway to the Kunia/Waipahu/Ewa exit and should reduce commuting time for all.

To start or join a vanpool, call 808-543-1526 or email RideshareHawaii@erac.com



Truck Rental Division on Oahu

A newly opened truck division expands the range of rentals for clients and works closely with business partners to address any and all trucking needs, whether they are short term, project based, replacement, or long term issues. The Enterprise Holdings Truck Division aims to help customers reduce costs while increasing efficiency by dealing with trucking or fleet issues, so clients can focus on running their businesses. Enterprise

Truck upholds the high standards and reputation of Enterprise Car Rental and strives to provide the highest rated customer service in the industry.

The Truck Division now has one location on Oahu near the airport, with additional locations on Oahu and the neighbor islands anticipated. Mini cargo vans, standard cargo vans, hi roof cargo vans, 1/2 and 3/4 ton pickups with tow packages, 15-foot box trucks with ramps, and 16-foot box trucks with liftgates are available for immediate use. By the end of the year, 12- and 16-foot stakebeds will also be offered. Fleet offerings will continue to expand as the business grows. Call 808-838-6260 or email Andrew Shults at Andrew.d.shults@ehi.com for more information.



American Chemistry Council

Company Profile: The American Chemistry Council (ACC) is America's oldest trade association of its kind, representing more than 170 diverse companies engaged in the business of chemistry. ACC programs focus on anticipating and preventing accidents, as well as educating the public about how to use its products safely.



ACC products protect our food supply, air, and water, and ensure safe living conditions. They also provide access to efficient and affordable energy sources and lifesaving medical treatments in communities around the globe.

Location & Service Area: Nationwide

Unique to the Company: An innovative, \$797 billion enterprise, ACC works to solve some of the biggest challenges facing our nation and our world. Every year, the chemistry industry invests tens of millions of dollars to ensure that the products making modern living possible are safe for you, our communities, and the environment.

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Hawaii Lassi

Company Profile: Lassi is a traditional Indian drink made from a blend of yogurt, water, and spices. The traditional version is savory, but there is also a sweet lassi, which contains sugar and fruit. Hawaii Lassi offers the sweet variety, describing their version as "a traditional Indian drink with a tropical twist." Owner and founder Samania

Akmal makes her own yogurt and infuses it with fresh mango, strawberries, passion fruit, or coconut to make the refreshing beverage, which is similar to a smoothie.

Location & Service Area: Varieties of the popular drink are available at KTA Super Stores, Abundant Life, Island Naturals, and at Sharks Coffee Shop. Of course, you can also get Hawaii Lassi at Akmal's Indian Kitchen at 174 Kamehameha Avenue in Hilo.

Unique to the Company: Akmal's love of lassis came from working at her father's Indian-Pakistani grocery store in Frankfurt, Germany. When she moved to Hawaii Island, Akmal opened an Indian/Pakistani food stand which evolved into a sit down restaurant. Her lassis became very popular, so she began bottling and selling mango lassi at the restaurant, then friends encouraged her to sell it at health food stores. Hawaii Lassi went island-wide via her beverage company, Akmal Foods.

Reason for joining HFIA: Akmal hopes to network with other HFIA members.

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Shaka Tea

Company Profile: Shaka Tea is the first line of RTD (ready-to-drink) Hawaiian iced teas and the first to be brewed from mamaki, the Hawaiian super leaf, which is found in only one place: Hawaii.

Co-founded by a husband and wife team, Hawaii native Bella Hughes and Harrison Rice, Shaka Tea starts out with handpicked mamaki leaves cultivated in the mineral-rich, volcanic soil on the foothills of Mauna Loa. The brews are then naturally sweetened with organic juices and flavored with natural and organic fruit purees for a touch of tropical flavor—without any added sugar. Launched in three flavors named after towns dear to the founders, 16oz. bottles have 50-90 calories and come in: Hilo (pineapple mint), Honokaa (mango hibiscus), and Koloa (guava gingerblossom).

Peer-reviewed studies from the University of Hawai'i show mamaki contains:



THE LAST WORD

BY LAUREN ZIRBEL

At HFIA, we understand the importance of networking and showcasing Hawaii products, which is why the Made in Hawaii Festival marks such a significant time of year for our members. August 2016 marked the 22nd anniversary of the Made in Hawaii Festival at the Neal Blaisdell Center with thousands of attendees and over 400 vendors—a wonderful event bringing together Hawaii businesses and the community. As a special perk for our members and to help foster more one-to-one networking, we sponsor an After Hours Networking event at the Japanese Chamber of Commerce's Manoa Ballroom. This year, the event opened with a financial strategy presentation by Wealth Strategy Partners. The after-hours event is a wonderful opportunity for members to meet others in the industry and showcase their products while also enjoying pupu and adult beverages. It was wonderful seeing all of you. I'm already eagerly anticipating next year's event.

In the meantime, I'm happy to announce that registration for our 2017 annual Social is open now through January 13. The social will be held on Friday, January 20, at the Honolulu Country Club. The theme is Elvis-Blue Hawaii, so come dressed as Elvis or in your most outrageous, vintage-style aloha wear. A great time is sure to be had by all! There will be prizes and an Elvis impersonator contest, so start practicing your best Elvis moves and get some hair gel. If you're interested in sponsorship opportunities, please contact Desiree Rose at desiree.rose@hawaiiifood.com.

We're always looking for new ways to enhance the value of HFIA memberships and provide more benefits to our wonderful members. Thus, we're pleased to announce new membership benefits through our partnership with National, Enterprise, and Alamo Car Rental that includes complimentary Emerald Club membership, free upgrades, and counter bypass. These perks, along with existing



membership benefits (e.g., Aston Resorts, Office Max, and Aloha Air Cargo) are located at the bottom of every Weekly Update email.

In addition to membership benefits, our Weekly Update contains information on legislation at both the county and state levels. The state level election was fairly straightforward overall—the only exception being when Democrat Stanley Chang defeated Republican Sam Slom in the Senate and Hawaii made headlines for being the first U.S. state to have an all-Democrat legislative body since 1980. With the retirement of Sen. Suzie Chun Oakland (D), Karl Rhoads (D) easily won her vacant District 13 Senate seat.

In the House, Rep. Beth Fukushima Chang (R-Dist. 36) held onto her House seat, defeating challenger Marilyn Lee, a Democrat and former lawmaker from that district. There will be a few new faces, including Nadine Nakamura (D-Dist. 14), Sean Quinlan (D-Dist. 47), Daniel Holt (D-Dist. 29), and Cedric Gates (D-Dist. 44).

I'm sad to report that Rep. Clifton Tsuji died on November 15, less than two weeks after being re-elected to his seat. A Hawaii Island legislator, he represented Keaukaha, parts of Hilo, Panaewa, and Waiakea since 2004. He understood the importance of agriculture to our state economy and received the Hawaii Farm Bureau's Legislator of the Year Award in 2015. He was an advocate for common sense and compassion. Tsuji was a kind, giving, and good person. He was a friend from day one and I will always be grateful to him for the warmth and aloha he shared with me. He will be missed. I hope we can all carry forward a part of his spirit of collaboration, respect, and friendliness as we enter into this year's session.

New Members

Continued from page 33

- Metabolism-boosting catechins—more than green tea
- Chlorogenic acid, which supports balanced, enlightened energy
- Rutin, with healing, anti-inflammatory properties
- Macro and micro minerals, including: potassium, calcium, magnesium, copper, iron, and zinc.

Location & Service Area: An Oahu-based company, Shaka Tea is found in over 100 outlets on Oahu, Maui, Kauai, and Hawaii Island, including: all Down to Earth locations, KTA Super Stores, Island Naturals, Times Supermarkets, select Sullivan Company stores, including the new flagship Foodland Farms at Ala Moana, as well as select restaurants and cafes. Shaka Tea can be found throughout the Pacific Northwest, distributed by Crown Pacific Fine Foods; will soon be available nationwide through Tal Depot (Tal DG), an online retailer; and from Paradise Beverages in Hawaii.

Unique to the Company: With a commitment to the community, Shaka Tea donates 3% of its profits to Ho'oulu 'Aina, a nonprofit that is part of Kookia Kalihi Valley and addresses the health needs of Kalihi Valley, stewarding a 100-acre upland resource of forest to strengthen the connection between people and land.

Reason for joining HFIA: The company co-founders are excited to connect with others in the industry as a new local beverage startup—plus HFIA came highly recommended. They are also eager to find mentors from other local companies that have had success Hawaii, as well as distributing nationally and internationally.

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50 E. Puainako St.
808-959-9111

KTA Waimea
Waimea Center
808-885-8866

KTA Kailua-Kona
Kona Coast Shopping Center
808-329-1677

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