Growing Organics:

Moving Hawai‘i's Organic Industry Forward

THE KOHALA CENTER
education. environment. empowerment.

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The Kohala Center is a not-for-profit organization based in Waimea on Hawai'i Island. The Center was established in direct response to the request of island residents to create greater educational and employment opportunities by caring for—and celebrating—Hawai'i Island's natural and cultural landscape. The Center conducts basic and applied research, policy research, conservation and restoration initiatives, public outreach, and education in the core areas of food self-reliance, energy self-reliance, and ecosystem health—all carried out through local, regional, national and international partnerships.

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The content of this document does not represent the official views or policies of either The Kohala Center or the Hawai'i Department of Agriculture. The content represents solely the advice and views of the Organic Industry Advisory Group and input collected via online surveys, conferences, and direct communication with project representatives.

Glossary

A list of acronyms frequently used in this report.

ADC	Agriculture Development Corporation
AG	Attorney General
AIP	Agribusiness Incubator Program, University of Hawai'i
CGNF	Cho Global Natural Farming Cooperative
CO	Certified Organic
DHHL	Department of Hawaiian Home Lands
FS	Food Safety
FSMA	Food Safety Modernization Act
GMO	Genetically Modified Organism
HDOA	Hawai'i Department of Agriculture
HDOE	Hawai'i Department of Education
HDOH	Hawai'i Department of Health
HDOL	Hawai'i Department of Labor
HFBF	Hawai'i Farm Bureau Federation
HFUU	Hawai'i Farmers Union United
HISBDC	Hawai'i Small Business Development Center
HOFA	Hawai'i Organic Farmers Association, Hawai'i Organic Farming Association
HSL	Hawai'i State Legislature
KNF	Korean Natural Farming
KS	Kamehameha Schools
NOP	National Organic Program
NOSB	National Organic Standards Board
NRCS	Natural Resource Conservation Service
OFRF	Organic Farming Research Foundation
OIA	Organic Industry Association
OIAG	Organic Industry Advisory Group
PBARC	Pacific Basin Agriculture Research Center
SARE	USDA-Sustainable Agriculture Research & Education
UH	University of Hawai'i
UH-CTAHR	University of Hawai'i College of Tropical Agriculture and Human Resources
USDA	United States Department of Agriculture

Executive Summary

Background

Organic agricultural producers operating in the State of Hawaiʻi currently do not have a local organic program office where they can obtain information on infrastructure, production, processing, marketing, certification, and business development. The Hawaiʻi organization that served the organic industry in the past, Hawaiʻi Organic Farmer's Association (HOFA, recently renamed the "Hawaiʻi Organic Farming Association"), turned over its certification services to other programs accredited by the USDA National Organic Program in 2011 and has since had insufficient funding and minimal programmatic capacity, leaving Hawaiʻi's existing, new, and beginning organic farmers with limited support.

As a result, organic producers and agricultural support organizations, such as the College of Tropical Agriculture and Human Resources at University of Hawaiʻi at Mānoa (UH-CTAHR) and the Hawaii Farm Bureau (HFB) Organic Committee, expressed interest in reconstituting a hub for services to the industry. The Kohala Center (TKC) was asked to conduct a one-year feasibility study, funded by a United States Department of Agriculture (USDA) Specialty Crop Block Grant Program administered by the Hawaiʻi Department of Agriculture (HDOA), to determine the best vehicle and mix of services for such a central information and service hub.

Process

TKC convened an Organic Industry Advisory Group (OIAG), comprised of ten organic agricultural producers and professionals from across the state, to:

1. Determine the key issues and barriers faced by Hawaiʻi's organic stakeholders;

2. Develop a series of six public surveys and analyze collected data;

3. Plan a one-day statewide conference to present preliminary findings and secure input from industry members;

4. Translate collected data into a list of recommendations to be considered and carried out by various entities across the state; and

5. Recommend an organizational structure to address the issues and needs of Hawaiʻi's organic industry.

Summary of Findings

Project findings were primarily gleaned from the six public surveys (Producers, Processors, Distributors, Agricultural Professionals, Buyers and Sellers, Consumers) deployed in July 2013. Based on the initial issues and assumptions identified by the members of the OIAG, the surveys were developed to test these assumptions and to garner additional data to achieve greater clarity about the issues of greatest importance to Hawaiʻi's organic stakeholders. Among the project's findings:

- The significant, growing demand for locally grown, certified-organic produce and products in Hawaiʻi greatly exceeds supply.
- Inconsistent supply and quality of local, certified-organic produce are primary barriers to production, distribution, and consumption.

- Hawai'i consumers who prefer certified-organic food perceive its benefit (1) to be better for their families' health, (2) to be free of synthetic pesticides and toxins, and (3) to be free of genetically modified organisms (GMO).
- Consumers who prefer food choices to be both certified organic and local are equally split between those who would choose local, non-organic vs. those who would choose organic, non-local when both options are not available.
- The perceived—and real—financial and paperwork requirements associated with obtaining and maintaining organic certification are significant deterrents to farmers and producers obtaining and/or maintaining certification.
- Hawai'i's past, current, and prospective organic producers indicate a strong desire for a local, independent organic certifier based in Hawai'i.
- As new food safety requirements and regulations go into effect, organic producers indicate a preference for a combined organic and food safety certification service, as well as a government cost-share program to defray costs.
- There is ample demand for locally produced fertilizers and other input materials specially formulated for Hawai'i's unique environments to reduce importation/transport costs.
- Education is needed to help non-certified producers and distributers understand the consequences of inaccurately promoting their products as "organic" and to comply with laws governing the use of the term.

The full list of Key Findings begins on page 7.

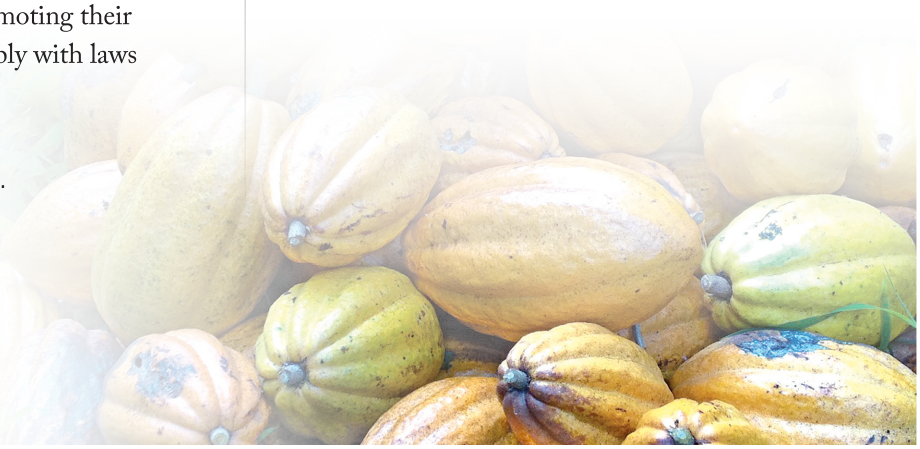
Recommendations

Through its members' own experiences, the input of organic industry leaders, and data gathered from a series of public surveys, the OIAG identified 57 issues and barriers inhibiting organic food production and distribution in Hawai'i, and 93 potential opportunities and solutions to address them. The issues and barriers that the group felt could realistically be addressed and potentially solved were carried forward and assigned to one or the following categories:

Representation	Economic Viability
Certification	Processing
Land	Distribution
Inputs	Marketing
Supply	Research, Education, and Enforcement

Categories and draft recommendations were presented at the "Growing Organics: Moving Hawai'i's Organic Industry Forward" conference in Kailua-Kona on October 28, 2013 and discussed in roundtable sessions with conference attendees. Based on attendee input and feedback, the OIAG further refined the recommendations.

Of the 58 final recommendations developed by the OIAG and included in this report, seven were deemed by OIAG members to be of greatest importance:



Representation

- Create and recognize an independent, representative organic industry association (OIA) to provide advocacy, education, marketing, and support to Hawai'i's organic industry members.
- Allocate new and/or existing staff at HDOA to provide organic information, education, technical assistance, marketing support, and explore offering local organic certification services.
- Create an Organic Industry Advisory Council comprised of organic industry representatives to advise the department on issues relevant to organic production, distribution, procurement, education, and policy.

Certification

- Allocate annual state-level funding to maintain a 75% cost-share level for organic certification in the event national cost share is discontinued.

Land

- Create county-level land classifications for "certified organic" with a lower tax rate to incentivize ecologically responsible land management practices.

Inputs

- Fund additional state-level research and extension outreach activities on the following priority areas: (1) nitrogen-fixers and cover crops; (2) National Organic Program (NOP)-compliant inputs suitable for Hawai'i; (3) local organic seed breeding and production; and (4) organic pest and disease control.

Distribution

- Create food hubs on each island, for both conventional and organic marshaling and distribution, to provide consistent, high-quality supply of local product.

The full list of Recommendations begins on page 10.

Industry Support and Representation

The OIAG recommends the creation and recognition of the following entities to serve the needs of Hawai'i's organic industry:

An organic program office and/or staff person at HDOA;

An HDOA-created Organic Industry Advisory Council comprised of industry and organizational representatives;

An independent, non-profit organic industry association. The OIAG recommends that the Hawai'i Organic Farming Association—a revived and modified version of the aforementioned Hawai'i Organic Farmers Association—consider and implement several recommended changes to make the organization more member-driven, appeal to a broader base of industry stakeholders, restructure its Board of Directors to ensure greater breadth and balance of industry representation (e.g., farmers, processors, distributors, researchers, consumers), and define membership benefits to incentivize participation.

More detailed discussion of industry support and representation recommendations begins on page 18.

Introduction

Organic agricultural producers operating in the State of Hawai'i currently do not have a local organic program office where they can obtain information on infrastructure, production, processing, marketing, certification, and business development. The Hawai'i organization that served the organic industry in the past, Hawai'i Organic Farmer's Association (HOFA, recently renamed the "Hawai'i Organic Farming Association"), turned over its certification services to other programs accredited by the USDA National Organic Program (NOP) in 2011. There has been limited programmatic capacity on the part of HOFA since that date, leaving Hawai'i's existing, new, and transitional organic farmers with limited support, despite the fact that interest in organic farming and demand for organic food and products has continued to grow.

The objectives of this project were to (1) conduct an Organic Program Office Feasibility Study through stakeholder input and the synthesis of archival data, and (2) develop recommendations as to the functions and viability of an organic program office and/or independent organization in Hawai'i that would support the educational and policy needs of organic food producers, manufacturers, and purchasers; as well as address the production, business, and marketing needs of these audiences. This project was facilitated by The Kohala Center and involved the participation of an organic industry advisory committee, specialty crop producers, and other industry representatives.

Organic production and consumer demand in Hawai'i has followed national and international trends in the organic industry. An industry analysis by Radovich et al. (2009) used data from the 2007 Agriculture Census to show that the farm gate value of Hawai'i's organic crop production increased from $5 to $8 million between 2005 and 2007, an increase of 60%. The analysis found a similar increase in the total acreage under organic production between the same time period: from 1,465 to an estimated 1,950 acres, an increase of 30%, with approximately 200 growers certified (Radovich et al. 2009). Additionally, the USDA reports that retail sales of organic food in the United States increased 20% annually between 1990 and 2002 ("Recent Growth Patterns in the U.S. Organic Foods Market," USDA Economic Research Service, 2002) and 11% from 2011 to 2012, and estimates this rate to hold steady year-to-year through 2014 (Nutrition Business Journal, 2013). Parallel to rising demand for organic foods is the overwhelming demand by Hawai'i shoppers for more locally grown food: a 2011 study by the Ulupono Initiative found that 81% of O'ahu shoppers believe that too little food is grown in Hawai'i, with a large percentage willing to pay more for some local products ("Local Food Market Demand Study of O'ahu Shoppers," Ulupono Initiative, 2011).

To ensure that production meets rising demand for organic agricultural products, it is imperative that support services are accessible to Hawai'i's organic producers including knowledge and training needs associated with infrastructure, production, post-harvest processing, marketing, and business development. The arrival of three Whole Foods Markets on the islands of O'ahu and Maui created a new avenue for the sales of organic, locally grown products and revived interest among producers in growing organically (Radovich et al. 2009). As consumer demand continues to rise for organically grown food, and the costs of imported fertilizers climb, the industry will likely see an increase in the number of producers growing organically and seeking organic certification. This anticipated rise in the total number of producers and acreage under organic production will likely spur an increase in employment opportunities for rural communities.

Project Purpose

There is sufficient interest among organic producers and agricultural support organizations, such as the University of Hawai'i College of Tropical Agriculture and Human Resources (UH-CTAHR) and the Hawai'i Farm Bureau Federation (HFBF) Organic Committee, to reestablish a hub for services to the industry. The Kohala Center was asked to conduct a feasibility study to determine the best vehicle and mix of services for such a central information and service hub. At the outset of this project, The Kohala

Center anticipated that services would ultimately be provided by a revived HOFA or a new trade association, a program at UH-CTAHR, an office within the Hawai'i Department of Agriculture (HDOA), or possibly a configuration involving multiple entities.

Relevance

The lack of organic production and marketing support services in Hawai'i disadvantages the state's organic growers and detracts from their competitive advantage in several areas, including research and development, production, processing, and marketing organic products locally, nationally, and internationally.

When HOFA ceased to be an organic certifier in 2011, representatives from the organic farming industry expressed interest in reviving HOFA as a local certifier or creating an alternative. Discussions were held by the Organic Committee of the HFBF as well as between HDOA Chair Russell Kokubun and Colehour Bondera, a member of the National Organic Standards Board, about how to accomplish this. HDOA made organics a priority in the Specialty Crops Block Grant emphasis for 2012, and Professor Theodore Radovich at the College of Tropical Agriculture and Human Resources requested The Kohala Center undertake this analysis. These industry representatives agreed that a thoughtful and inclusive statewide process was necessary to bring industry leaders together to recommend an organizational structure that would be acceptable and useful to as many people as possible.

Objectives

There are two primary objectives of this project, with associated sub-objectives:

1. Conduct an Organic Program Office Feasibility Study
   Gather and synthesize market and industry analyses for increasing supply of organic products from farm to table in the State of Hawai'i. Obtain stakeholder input (agricultural agencies and organizations, organic producers, organic food purchasers) via five advisory committee meetings and a statewide organic industry conference, through in-depth focus group sessions and meetings concerning: (1) the establishment of a statewide organic program office, (2) USDA certification, (3) food safety certification, (4) educational needs, (5) marketing, and (6) policy support.

2. Recommend a structure and host organization or organizations for an organic program office in Hawai'i based on stakeholder input that would:

   a. Provide a neutral venue to facilitate communication among the various agencies and groups currently serving organic growers;

   b. Support the educational needs of organic food producers, manufacturers, and purchasers; and

   c. Address the production, business, and marketing needs as they relate to agriculture and organic policies for organic producers, food manufactures, and purchasers. This could include a food safety certification program for organic producers.

   d. Be a united voice for Hawai'i's organic industry to facilitate a working relationship with HDOA and the Hawai'i State Legislature.

Expected Measurable Outcomes

A report of the feasibility study is completed that recommends the actions needed to support growth of an organic industry organization for Hawai'i, with the aim of assuring strong and coherent representation for organic industry stakeholders moving forward.

Process

Project Management

Three staff members of The Kohala Center administered this project:

Elizabeth Cole, Ed.D., Deputy Director

Melanie Bondera, M.Sc., Rural Cooperative Development Specialist

Liam Kernell, Communications and Project Management Specialist

Organic Industry Advisory Group

The Kohala Center's first step was to organize an advisory committee of organic agricultural producers and professionals from across the state to guide The Center's work on this project. Efforts were made to assemble a diverse group representing various sectors of Hawai'i's organic industry, industry organizations, islands, genders, ethnicities, knowledge bases, crops, and agricultural practices. In February 2013, The Kohala Center convened the Organic Industry Advisory Group (OIAG), comprised of the following Hawai'i agricultural leaders:

Chuck Boerner, ONO Organic Farms, Maui

Max Bowman, 'Ano'ano Farms/Hāmākua Agricultural Cooperative, Hawai'i Island

Colehour Bondera, Kanalani 'Ohana Farm, Hawai'i Island

***Scott Enright**, Hawai'i Department of Agriculture, O'ahu and Hawai'i Island

Mark Fergusson, Down to Earth/HOFA, O'ahu

Una Greenaway, Kuaiwi Farm, Hawai'i Island

Chris Kobayashi, Wai'oli Farm, Kaua'i

Terri Langley, MA'O Organic Farm, O'ahu

David Matsuura, Orchid Isle Nursery/Cho Global Natural Farming Cooperative, Hawai'i Island

Theodore Radovich, Ph.D., Sustainable and Organic Agriculture Program, University of Hawai'i at Mānoa, O'ahu

****Chris Trump**, Island Harvest Inc./Cho Global Natural Farming Cooperative, Hawai'i Island

**While Mr. Enright was unable to attend any of the OIAG meetings, members of The Kohala Center's project team remained in contact with him throughout the execution of this project, gathering his input on potential roles of the HDOA.*

***Proxy member at Honolulu meeting, April 24, 2013*

The OIAG met in person five times over the course of the project period, with meetings primarily facilitated by Melanie Bondera:

- Kailua-Kona, February 20, 2013
- Honolulu, April 24, 2013
- Hilo, June 5, 2013
- Honolulu, August 14, 2013
- Kailua-Kona, January 8, 2014

Additionally, leaders from other sectors of the industry not represented on the OIAG were invited to the group's second and third meetings to provide further input and perspectives:

Tisha Uyehara, Armstrong Produce, O'ahu (Wholesaler, Distributor)

Kimberly Clark, Ph.D., Just Add Water, O'ahu (Wholesaler, Distributor, Processor)

Nathan Okinaka, So Ono Food Products, LLC, O'ahu (Wholesaler, Distributor, Processor)

Sarah Townsend, International Certification Services, Inc., Maui/North Dakota (Certifier)

Claire Sullivan, Whole Foods Market, O'ahu (Buyer, Retailer)

Steve Carey, Whole Foods Market, O'ahu (Buyer, Retailer)

Russell Ruderman, Island Naturals Market and Deli, Hawai'i Island (Buyer, Retailer)

Brett Jacobson, Hawaiian OLA, Hawai'i Island (Processor, Value-Added Producer)

Issues and Solutions Matrix

The OIAG focused on identifying the primary challenges faced by various sectors of Hawai'i's organic industry to determine (1) which existing entities in the state are best poised to address them and work toward solutions, and (2) which issues might be addressed and what services could be provided by a new or revitalized state organic industry association. Data collected during OIAG meetings were compiled in an "Issues and Solutions Matrix," which served as a central repository to qualify, categorize, and prioritize the issues with the greatest potential to be addressed, solutions most likely to be achieved, and stakeholders most likely to implement these proposed solutions. The Issues and Solutions Matrix is referenced in Appendix B of this report.

Public Surveys

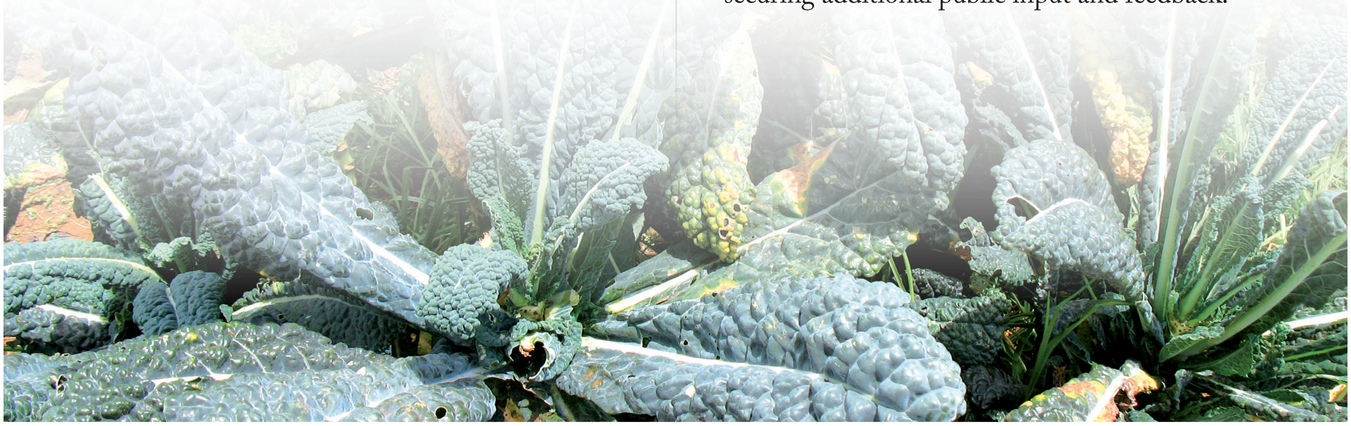
To validate the data derived from OIAG meetings, aid in the prioritization of issues on which to focus, and procure additional data from a wider audience of stakeholders, The Kohala Center, OIAG, and University of Hawai'i at Mānoa graduate student Jyotsna Krishnakumar (under the supervision of Radovich) developed six public surveys. The surveys were accessible online from July 15 through August 2, 2013, and were promoted via press coverage; emails to memberships of agricultural organizations such as HOFA, HFUU, HFBF, Hawai'i Food Manufacturers' Association, Tropical Fruit Growers Association, Kona Coffee Farmers Association, Onipa'a na Hui Kalo, the Taro Security and Purity Task Force, and agricultural co-ops; social media such as Facebook and Twitter; and via sharing and word-of-mouth. Participants were encouraged to complete one or more of the surveys based on their primary industry roles and functions:

Category	Number of respondents
Producers	104
Processors	24
Buyers and Sellers	16
Distributors	6
Agricultural Professionals	60
Consumers	135

In all, 345 surveys were completed. Data were analyzed by Radovich and Krishnakumar and presented to the OIAG at its August 2013 meeting in Honolulu. Taking the data from the Issues Matrix and surveys into consideration, the OIAG generated a refined list of ten issue categories and broad, high-level recommendations for public consideration and feedback.

"Growing Organics" Conference

The OIAG presented the top ten issue categories and draft recommendations that emerged from this process at the "Growing Organics: Moving Hawai'i's Organic Industry Forward" conference in Kailua-Kona on October 28, 2013. The conference was organized by The Kohala Center as part of this project, with the primary intent of presenting the group's preliminary recommendations, facilitating public discussion, and securing additional public input and feedback.



Additional Discussions

Given the diverse composition of the OIAG and industry members who participated in the surveys and conference, a variety of points of view on several key topics emerged. We wish to acknowledge two prominent issues and the corresponding viewpoints expressed over the course of this project before presenting the Key Findings and Recommendations.

Genetically Modified Organisms (GMOs) and Pesticides

The OIAG views the recommendations in this report as positive, achievable actions to grow the organic industry along the value chain from farm to table. However, this report wouldn't be complete without acknowledging discussions and public input about the use of pesticides and genetically modified organisms (GMOs), as this analysis was conducted in 2013 in the midst of much public debate in Hawai'i surrounding labeling, restricting GMO use, and monitoring the use of experimental pesticides on GMO crops by seed companies in the islands.

Under USDA-NOP regulations, application of synthetic chemicals is primarily prohibited and use of GMO seeds or planting stock is an excluded practice, hence certified organic products are the default choice for those who wish to minimize the presence of pesticides and GMOs in the food they consume. Comments from some of the producers who participated in the survey and/or the conference pointed out that in their opinion, from a public health and environmental perspective, it is pesticide use that should require certification and be documented, not organic farming practices. (It is worth noting that, at this writing, Senate Bill 2140 has been introduced in the Hawai'i State Legislature; this bill would establish a moratorium on the sale, transfer, distribution, and use of glyphosate in the state until July 2019 and create a working group to study the health and safety effects of glyphosate.) Many commented that GMOs should be restricted (or banned outright) so as not to contaminate conventional and certified organic operations, adversely affect Hawai'i's natural environments, and/or cause potential health risks to residents, particularly children.

Within the OIAG itself, opinions ranged from positioning organic products in such a way as to appeal to consumers seeking to avoid GMOs and toxic pesticides, to wanting to promote organic practices without restricting or dismissing any other type of agricultural practices. While the issues surrounding pesticides and GMOs may not be as prominent in our final recommendations as some may hope, all comments from members of Hawai'i's organic industry remain intact in the Issues Matrix, survey results, and public comments in the appendices.

Natural Farming and Other Certifications

While the OIAG's charge was to analyze the needs of the organic industry, there were differing views on what exactly the "organic industry" encompasses. Some interpret it literally to be only those entities that are certified to USDA/NOP standards and regulations. Others believe it should include the larger group of producers, retailers, and consumers who grow using organic methods, but choose not to certify through the NOP for a variety of reasons, including: (1) consumer market doesn't demand it; (2) certification is perceived as too difficult and/or expensive; (3) they are uncertain of or daunted by the certification process; and (4) they feel NOP requirements are either too stringent or not stringent enough.

In fact, the largest growing sector of producers using organic practices in Hawai'i at this time is Korean Natural Farming, popularized by Master Han Kyu Cho of South Korea. This organic growing system appeals to many experienced conventional, commercial farmers as inputs are made on-farm as opposed to purchasing expensive, imported, often petroleum-based ones. Many small organic-practice growers expressed interest in a local certification, such as "Hawai'i Ecological," with less cost and paperwork, and intended specifically for Hawai'i markets. Certified Naturally Grown (CNG) is an existing program recognized nationally that appeals to smaller growers using NOP standards; currently three producers on Hawai'i Island and one on Maui are certified through this program.

Concerns about organic certification range from NOP standards not being stringent enough due to influence by large organic corporations, to non-certified producers who illegally market their products as "organic" but are not USDA-certified, may be utilizing non-NOP-compliant inputs and pesticides, and/or don't understand the NOP rules.

The OIAG itself was unable to achieve consensus with regard to advocating alternative certification programs, as all of these positions are represented within the group. The group did agree, however, that at this time it is not practical to create additional certification programs in and for Hawai'i, but that growers should continue to strive to obtain NOP certification to expand the availability of local, organically-grown foods, and represent their unique practices in their marketing programs. HDOA and UH-CTAHR are encouraged to support all these farmers, whether certified or not, as their organic practices are a benefit to the health of Hawai'i's environment and communities. Consumers and retailers prefer the NOP certification because it's simpler to understand. Korean Natural Farmers are exploring creating a certification, which would verify that their producers are using Master Cho's methods, which may be aligned with European organic certification. Biodynamic farmers can obtain Demeter or Stellar certification, which can be either NOP or not.

All OIAG members agreed that growers should not use the word "organic" unless they are certified or qualify for the small farm exemption, as doing so is illegal and exposes them to a possible civil penalty of $11,000 per violation under the NOP, misleads consumers, and undercuts producers who have invested the time, effort, and money to obtain and maintain certified organic status.

Key Findings

Supply

- Inconsistent supply and quality of local, certified-organic produce are barriers to distributors, processors, retailers, and consumers.

Demand

- There is significant demand for locally grown, certified-organic produce and products among Hawai'i consumers who prefer to buy organic food. And while a majority of retailers (e.g., grocery stores, restaurants) confirm this demand, some perceive there is not enough demand to justify procuring certified-organic foods to sell to their customers.
- Hawai'i farmers believe that more education about, and marketing of, certified organic foods would increase demand.
- Primary motivators for Hawai'i consumers to buy certified organic food are (1) to avoid synthetic pesticides and toxins, (2) to avoid genetically modified foods, and (3) because organic food is perceived to be better for their families' health.
- When "local organic" is not available, Hawai'i consumers are split nearly 50-50 in their preference for local non-organic vs. non-local organic produce and products.

Certification

- Cost (34%) and paperwork (26%) are perceived/real barriers to Hawai'i producers seeking to become certified organic (or who were previously certified). The National Organic Program is in the process of rolling out a "sound and sensible" certification initiative with the intent of simplifying paperwork and recordkeeping to streamline the certification process while maintaining standards.

- There is a strong preference among Hawai‘i organic farmers and those contemplating organic certification (67%) for a local/independent organic certifier in Hawai‘i.
- There is interest among some Hawai‘i farmers to explore non-NOP "natural farming" certification programs, such as Cho Global Natural Farming (CGNF) and Certified Naturally Grown (CNG). A local CGNF co-op is currently pursuing a certification program and has secured funding for training and education.

Food safety

- There is a demand for a combined organic and food safety certification service in Hawai‘i. One certifier in Hawai‘i is starting up such a program, and least one more is planning to offer a combined certification service.
- Certified organic growers would be more inclined to pursue food safety certification if a cost-share program were available.

Local inputs

- Hawai‘i agricultural professionals and farmers have a strong desire for more research into, and development of, local input materials that are NOP-compliant/OMRI-listed.

Education

- A lack of knowledge exists among consumers—and even producers—about the meaning and acceptable use of the term "organic" in marketing produce and food products.

Compliance

- Growers who market their products as "organic" but do not hold NOP certification mislead consumers and undercut producers who invest in organic certification. Proactive enforcement efforts do not currently exist to educate and deter uncertified producers from marketing their products as "organic."

Recommendations

1. Representation

Improve representation for Hawai‘i's organic industry.

Organic Industry Association (OIA)

- Hawai‘i's organic industry needs an independent, representative organic industry association (OIA) to provide advocacy (i.e., to speak with one voice for the organic industry), education, marketing, and member/constituent support.
- The suggested duties, responsibilities, and services offered by the proposed OIA are detailed on pages 18-21.

Program Office within HDOA

- A staff position and/or program office should be established at HDOA to provide information, education, technical assistance, marketing support, and explore offering organic certification services.
- An Organic Industry Commodity Council should be formed at HDOA with industry representation from organizations (e.g., OIA, HFUU, HOFA, HFBF Organic Committee, CGNF) and/or key stakeholders (e.g., certified organic farmers, retailers, wholesalers/distributors/processors, researchers/educators, consumers, environmental/cultural experts, etc.) advising the HDOA about how best to assist and promote organic production and consumption in Hawai‘i.

Hawai'i State Legislature (HSL)

- Pass House Bill 1755 (2014 Session), which would add an eleventh member to the Hawai'i Board of Agriculture and designate at least one at-large seat be filled by someone with expertise in organic farming.

2. Certification

Improve access to affordable, less burdensome organic certification and industry-appropriate food safety certification.

- UH-CTAHR, HDOA, HDOH, and certification providers should work together to make combined organic and/or food safety certification more accessible.

HDOA

- Allocate funds annually to maintain a 75% cost-share level for organic certification, in the event national cost share continues to be unfunded or is discontinued.
- Determine the viability of, potential demand for, and financial feasibility of a Hawai'i-based organic certification program within the department.

HDOA, HDOH

- Collaborate to examine and seek revisions to/exemptions from emerging food safety regulations to make them more appropriate for the capabilities and limitations of Hawai'i's small-scale tropical producers (certified organic or otherwise), while ensuring public health and safety.

Korean Natural Farming (KNF) organizations

- In order to maximize market potential and increase local supply of organically grown products, encourage producer-members with NOP-compliant operations to become certified organic and "certified KNF," while branding and marketing KNF to buyers and consumers.

OIA

- Seek a policy change at the national level to raise the limit of the small farm exemption in NOP regulation 205.101(a) from the current amount of $5,000 or less to $10,000 or less in gross annual organic sales.

3. Land

Increase access to affordable, certifiably organic or remediable land.

HDOA

- Pilot a certified organic Agricultural Park, on unused/fallow land it currently holds suitable for certified organic production, with access to water, possibly an on-site agriculture incubator, and food hub. Consider facilitating collaboration between UH-CTAHR and successful local growers who could serve as advisors/mentors.
- Set lower lease rates for agricultural lands used for certified organic production, since land quality and value would be enhanced, not degraded.

Agribusiness Development Corporation (ADC)

- Match County funding with state land to assist with the costs of installing roads, water, and infrastructure to make land accessible and usable by small farmers
- Plan and fund increased water storage capacity to better serve diversified small farmers, leveraging state funds to obtain greater federal funding.

Land Lessors (e.g., Kamehameha Schools, HDOA, ADC, private landowners)

- Collaborate to determine ways in which more farmland with high-quality soil and suitable terrain can be made available to smaller and organic food producers.
- Devise an equitable way to adjust agricultural leases to allow farmers and farmworkers to live on-site.

Counties

- Create a land classification for "Certified Organic" with a lower tax rate (similar to pasture) to incentivize ecologically responsible land management practices. As an example, Hawai'i County Council Bill No. 185 will be introduced in February 2014 with the intent of defining certified organic operations as a new agricultural use classification.
- Amend and streamline regulations to make the establishment of Affordable Farming Land Trusts more efficient, financially viable, and accessible to qualified farmers. This would allow farmers to access land and build equity for their operations.
- Craft policies to allow for affordable on-farm housing for farmers and farmworkers.

HFBF, HFUU, or other ag-focused NGO

- Establish a Farm Link program in Hawai'i to promote viable production land-lease models, land succession planning, and young/emerging farmer land access. Such a program would offer a matching service, lease agreement templates, and facilitate effective communication between landowners and farmer-lessees.

4. Inputs

Increase research and extension services focused on local, NOP-compliant fertility inputs and pest and disease solutions suitable to Hawai'i's crops, livestock, and tropical conditions.

OIA

- Petition the National Organic Standards Board with needed changes to organic restrictions for the treatment of pests and diseases affecting tropical crops and livestock.
- Create a strategy for marketing products developed using 100% local inputs.

HDOA

- Allocate funds for a grant program to support the local development of NOP-compliant seed, feed, and fertilizer to improve access and sustainability and to reduce import and transportation costs.

UH-CTAHR

- Prioritize and work with collaborating agencies to fund additional research on the topics below. Where Hawai'i-specific research exists, develop simple, accessible extension resources (e.g. manuals, bulletins, videos, etc.) to disseminate info to industry:
  - Nitrogen-fixers and cover crops suitable for Hawai'i
  - Creation of NOP-compliant agricultural inputs from local resources
  - Organic seed breeding and production for Hawai'i environments
  - Organic pest and disease control

Counties

- Allocate resources, or partner with private industries, to create composting facilities/capacities to collect and control green waste and generate local, NOP-compliant compost streams for farmers.

5. Supply

Increase the supply and availability of Hawai'i-grown, certified organic produce and products.

UH-CTAHR, Farmer Training Programs

Identify promising organic farmers and assist them to begin or scale up their production with:

- ongoing technical assistance
- access to capital
- instruction to obtain needed certifications

6. Economic Viability

Improve the economic viability of local organic farming and production.

OIA

- Reach out to organic producers and guide them on how to use existing business education and resources available through entities such as Hawai‘i Small Business Development Center (HISBDC), AIP, TKC, SCORE, and farmer training programs.
- Provide organic producers with information on financing for renewable and distributed energy generation for farm and food production facilities.
- Provide organic producers with information on financing for agricultural water systems for farm and food production facilities.

OIA, Counties

- Publicize the benefits of existing enterprise zones for farming and food production.

HDOA

- Reach out to organic producers with existing loans, grants, and accessible financing programs.
- Work with Hawai‘i Department of Labor (HDOL) and University of Hawai‘i (UH) system to increase the pool of trained agricultural labor and understanding of NOP-compliant production practices.
- Conduct a statewide food self-sufficiency baseline study (similar to the Hawai‘i County Food Self-Sufficiency Baseline Study conducted in 2012, http://bit.ly/1eGKEaB), in which the yields/volumes of specific locally grown vs. imported food items are quantified, as the basis of an import substitution program. Such information would aid local organic producers in determining which crops/products are in greatest demand (e.g., carrots).
- Increase its capacity to control invasive species at entry points, as these can be particularly difficult for organic producers to control. Organic farmers risk losing certification if the only available control solution is chemical.

HDOA, UH-CTAHR

- Work with certified organic growers to reduce pest pressure in a way that preserves their certified organic status, including alternatives to synthetic pesticide use when available.

7. Processing

Increase the number of certified organic processors and/or processing facilities.

HDOA

- Offer a cost share to existing processors for upgrades needed to add certified-organic processing stream, and to existing certified-organic processing facilities seeking to expand operational capacity.
- Work with slaughterhouses and mobile slaughter units to accommodate a certified organic processing stream to expand production and availability of certified organic local meats.
- Work with ag processing facilities (e.g., oil pressing, juicing, bottling facilities) and food hubs within each county to accommodate a certified organic processing stream.

Hawai‘i State Legislature (HSL)

- Pass 2014 “Cottage Food” bills HB1992 and SB2561 to allow on-farm production of value-added products.

Hawai'i Department of Health (HDOH)

- Provide clear, accessible guidelines to certified organic producers creating value-added products using commercial kitchens. Conduct outreach and education to certified organic processors and commercial kitchens on applicable rules and regulations and technical assistance.
- UH Food Sciences department (Mānoa) and Food Innovation Center (Maui College)
- Collaborate with local certified organic food producers to create and test value-added products.

8. Distribution

Improve inter-island and intra-island distribution channels for certified organic products.

HDOA, producers

- Create food hubs on each island, for both conventional and organic marshaling and distribution, to provide consistent, high-quality supply to buyers. Could potentially be established as producer-owned cooperatives. Establish or expand regional distribution coolers, separated for organic and conventional products to prevent commingling, where perishable food can be safely stored until picked up by ground-to-sea or ground-to-air transport.

HDOA, OIA

- Work with existing processing, storage facilities, ports and transport companies to organize an accessible cold-chain and a discrete certified organic distribution stream.

OIA

- Expand HOFA's "Online Marketplace" to develop an online food hub, which includes Hawai'i-produced certified organics, to connect producers and distributors (e.g., food-hub.org, ainability.org).
- Assist small farmers and food producers to consolidate products to make container shipments more affordable.

9. Marketing

Invest in marketing of Hawai'i's certified organic products.

OIA

- Develop comprehensive statewide communications campaign that educates purchasers (e.g., consumers, distributors, supermarkets, restaurants, hospitality industry, schools, hospitals) about:
  - What "certified organic" means
  - Benefits of certified organic foods
  - Certified organic producers in Hawai'i
- Tactics might include, but are not limited to, flyers, posters, advertisements (print, broadcast, online, social media), point-of-purchase displays, specialty/promotional items, website, public relations, blogs, etc.

OIA, HDOA, and/or Certifiers

- Investigate and develop a single logo and/or sticker to promote certified-organic products grown and made in Hawai'i. Reviving and updating the familiar "blue HOFA sticker" may be an option.

HDOA

- Collect and post relevant certified organic statistics on HDOA website. Statistics might include total organic sales in Hawai'i ($), percent of locally grown vs. imported food sold, total crop yields, total certified organic acreage in state. Additionally, post certified-organic prices quarterly (or a frequency to be determined) for Hawai'i wholesale and retail.

Retailers (Supermarkets, Restaurants)

- Consider establishing year-round "Local" and "Local Organic" display cases and seasonal menus for local, certified organic produce and value-added products, stocked with shifting items dependent on seasonal availability.

Producers

Investigate and consider opening their operations to agritourism to increase market exposure to their products and awareness of certified organic options in general.

10. Research, Education, and Enforcement

Increase knowledge and understanding of, and compliance with, National Organic Program standards and regulations through education and monitoring.

OIA

- Hire organic inspectors to conduct educational workshops for entities seeking to become certified organic.

OIA, UH-CTAHR

- Organize, promote, and conduct educational workshops about organic production and the conventional-to-organic transition process.

OIA, AIP, TKC

- Educate farmers about business practices and how to promote their local, certified organic product effectively to buyers. Could be accomplished by directing customers to other organizations.
- Provide technical assistance and resources to help farmers identify and secure funding for infrastructure and process improvements to accommodate split operations within existing conventional processing facilities.

OIA, HDOA, USDA-NOP

- Collaborate to develop an outreach campaign to educate producers and retailers across the state about applicable civil penalties for representing their products as "organic" if they are not certified organic operations. Outreach efforts should provide such producers with acceptable alternative marketing language. OIA and/or HDOA could deploy a second phase of educational outreach to producers and consumers detailing how to report suspected violators.

HDOA

- Increase enforcement of illegal/off-label pesticide use to reduce impacts to certified organic operations (e.g., drift).

UH-CTAHR

- Designate and train at least one specialized extension agent in organic and sustainable agriculture for each county (at least two for Hawaiʻi County) to (1) promote production, (2) provide guidance and technical assistance to existing certified organic growers, and (3) provide marketing education.

HDOL, HDOA, UH, DHHL, KS, OHA, local NGO's

- Actively train young, new, and transitional farmers in areas such as production, operations, agriculture business and marketing, and certification, with an emphasis on organic and sustainable practices. Training programs should include hands-on workshops, farm and production internships, and apprenticeships.

Hawaiʻi Department of Education (HDOE)

- Fund, enhance, and promote K-12 agricultural programs and Future Farmers of America programs in Hawaiʻi schools, particularly programs that promote ecologically responsible practices. Encourage 9-12 graders to participate in high school agriculture and off-site farmer training programs.

Korean Natural Farming (KNF) Organizations

- Work with UH-CTAHR faculty to research practices and develop KNF instructional guides/ curriculum.

Program Office/Role of HDOA

One of the original intents of this project was to determine the feasibility of a statewide HDOA program office to serve the needs of Hawai'i's organic industry. At the outset, The Kohala Center anticipated that the duties of such a program office might be met by a combination of agencies and organizations. The above Recommendations resulted from a comprehensive needs assessment of the overall industry to determine what issues need to be addressed, and which existing or future entities might be best positioned to provide solutions. Through the OIAG's research and public input via surveys and the "Growing Organics" conference, it was concluded that no single entity could best address the needs and challenges of Hawai'i's organic stakeholders—from farmer to consumer.

In the Recommendations section, various entities are suggested to investigate and/or carry out each recommendation. During the course of this project, HDOA suggested the possibility of creating staff capacity at HDOA dedicated to addressing issues relevant or specific to Hawai'i's organic agricultural producers. Functions could include organic certification or combined organic and food safety certification, a cost share for the cost of certification, marketing programs, and/or a resource person to answer questions and provide assistance.

While the OIAG believes that dedicated staff would certainly benefit Hawai'i's organic industry, the group also believes that a mechanism must be created to ensure input from, and communication with, various stakeholder groups within Hawai'i's organic industry. To that end, the OIAG recommends that HDOA create and convene a Hawai'i Organic Advisory Council, comprised of members representing growers and producers, industry associations, agricultural research and education programs, service providers, distributors, retailers, and consumers. Similar councils exist in other states, such as Minnesota's Organic Advisory Task Force (http://www.mda.state.mn.us/food/organic/oatf.aspx) and Montana's Organic Commodity Advisory Council (http://agr.mt.gov/agr/About/Boards/OrganicCouncil), and serve to advise their respective state Departments of Agriculture on issues relevant to organic production, distribution, procurement, education, and policy.

Organic Industry Association

The OIAG weighed whether or not HOFA should be recommended to serve as Hawai'i's organic industry's representative organization, if another organization (such as Hawai'i Farm Bureau Federation's Organic Committee or Hawai'i Farmers Union United) could possibly serve in this role, or if an entirely new organization should be created. Given that building a new organization from the ground up would require significant human and financial capital, and given HOFA's possession of a number of valuable assets (e.g., online marketplace, the recognizable "HOFA Blue Sticker" for marketing, an established 501(c)6 designation, past and present membership, by-laws, over 2,000 Facebook "Likes" and over 1,000 Twitter followers, etc.), and in light of HOFA's expressed willingness to serve the needs of the industry and to work with industry leaders to create a strong representative body, the OIAG recommends that HOFA implement certain changes to become a more effective and attractive trade organization to represent Hawai'i's organic industry.

Some of the changes recommended by OIAG to improve HOFA include:

- Revising the organizational articles and by-laws to become a more member-driven organization;
- Refining the composition and selection process of its Board of Directors, to ensure input from membership and consistent representation from various sectors of the industry, and ensuring farmer representation on the Board;

- Defining membership benefits, and creating new benefits (e.g., health insurance pool, discounts on farm supplies and services) to incentivize membership;
- Exploring an organizational name change to possibly better appeal to the broader value chain of the organic industry (e.g., organic farmers, distributors, restaurants, consumers).

Recognizing that the implementation of these suggested changes to HOFA will require effort and collaboration, OIAG members indicated their willingness to serve on a Steering Committee to assist HOFA in making adjustments to enable it to better appeal to new and continued members, as well as potential funders.

At HOFA's suggestion, a session was conducted at the "Growing Organics" conference in Kailua-Kona in October 2013 to seek input from attendees regarding what services they believe a Hawai'i Organic Industry Association should provide. The refined list of activities, structural suggestions, and services follows, and has been submitted to HOFA for consideration.

Advocacy

- Advocate for farmers
- Be active in regulating/significantly reducing pesticide use – put financial burden on producers who use them (e.g., "Polluter Pays" regulations)
- Serve as a voice for Hawai'i's organic industry to HDOA and HSL on policy issues
- Assist schools and school agriculture programs to develop and teach curriculum pertaining to organic/ecologically responsible farming practices

Education

- Provide business management training to farmers
- Provide education and training at ALL levels – to consumers and different levels of farmers (new, emerging, age, experienced, schoolchildren, college) – facilitate bridges between training and implementation
- Market and promote value of certified organic
- Tie organic to care for/healing of 'āina – organic practices protect Hawai'i

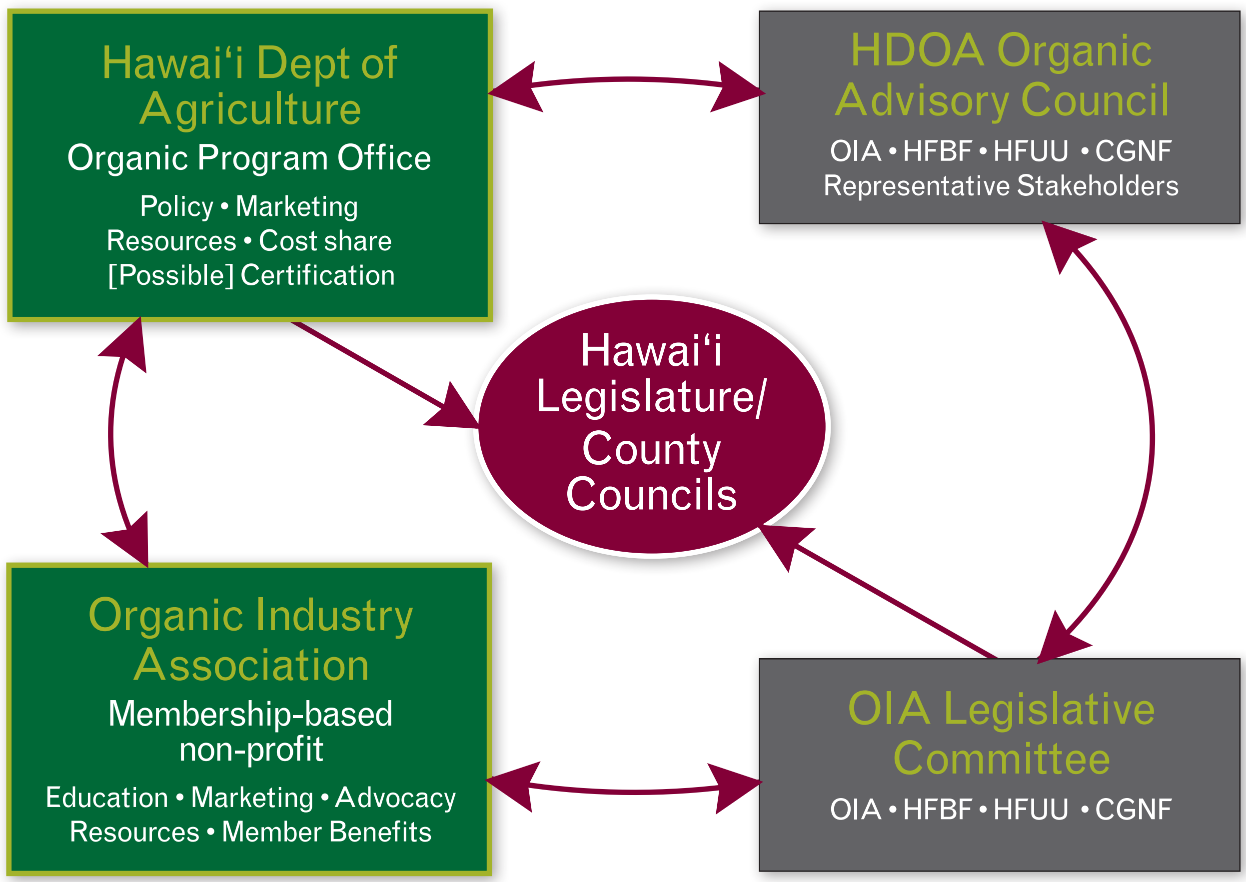
Operations

- Don't recreate/duplicate what other entities are doing competently – coordinate efforts and help to build networks
- Employ a lobbyist/activist/advocate
- Understand and respectfully engage differing "cultures" of farmers, processors, distributors, retailers, consumers, academics, professionals, and other organizations.
- Position as a central facilitator/coordinator among existing agencies and organizations
- UNITE Hawai'i's organic industry – help represent all facets of industry with "one voice"

Services

- Provide and maintain online resources related to:
    - Capital (loans, grants, subsidies, cost share programs, etc.)
    - Certification services (organic, food safety) and processes
    - Record keeping
    - Food Safety
    - Inventory and map of available agricultural lands (public, private, trusts) throughout the state and lessors
    - Certified organic processing facilities
    - Certified organic distributors
    - Local, state, and federal laws related to organic products and operations; information on how to report violations
    - Roster of Hawai'i-grown/made certified organic products
    - Marketing tools (producers, processors, retailers)
    - Education (all sectors)
    - Service providers
- Serve as clearinghouse of information for those who are currently doing the work – help them grow and work together
- Develop and maintain a database of organic consultants and service providers in Hawai'i
- Serve as central organization for monitoring the use of the term "organic" – so that farmers don't have to report other farmers – possibly perform audits and educational workshops to help "organic" producers understand their options and potential consequences
- Develop educational document to guide producers in product positioning and pricing
- Research organic landscapes in other countries – help Hawai'i entities learn from their successes and policies
- Negotiate discounts for organization members for supplies, inputs, insurance (business, health), shipping, etc.
- Partner with UH on research projects as appropriate
- Serve as statewide resource for information and forum for exchange of ideas

Industry Representation Relationships



The diagram above illustrates the entities recommended for optimal support and representation of and within Hawai'i's organic industry. This is accomplished via a combination of staff resources at HDOA ("Organic Program Office") and an Organic Advisory Council, as well as an independent, non-profit, member-driven Organic Industry Association (OIA), be that a revived Hawai'i Organic Farming Association or a new association.

While several possible services are envisioned within the HDOA such as cost share, information, marketing, and certification, they may be spread across different divisions and staff as part of a Program Office. An Organic Advisory Council convened by HDOA would provide Program Office staff and the HDOA Chair with input directly from representative industry stakeholders and organizations to improve organic agriculture within the state.

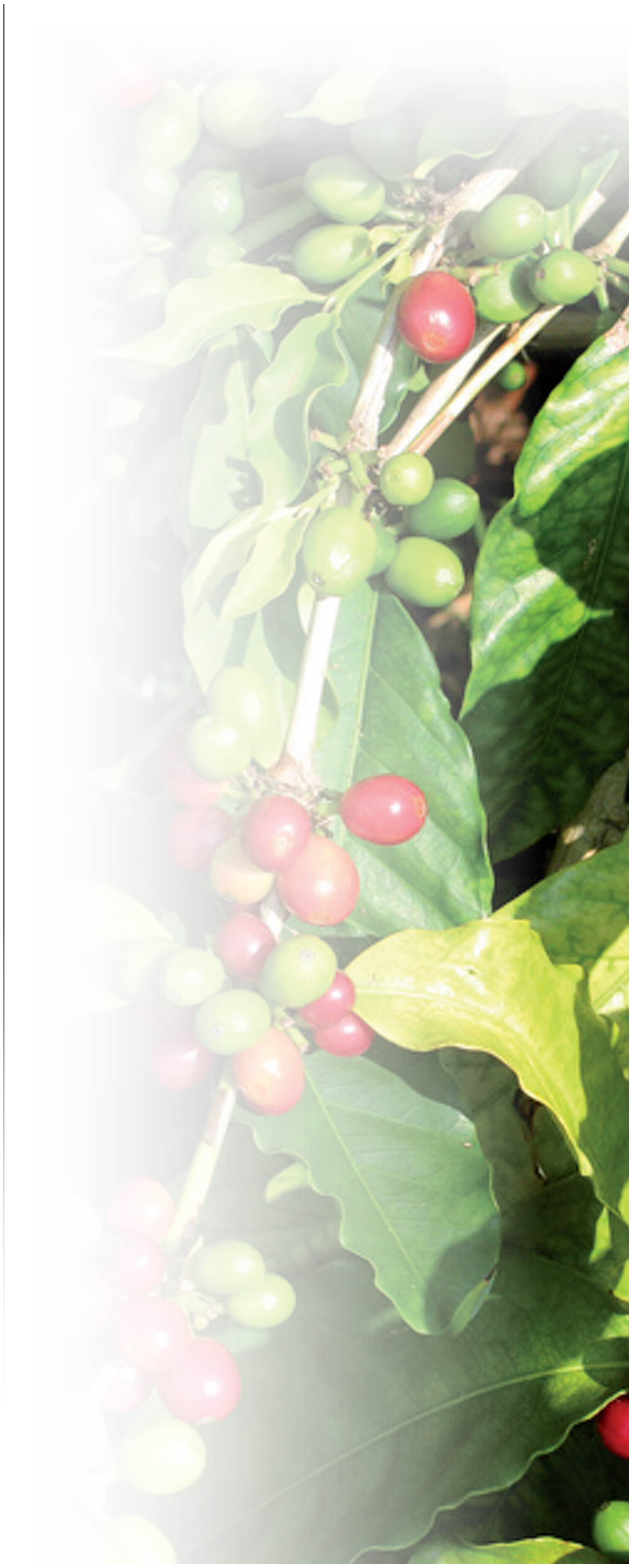
The OIA could form a Legislative Committee to work with the Organic Advisory Council to make policy recommendations to HDOA, and to lobby on behalf of the organic industry at county councils and the Hawai'i State Legislature. Depending on the volume of lobbying activity, the OIA's Legislative Committee could be set up as a 501(c)(4) organization. If the OIA wished to offer certification services in the future, it could create a separate LLC to run it, protecting the OIA's right to have farmers on its Board of Directors. If the OIA saw a need for statewide distribution and marketing of organic products, it could form a separate cooperative to do so.

Next Steps

Upon acceptance of this report by HDOA,

- The Kohala Center and representatives of the OIAG will distribute the report to the various agencies, organizations, and community groups identified in the document, along with a specific list of Recommendations suggested to be considered and/or addressed by each recipient.
- Several members of the OIAG will serve on a Steering Committee to assist HOFA and its board of directors to align the organization more closely with the Organic Industry Association envisioned and described in this report.
- Several members of the OIAG have volunteered to collaborate with HDOA on the formation of a statewide Organic Industry Advisory Council, as described on page 18 of this report.
- HDOA will continue to examine what kind of services it can establish within the department to serve Hawaiʻi's organic industry.

It is the OIAG's hope that HDOA and all other entities mentioned in this report will review, consider, and act upon the recommendations put forth and work together to strengthen Hawaiʻi's organic industry, increase local food production, and mālama ʻāina (care for and nurture the land) through the promotion of ecologically responsible agricultural practices. The "Growing Organics" conference conducted as part of this project was hailed by some attendees as one of the most peaceful and cooperative assemblages of organic industry stakeholders ever conducted in Hawaiʻi; we hope that this process and the resulting report and recommendations will further galvanize the industry and inspire individual and collective action.

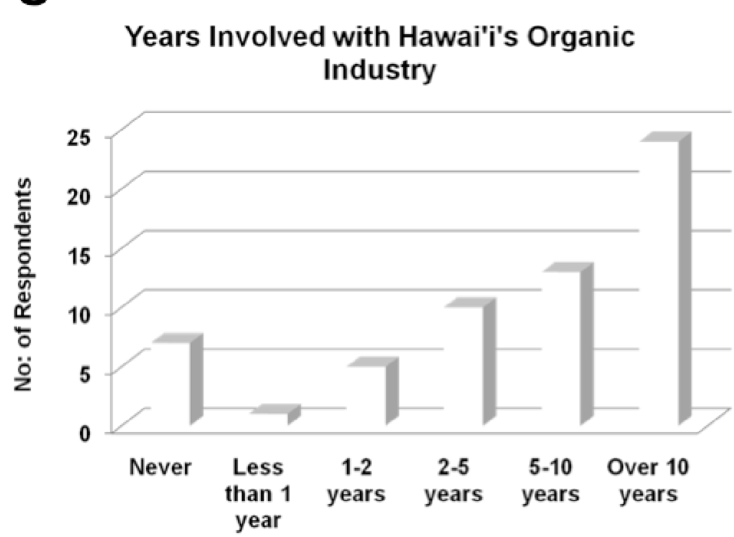


Appendix A: Survey Results

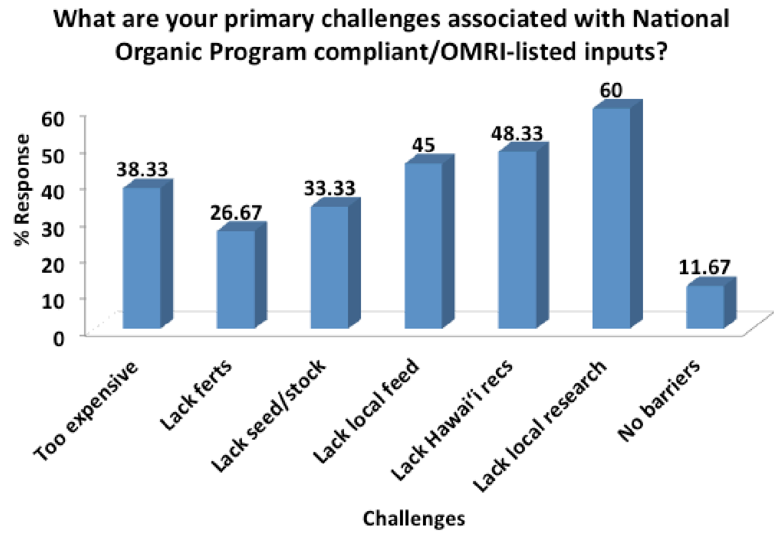
2013 Survey Summary
Total Surveys = 345

- 60 Ag Professionals
- 16 Buyer-Sellers
- 135 Consumers
- 6 Distributors
- 24 Processors
- 104 Producers

Ag Professionals

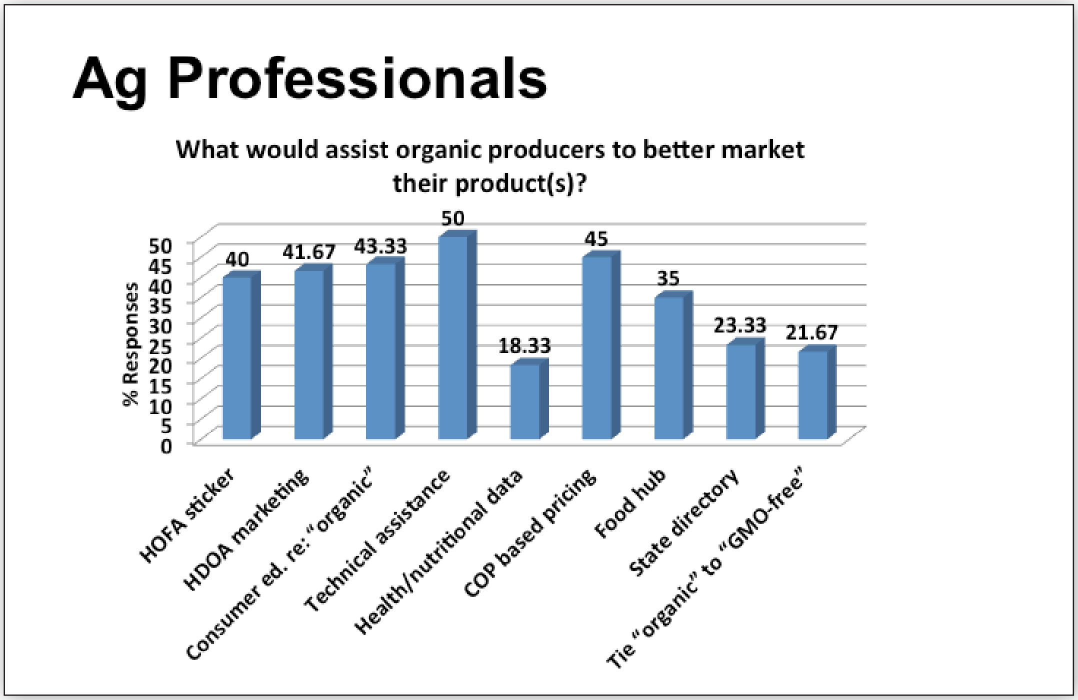


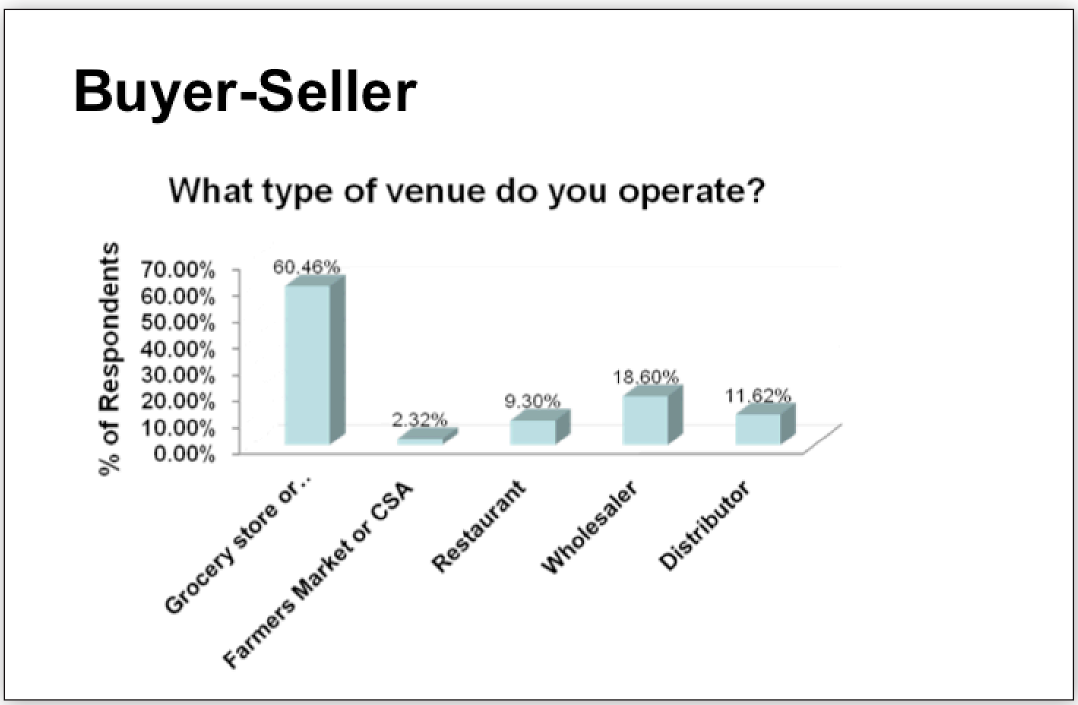
Ag Professionals



Ag Professionals

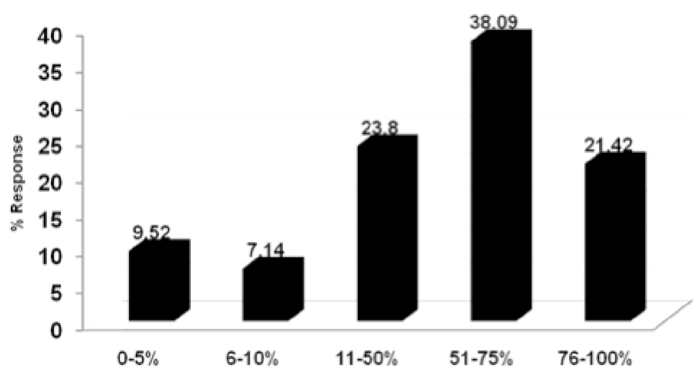
Preferred Hawai'i Based Certification	
HOFA or local/independent certifier	40%
Hawai'i Department Of Agriculture (HDOA)	13%
Local certifier that's not National Organic Program accredited	10%
Natural Farming	9%
Combined organic/food-safety certification service	29%


Ag Professionals
What would assist organic producers to better market their product(s)?
% Responses
50
45
40
35
30
25
20
15
10
5
0
40
41.67
43.33
50
18.33
45
35
23.33
21.67
HOFA sticker
HDOA marketing
Consumer ed. re: "organic"
Technical assistance
Health/nutritional data
COP based pricing
Food hub
State directory
Tie "organic" to "GMO-free"


Buyer-Seller
What type of venue do you operate?
% of Respondents
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
60.46%
2.32%
9.30%
18.60%
11.62%
Grocery store or . .
Farmers Market or CSA
Restaurant
Wholesaler
Distributor

Buyer-Seller

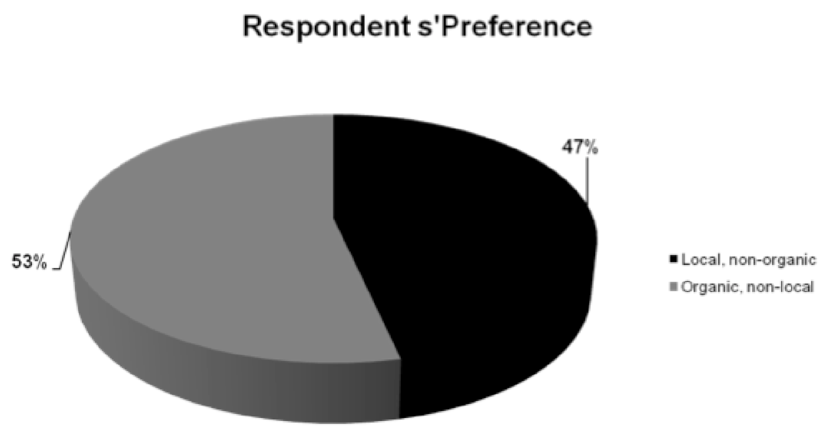
Percentage of the food products that you buy or sell would you estimate is certified organic



Buyer-Seller

Which products you are directly involved with?	
Fresh vegetables	77%
Fresh fruits	74%
Processed products	70%
Honey	60%
Milk	56%
Macadamia nuts (unprocessed)	53%
Coffee (unprocessed)	49%
Eggs	26%
Meat	19%

Buyer-Seller



Buyer-Seller

- 76% report High-Very High demand for Local Organic
- 82% report Same (51%) or Higher (31%) profit margin in organic vs. non-organic products
- 50% are more inclined to purchase state-certified product

Consumer

- 96% of respondents buy organic
- Half of respondents bought >50% of their food as organic
- Reasons for not purchasing:
  - No perceived health benefit
  - Too expensive

Consumer

What motivates you to buy organic products?

Avoid pesticides and toxins	80%
Organics are better for my/my family's health	74%
Avoid genetically modified (GM) foods	73%
Environmental responsibility/stewardship	70%
I/my family member has a specific health issue	60%
Organics are cleaner and/or safer	60%

Consumer

- 93% prefer local organic over imported organic.
- 50% prefer local non-organic over imported organic.
- 91% prefer organic products to be certified.
- 48% more likely to purchase State certified, 50% don't know or don't care.

Distributor

- 67% of respondents distribute organic products
- 25% of those distributing organic, dealt exclusively with organic.
- No respondents identified more than 10% of their organic inventory as local

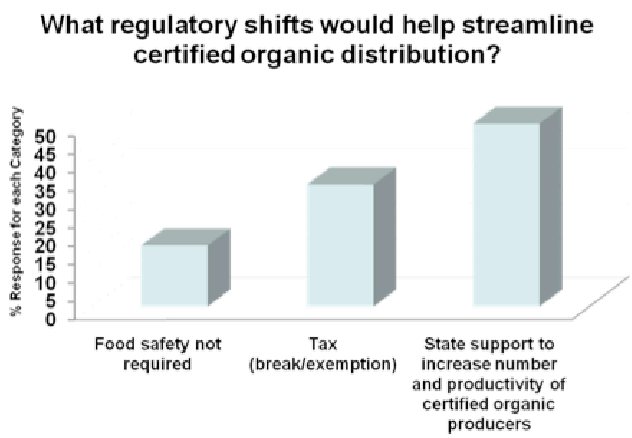
Distributor

Which products you are directly involved with?	
Processed products	50%
Fresh fruits	33%
Fresh vegetables	33%
Coffee (unprocessed)	33%
Eggs	17%
Honey	17%
Milk	17%
Meat	17%
Macadamia nuts (unprocessed)	17%

Distributor

What barriers do you face with distributing Hawai'i-grown organic products?	
Supply is inconsistent or inadequate	50%
Lack of documents for organic producers	33%
Lack of documents for organic suppliers	33%
Commingling (keeping separate from conventional)	33%
Finding enough product	17%
Accessing organic certificates for supply chain	17%
Enough infrastructure (cold chain, port space, containers)	17%
Cost of shipping	17%
Retailers not willing to pay a premium for certified organic	17%
Mainland organic cheaper to distribute	17%

Distributor

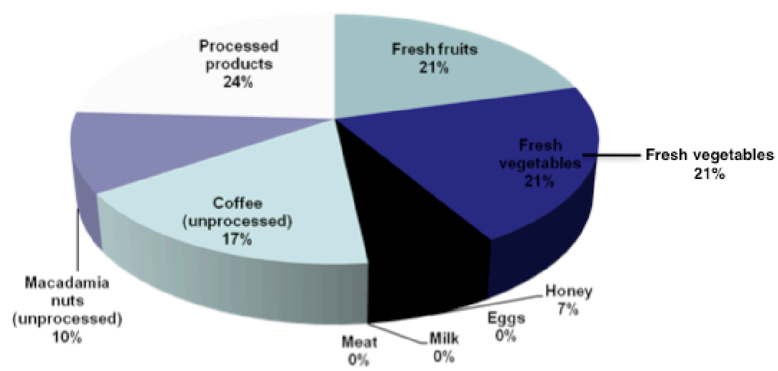


Processors

- 67% of respondents make a product that's either certified or made with certified organic ingredients
- A majority report >50% of products contain certified, Hawai'i-grown ingredients

Processor

% of Certified Organic Products Processors are Directly Involved With



Processor

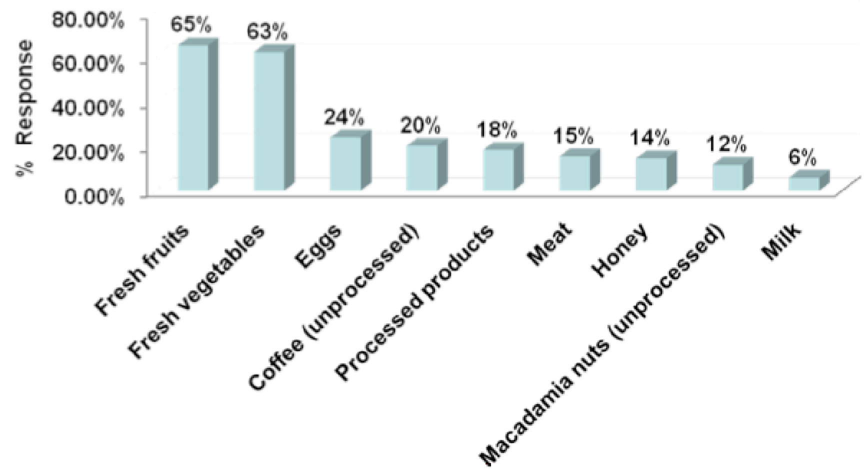
What barriers do you face with processing Hawai'i-grown organic products?	
Finding enough product	37.5%
Supply is inconsistent	25%
Accessing organic certificates for supply chain	25%
Cost of shipping	25%
Retailers not willing to pay a premium for certified organic	25%
Dept of Sanitation rules too onerous	16.67%
Poor brand recognition for Hawai'i products	16.67%
More expensive to source	16.66%
Commingling (keeping separate runs from conventional)	12.5%
Mainland organic cheaper	12.5%
Absence of Food safety certificates	12.5%
Absence of insurance for liability	12.5%
Lack of documents for organic producers	8.33%
Understanding NOP rules regarding CO processing	8.33%
Lack of documents for organic suppliers	4.16%
Quality is inconsistent	4.16%
No market for certified organic	4.16%

Producer

Producer

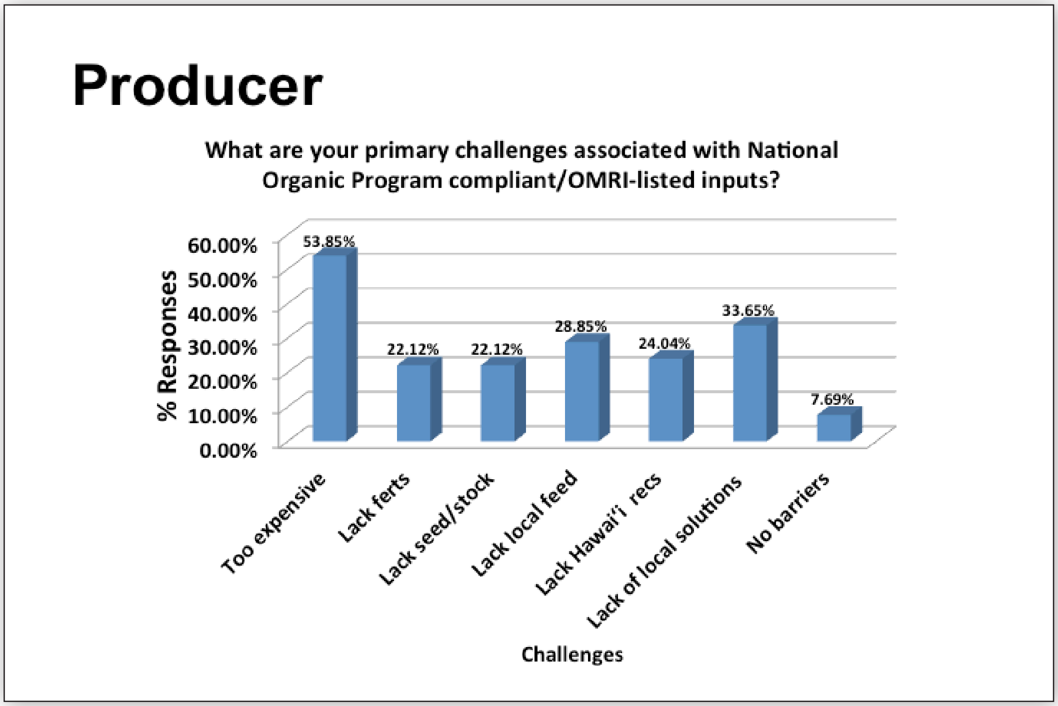
If "No" or "Previously Certified," why?	
Costs too much	33.65%
Requires too much paperwork	25.96%
I'm considering it	16.35%
No premium/demand in my market	13.46%
Hawai'i Organic Farmers Association (HOFA) disbanded	10.58%
Threat of GMO contamination	10.58%
Not sure how to get certified	6.73%
No access/high cost of inputs	5.77%
Requires too much labor	5.77%
I'm currently in transition	4.81%
No access to appropriately skilled labor	2.88%
No access to "clean"/remediable land	1.92%
No access to clean water	1.92%
Not sure how to grow/produce organic	0%

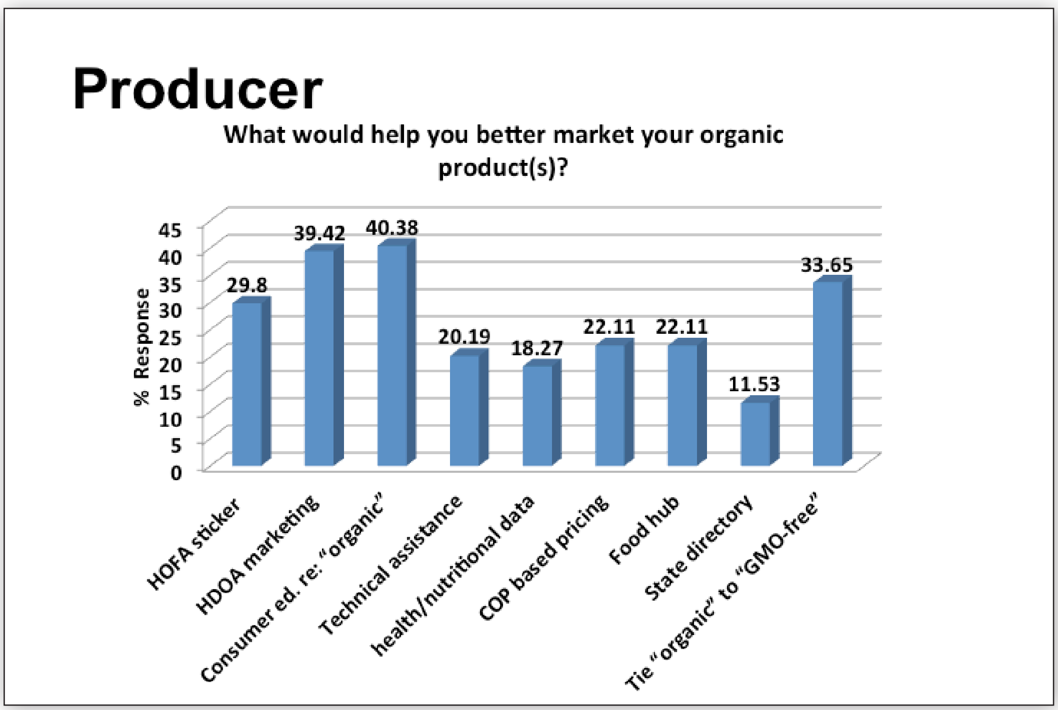
Producer



Producer

80% of respondents prefer local certifier	
Hawai'i Organic Farming Association-revived or local/independent certifier	44.88%
Hawai'i Department Of Agriculture (HDOA)	11.02%
Local certifier that's not National Organic Program-accredited	11.81%
Natural Farming	12.60%
Combined organic/food-safety certification service	19.69%


Producer
What are your primary challenges associated with National Organic Program compliant/OMRI-listed inputs?
% Responses
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
53.85%
22.12%
22.12%
28.85%
24.04%
33.65%
7.69%
Too expensive
Lack ferts
Lack seed/stock
Lack local feed
Lack Hawai'i recs
Lack of local solutions
No barriers
Challenges


Producer
What would help you better market your organic product(s)?
% Response
45
40
35
30
25
20
15
10
5
0
29.8
39.42
40.38
20.19
18.27
22.11
22.11
11.53
33.65
HOFA sticker
HDOA marketing
Consumer ed. re: "organic"
Technical assistance
health/nutritional data
COP based pricing
Food hub
State directory
Tie "organic" to "GMO-free"

Appendix B: Supporting Documents

Issues and Solutions Matrix

The Issues and Solutions Matrix was the working document in which the OIAG identified issues and barriers that impact Hawai'i's organic industry, opportunities for solutions, and potential partners to address them. Fifty-seven issues and barriers were identified and 93 possible courses of action. The contents of this document were grouped into ten categories, ultimately resulting in the 58 recommendations presented in the final report. The final version of this document is available for download at available for download at **http://www.laulimacenter.org/organic_group.html**.

Survey Results: Raw Data

The content in Appendix A represent summaries of the results of each of the six surveys deployed to various sectors of Hawai'i's organic industry. The raw survey data for each of the following surveys are available for download at **http://www.laulimacenter.org/organic_group.html**:

- **Agricultural Professionals**
- **Buyers and Sellers**
- **Consumers**
- **Distributors**
- **Processors**
- **Producers**

Conference Input

The "Growing Organics" Conference in Kailua-Kona afforded attendees the opportunity to provide input and feedback on the OIAG's preliminary recommendations. The following documents are available for download at **http://www.laulimacenter.org/organic_group.html**:

- **Roundtable Feedback:** Draft recommendations were presented in ten categories, and attendees had the opportunity to participate in roundtables discussions for each category.
- **Conference Session Notes:** Notes were taken at several of the Conference's presentations and educational sessions.