

'Aina Pono Hawaii Farm to School

Prepared for:
The Office of the Lieutenant Governor of
the State of Hawaii

[ANTHOLOGY®]

AnthologyGroup.com

Overview

- I. Methodology
- II. Perception of 'Aina Pono & State of Hawaii
- III. Past Experience Responding to State Solicitations
- IV. Reaching and Appealing to Potential Bidders
- V. Bidding on 'Aina Pono
- VI. Expanding Production

Methodology

- Invitations extended to a range of agricultural stakeholders.
- Total of 22 in-depth interviews conducted April 10 – June 22, 2018.
- With approval and input from the client, a discussion outline was developed to facilitate the conversations.

Perception of 'Aina Pono & State of Hawaii



[A]

1. Awareness of 'Aina Pono is high, but not universal.

Some had heard of the program or even worked with the schools.

"We supplied them with an order in the beginning of XXXX." (Int16- Ag Producer)

"Yeah, I heard about it. I guess they're doing like Maui Gold Pineapple into the schools now, yeah?" (Int15- Distributor)

"I have. We actually had some conversations with XXX High School and I don't know where it's at, actually" (Int13- Ag Producer)

Others hadn't heard of it at all.

"[Moderator: Have you heard of the Hawaii Farm to School Initiative?] No, I haven't" (Int14- Distributor)

"Only what I just pulled up on the internet that you're having something to do with feeding of school children or something" (In7- Ag Producer)

2. The perception of 'Aina Pono is largely positive.

Opportunity for local farmers

"As a local farmer...if it could be done or if it could possibly be done, I think it would be a great opportunity for local farmers" (Int9-Ag Producer)

"You're not making a good living because the revenue stream is unstable...the DOE's the largest restaurant in the State of Hawaii, I mean that's a huge opportunity for the agriculture community...it's about time that we worked together" (Int21- Ag Producer)

Open up new markets

"Also seeing new markets open up including the 'Aina Pono program, that has helped our industry tremendously." (Int4-Industry Organization)

2. The perception of 'Aina Pono is largely positive.

Acceptance/excitement grows over time

"To be honest with you, I was negative about the state, because it took so long for this program to get started. Now I have a little bit different view, because we were able to do something with the state. I think the program look is better as it matures. I think as people hear that there are companies that are able to supply schools they'll be more receptive to try and do stuff with the state" (Int16- Ag Producer)

Can support marketing branded products

"I think this Farm to School thing is a real positive program. I'm behind it 100%. I'd like to have kids go home and say you know mom and dad I ate a [Brand X product] today, can we go buy some from the market? Because it only helps the farms of Maui" (Int16- Ag Producer)

3. The perception of working with the State is mixed.

Some never responded to State solicitations, citing concerns about volume, pricing.

"I don't like to deal with the solicitations from the State...I'm sorry, because these guys try to put you on a cost-plus program. Which is really not feasible for me to run my business...Everything would have to be market value. You know what I mean?" (Int15- Distributor)

"[Moderator: Have you ever applied or considered applying to a state produce solicitation?] I have not done that. The reason is I have no experience with that and I do not know what the volume they're looking for...So sometimes you have to have, when you commit something you have to have the volume to support, yeah" (Int18- Distributor)

"We have sort of stayed away from that kind of stuff...partly it's tied to well it used to be in the past tied to pricing kinds of concerns and contractual pricing kind of stuff which doesn't, in the produce business, it's fluctuating thing prices change from day to day...So it's not like we can hold the price for a month or something like that because every day what we air fly in and we do every single day air fly in products." (Int5- Distributor)

[A]

3. The perception of working with the State is mixed.

Perception of a lot of red tape

"[Moderator: What is your perception of working with the state?] A lot of red tape" (Int21- Ag Producer)

"I stayed away from them...I heard nightmares about the process... Just it's real tedious and very difficult to wade your way through unless you go hire somebody that knows his...that can navigate it for you...Just generally, it's confusing to the local farmer is a simple way to put it" (Int12- Ag Producer)

Concerns about getting paid on time

"Another thing to bring up as far as contracting and one of the biggest issues I've had as a distributor, and I know it's not just me, is getting paid on time...I know there's also been a large turnover in people processing, so I'll get things sent back sometimes because I didn't do something. But usually it's a new person...I would like to be paid in 30 days, but I'd even accept 60 days if it was consistent. I think the biggest issue is it isn't fully consistent" (Int10- Ag Producer)

"I mean they pay late but you know eventually you going get paid. It's the way it is. They do pay..." (Int3- Distributor)

Past Experience Responding to State Solicitations

[A]

4. There are opportunities to improve the bidding process.

Many are not clear on the ins and outs of the bidding process.

"Well, you know it was kind of a mixed message that we received from Department of Ed. and again, no one really sat down with us. It was emails on our first bid. After that, yeah, people would actually explain things to us and talk to us which we appreciate but prior to that, everything was based on emails." (In8- Processor)

"It seems like it's a bit unclear on the process of how to sell...They'll guarantee schedule of payment. There's just a lot of little things, not little things, but a lot of things that aren't answered when they do put out a solicitation" (Int21- Ag Producer)

4. There are opportunities to improve the bidding process.

Respondents want enough time to respond to solicitations.

"We've been working with the school program for quite a while, several years, I think. It finally came to fruition. As producers, and stuff like that, if we can get the solicitation, with ample time to respond, it'll make it easier for us." (Int16- Ag Producer)

Desire for better process for answering questions.

"...the one thing that I hated was you couldn't ask a question. You had to write it down and XXX never responded and he's a lawyer right...and so if he did respond, he responded in his legal jargon and nobody was like huh? It didn't help to clarify the question" (Int6- Distributor)

5. Complex language is a potential barrier.

Need simple language in solicitations and, as much as possible, contracts.

"I'm just telling you, man, the people I deal with are dirt farmers and fishermen, and they're wonderful human beings, but a lot...Many don't have the education, and secondly, even more so, don't have the time" (Int12- Ag Producer)

"I used to get the emails because I signed up, but I never really understood them. They're pretty complicated and I feel like what I remember is that they're very broad" (Int21- Ag Producer)

"Look at all this [stuff] in there...We're just the little minnows, we're not these huge companies that have all these things. I mean we're just family owned and operated" (Int6- Distributor)

"Geez, you've got to be a lawyer to read this thing [Moderator: Is the language too complicated and too technical for the average farmer?] Yeah" (Int16- Ag Producer)

6. Vendor support / education is highly desired.

Perception is lack of support system limits responses to large players.

“Farmers are challenged with a lot of things. Not only just farming even procurement okay how do I do that? We actually had a grant with I believe it was Dept. of Labor and we never executed it. The guy that was supposed to do it kind of stopped and we never got the funding but it was to create a procurement system and training for farmers who wanted to get into the system. Only large guys can do it.” (Int2- Industry Organization)

Desire for support system to guide respondents through proposal process, explaining various contract points and their implications.

“...maybe the people that are pushing farm to school don't even know how to navigate the procuring process...I'm just trying to say, if we're taught, we can learn, you know? Like I know that it's complicated but I'm willing to learn. I think it's a great opportunity and I think it's not necessarily just for me, but...I grew up in agriculture community, my dad did farming for 25 years. I mean, when I was a teenager, other farmers and their kids, that was my community” (Int21- Ag Producer)

[A]

6. Vendor support / education is highly desired.

Several revealed that in past bids they have been rejected or passed over because of what they view as minor exclusions or small infractions that they could have easily changed.

"I must admit that last year when we submitted our application and our bid rather, it got declined for some...a really minor detail that we felt could've been corrected in a matter of one or two minutes via email...it really left a sour taste in our mouth, you know, is it gonna be like dealing with the state? DOE is gonna always be like this?...We went further to the governor's office to try and see if we can correct what happened...allow a process that new people coming on board, and even existing people coming on board, pretty much has the opportunity to make sure that all the paperwork is correct." (In8- Processor)

[A]

6. Vendor support / education is highly desired.

Desire for opportunity to have submissions reviewed before deadline to ensure acceptability.

“One of the things that I think could have been done better about procurement is having somebody review the submissions before the deadline or having a window of say a week that they receive all the submissions in and they go through them and say okay this one is missing this, this, and this instead of immediately throwing it out because it didn't have those items. Just simply pick up the phone and say hey we're going through this...this thing is missing or it's not. Give them at least the opportunity to put those things together and I guarantee you they're going to get you whatever you need in order to have that contract to be considered” (Int4- Industry Organization)

6. Vendor support / education is highly desired.

Desire for more/improved communications with bidders.

“Why can't communication come back to us and say hey, you know on your bid, as they review the bid, you know on your bid, you didn't put the right code in there that we were looking for. Can you adjust the code? You have to have 40 lb cases. You have to have one inch by one inch, it has to have PLU to go with it, now they're having more communication with [distributor] for this next bid...Yes, it's so funny because you go to call the guy who is in charge of it and they don't return your call. It's crazy” (Int'l Processor)

7. In-person debriefing would be of great value to unsuccessful bidders.

Just as important to many is a follow-up with those submitting proposals to explain why one bid was chosen over another.

*“But, with that said a lot of times the way in which the contracts are sourced or at least selected by procurement is not always a clear reason as to why they did or why they didn't get that contract...this past year when the contracts were awarded there were two specifically that did not get it and they inquired why. They got read section XYZ of the contract or of this and that's why you didn't get it but it was very vague, it was very ambiguous, it wasn't a specific thing. Was it did that they missed out on price, was it that they missed out on volume you know what was that determining factor. And so that predicated that meeting that we held with the Lt. Gov's office who brought in DOE School Food Services branch. We sat down at that time and kind of talked through some of the issues what was the problems that we were seeing. Look we know that we can meet the contract, it's not an issue, if it's price you know we maybe can work on that a little bit more to get it there but we need more than just read subsection of whatever paragraph.”
(Int4- Industry Organization)*

[A]

8. Federal government approach was mentioned as possible model.

Federal agencies (military) do good job of debriefing, asking how the program can be improved.

“Yeah, I think the military people always ask us the questions of how to better the program but after the Department of Ed people come over from the state, we don't see, they kind of disappear from the map, you know what I mean? I guess they just do paperwork after that” (Int14- Distributor)

Flexibility in providing longer term contracts has been essential.

“Well and we do see because even the military and the federal government used to be strict like that and it used to be bidding on fruits and vegetables to the commissaries for instance or for the troops on a weekly basis. It was horrible, therefore, and the quality they were getting was just up and down depending on who the contractor was for the week. He may have come in with a cheaper price but that didn't mean they got quality...so those are the kinds of things that have to get worked out” (Int5- Distributor)

[A]

Reaching and Appealing to Potential Bidders



[A]

9. There is no one-size-fits-all approach to distributing solicitations.

Email, online, in-person, fax, direct mail, industry organizations and smartphone apps were all mentioned.

"I'd like to get an email or something in the mail saying we're looking at doing a program for a school lunch and this is what we're looking for and when we're looking for it. Then that way it makes it a lot easier for us" (Int16- Ag Producer)

"Visit them on the farm. I'm sorry to say that, but we're so busy. Even for me to go out and go to a meeting, you have to leave the farm." (Int9- Ag Producer)

"I think if you develop an app that is easily navigatable that kids can navigate through, I think that'd be a huge, huge, huge support mechanism... It could be a smartphone or a webpage that walk you through it, kind of idiot proof, 101" (Int12- Ag Producer)

"Yeah. And they should go through the, I mean, I'm sure they are. They should go through the DOA and the Hawaii Farm Bureau and the guys that are out there communicating with the farmers already" (Int13- Ag Producer)

10. Request for Proposals v. Invitation for Bid

There is not much understanding of the differences between the two approaches.

*"I don't know the difference specifically between the two"
(Int21- Ag Producer)*

"I don't know the difference...I mean, I've done RFPs but I just don't know the difference between the two of them" (Int13- Ag Producer)

*"You know, I'm not really familiar with the variation in the lingo like what one thing means or another but when the proposals come out you would get a notice that a bid or a proposal was coming out and then you could log in and look through it. So, for us, we were only growing pineapple."
(Int19- Ag Producer)*

10. Request for Proposals v. Invitation for Bid

Those who are aware generally prefer RFP, as the perception is it provides more opportunity to explain approach, offering.

"I think the request for proposal is better... We can price our stuff pretty easily and tell them when we can do it and stuff like that, so I think it's a little bit easier" (Int 16- Ag Producer)

"You know I think I would like a request of proposal more than just a bid. I'll give you a, if we go back to putting anything into the school lunch program, a while back I saw one did come out and the lunch program called me and said XXX, why is it that on the Big Island, when you supply it, everybody is happy with your food, the flavor and everything and then yet we get meat in O'ahu and the kids don't even want to eat it...And I said well you know you guys got to do your homework and check what cuts they're using. Are they just using any cut they can? You just cook it right? Are they choosing certain cuts just for the lunch program being that you're supplying younger children and grown older children" (Int 11- Processor)

[A]

11. Multiple methods for submitting bids are desired.

Some prefer online/email.

"Online is easy" (Int18- Distributor)

*"Oh, we definitely prefer online"
(Int13- Ag Producer)*

Some strongly oppose online bidding.

*"[Online] I hate going online and all that. I want to fill it out and if I have any questions, I want to make sure I can call somebody and talk to them to make sure I fill it out right. I'm so sorry but."
(Int11- Processor)*

"I could tell you, we despise online bidding...because they're usually fixed [Moderator: What approach do you prefer then for that process?] I think sitting down, being interviewed by the buyer, so that the buyer knows what your capacities are, and so that they're not just taking a low bid from somebody that can't fulfill the contract" (Int7- Ag Producer)

*"A lot of the people on the grower level, they cannot even stay at the computer. They're out there on the farm and all that kind of stuff. I always tell everybody, you give me a phone, a fax machine, pencil and paper, we'll beat out anybody in getting the product to the customer."
(Int14- Distributor)*

[A]

Bidding on 'Aina Pono



[A]

12. Food safety compliance is not much of an issue.

For many of the larger farms, wholesalers, processors, and distributors these were not major concerns as they are already heavily regulated and licensed.

"I understand the importance of food safety and traceability, because we're serving the DOE" (Int21- Ag Producer)

"Luckily, we're all in compliance, we're USDA food safety certified. We've been that for the past eight, nine years...for the military contracts it's required" (Int9- Ag Producer)

"For me to comply is not the big thing because I have food safety and all that stuff, so I believe I will comply with everything that needs to be done" (Int18- Distributor)

"We see this all the time. You know, fat free and all of these different requirements, that is no problem" (Int14- Distributor)

12. Food safety compliance is not much of an issue.

Compliance requirements were mentioned as a potential issue for other, unnamed producers.

*"All the record keeping and all that I don't want to do this. You know I just want the guy who going come to my farm and pick my stuff and go. Simple."
(Int2- Industry Organization)*

"As I say it's an economies of scale issue but it also is how our farmers are too small to you know be able to even afford refrigeration units and stuff...So even some of these kinds of existing things here are to me from a contract standpoint not going to work already anyway because we don't have the kind of farmers who can produce enough to even be able to afford stuff like that" (Int5- Distributor)

"For us it wasn't that bad but I can see with this, if you're a small farmer and you're trying to do it by yourself, you're going to have, I think, a hard time trying to get everything to be prepared" (Int16- Ag Producer)

13. Statewide contracts serve as biggest barrier to most.

Logistical challenges exist for transporting between islands.

“For Oahu people to sell it to Kauai, they'd have the same costs we have in getting product over here and then trying to get somebody to distribute it for them over here and all that kind of stuff. We probably could do it cheaper than they'd be able to do it going through all of the different levels.” (Int14- Distributor)

“But over here on Hawaii because of the cost of transportation inter-island and by surface, which is barge once or twice a week, that's kind of not feasible so we don't bid for the whole state” (Int14- Distributor)

Many producers do not have proper storage facilities, nor do they want to deal with shipping and all the accompanying logistical problems.

“You'd partner up a wholesaler with a farmer...so the farmer provides the wholesaler all the produce and then the wholesaler does the storage and stuff like that, and the distribution. That's my advice...Let the farmer grow and do what they need on the farm, and produce the product, and then let the distributor or the wholesaler take care of all of this” (Int9- Ag Producer)

13. Statewide contracts serve as biggest barrier to most.

It is more cost effective to deal with local schools limited to a particular island/ district.

"The demand is higher than my capacity right now but if I was to do a farm to school program, I'm able to sell it to you cheaper than what you can buy it for on the market, because we're dealing direct, and I may not be getting as much as I am on the Mainland, but I'm also not paying freight. It all translate into a win-win for everybody" (Int12- Ag Producer)

13. Statewide contracts serve as biggest barrier to most.

Many do not have the necessary production volume to supply a statewide contract.

"I think maybe a limiting thing, and I don't know where you'd put this, but we have a lot of small farmers here in Hawaii, right? So maybe, say how you put this blanket proposal to serve all islands? I don't think any farmer could do that. If you say, "Okay, you could serve windward side, you could serve west side island," you know what I mean? That would, I think, be appealing..."
(Int9- Ag Producer)

"It might be really do just for certain islands. That might work for smaller guys...like I keep mentioning, getting together different farmers, who do the same product, to supply the schools. That would work also, I think, if you got a good coordinator. Like for us, we have the volume, so we can do a big, big order" (Int16- Ag Producer)

14. Producers are not in the logistics business.

Many producers don't have the logistics capacity to deliver to many locations on regular basis.

"Who would be willing to pick up at our box... If not, we would hope that we would find a contractor here to take the product to their warehouses...We don't want to be everything to everybody. In other words, we don't want to have a fleet of trucks and truck drivers...." (In7-Ag Producer)

"If it's dropping it off to the Armstrong or something, then Armstrong should handle the distribution. That would be the ideal way for especially a farmer to handle it. You know what I mean? Armstrong can, because they're already going out to a lot of these places to deliver the produce and what not, so just jump on the wagon. So basically jump on the distribution train..." (Int9- Ag Producer)

15. Pricing considerations are also important.

There is concern about being locked into a long-term contract with set pricing.

"...realize the fact that when commodity prices just dip severely, that if we have to follow those prices or get within 10 or 15 cents of it, it's gonna be a problem. Especially on those years when there's an oversupply" (In8- Processor)

"... as a farmer, you want to maximize your return. I think if for a farmer to the school...gets them a better return, then they would do that, if they had an avenue to do that" (Int16- Ag Producer)

"...if I can't control the market I can't control my margin and my prices. When I'm locked into a price and the market is high I don't make margin, which means I don't eat. I can't pay my workers. I can't float the boat...We need to make a certain percentage of margin and if we don't we don't make ends meet at the end of the day, serious. That's what every customer needs to understand." (Int15- Distributor)

15. Pricing considerations are also important.

Positive mentions were made of federal approach that allows for price adjustments.

“No, the biggest thing with the State is they want you to go from August to August and that price is guaranteed and there’s nothing you can do about that...Well you don’t give us the opportunity to change that price. It has to be concrete. The Federal gives you a loop hole so to speak...it’s called economic price adjustment...the State doesn’t do that...And if the price fluctuates too high you have the option and they can audit it, they can say we want an invoice to back it up, and if you can supply that invoice they’ll say okay you have just cause to raise that price. Now this might take a few weeks, but you can raise that price. The State no” (Int6- Distributor)

[A]

16. Flexibility in contract language for substitutions, etc.

Flexibility in the contract language is paramount in being able to attract successful and the maximum number of potential bidders.

“So, I think it has to be tied into an entire program where there is an understanding of you know the lack of production and allow whoever the contractor is to do the substitutions when necessary. Because it's nice to say I want local but if you don't have the economies of scale to do it that's why it won't work.” (Int5- Distributor)

“We constantly, throughout the year, it's like a casino...We constantly have to change it around so they can make the most use of their funds” (Int14- Distributor)

16. Flexibility in contract language for substitutions, etc.

Many respondents are willing to take on financial penalties with proper safeguards.

“[Moderator: Would you be willing to take financial responsibility if you fall short in delivering contracted products?] I can guarantee you that my investors would be willing to do that...but that, if it is a contract, that probably, I don't know if that would scare other farmers” (Int13- Ag Producer)

Some others feel that no penalties are required.

“[Moderator: What penalties would be reasonable for producers short of certain products?] No penalties” (Int11- Processor)

17. Desire for consistency in order size, type and timing.

Consistency in order size/type

"...it's the paperwork. It's much easier to sell to a retailer or restaurant because it's a consistent order." (Int4- Industry Organization)

"...we need consistency so we can plan to have things available..." (Int10- Ag Producer)

"...number one, you need to understand what their tolerance for price is...we need to have a fixed minimum volume and I know I started the conversation with that but I can't express how important that is, I think, from a business standpoint, for any farmer, is not to be guessing what people are gonna take...So, those two things would give us the ability to figure out and give a cost proposal" (Int13- Ag Producer)

17. Desire for consistency in order size, type and timing.

Planning ahead – order window

“Get the order a lot earlier than four days. If we can get the order before four days and we kind of know what the schedule and the menu is, how much I think they can figure out how much amount they need...I mean right now I'm guessing how much they use. Okay so like for Monday okay for example for Monday's delivery the girls in the office will get the order today. Today for tomorrow they'll write it on the board and I'll look at the board okay I need this much, I need this much but everything is already ordered from the Mainland yeah. So it's basically guessing” (Int3- Distributor)

“In the long run, if they can plan a year ahead of time what food or vegetable they want every month, it'll give us a...It'll make it easier for us to supply the market, to supply the schools” (Int16- Ag Producer)

17. Desire for consistency in order size, type and timing.

Flexibility also needs to be applied at the school level, where cafeteria staff is perceived to be unwilling to accept change and work with the vendor.

*“Right, so if it's done by the cafeteria manager on a school by school basis, like it kinda makes the job a little bit more complicated for that person, depending on how...what you decide to procure and how many suppliers you have. It can kinda get a little bit complicated”
(Int21- Ag Producer)*

“So, if it's for the schools I would never bid on something like that to be honest with you...the jobs are too small. The people are too demanding. It's not worth the business...the people at the school level, the cafeteria level” (Int15- Distributor)

“You know what can change honestly is the people that, is the cafeteria managers. If they willing to open their mind and do whatever it takes to make the kids eat healthier instead of just showing up every day” (Int3- Distributor)

18. Product seasonality should be considered.

"Year round we can do this, but you have to be aware that in winter, when the colder months and the days are shorter, production isn't as great as close to spring and summer" (Int9- Ag Producer)

"It doesn't seem like we have seasons here but we do. We can grow certain times of the year it gets too warm to grow lettuces and field crops. So, there's some cycle to those kind of things" (Int19- Ag Producer)

"This is what I would do if I was the state. I would get together what they're looking at and go around and talk to farmers and say when is this available and can you do this much or can you get a group of guys to do this much? I think that would be ... that would make it a lot smoother, smoother system" (Int16- Ag Producer)

"Okay, they cannot get all of these different apples and different fruit that we're asking nationwide about but they can get mangos, lychees...when school is in session, fruit is out of season and when school is out of session, that's when all the fruit comes out...when we talk with all the exotic fruit in Hawaii, it basically comes out late spring, summer and early fall... and then during the fall season and all of that, all you basically have is papaya, banana, pineapple, apples and oranges" (Int14- Distributor)

19. Favoring local will serve as incentive.

Any flexibility allowed in terms of substitution should favor the local producer when economically feasible.

“When the Department of Ed, when the local schools here were running short of product, they had the flexibility of giving us a call. And so we would pick up some of the shortfalls, and that was helpful to us.” (In8- Processor)

“Focus local first. If we can get the primary, secondary type contract you’re at least providing the preference of local first. That’s what should be done and to be honest if we’re really committed to supporting our local businesses and supporting that, that needs to be a requirement in every state contract it shouldn’t just be DOE or any food. That would be my own personal opinion so. Again, you have to put the required preference on it first” (Int4- Industry Organization)

[A]

19. Favoring local will serve as incentive.

The idea of guaranteeing a certain margin for local products was well received.

“[Moderator: Well, what if you were able to pass along that higher margin for locally grown produce, for instance?] At least that would be an incentive for the growers... Because we wouldn't pocket the higher margin. Obviously, we'd pass it along to the grower” (Int14- Distributor)

Expanding Production



[A]

20. Industry players are willing to expand.

Expansion wouldn't happen immediately.

*"I could take on anything...it just depends on the facility. My facility, we built it to grow. We could take on anything...The only real game in town is me and Armstrong that can handle big business."
(Int15- Distributor)*

"Farming is, for me anyway, not like a water faucet, you know? I can't just turn it on and turn it off..." (Int13- Ag Producer)

Timeframe for expansion ranges from few months to couple of years.

"They would have to give us at least several weeks' notice, at least a month's notice... as long as they can tell us I want to go from say a 100 cases to 200 cases in a month. If we've got the fruit and product available, we can move stuff around to try and meet their needs" (Int16- Ag Producer)

"I would think you know I mean two years would be good...all the leafy greens...hydroponics" (Int3- Distributor)

20. Industry players are willing to expand.

Longer term contracts would be required to enable farmers to expand.

"It would have to be a long, long-term contract. Basically, because [our product] takes so long to grow" (Int16- Ag Producer)

There is concern that longer contracts will lock in pricing.

"[Moderator: How important is it to have a contract that's longer like that?] We don't like it...because you have to hold that price for three years" (Int6- Distributor)

20. Industry players are willing to expand.

Having a “bankable” contract would help drive expansion.

“Having that bankable contract, having something that says DOE is going to go to this many pounds at time, we need to have this, we’ve selected you as the primary person, then the agricultural producers can take that contract to the bank, get the funding, the capital that they need either to increase their production facility or to help develop and purchase additional stock to be able to ramp up that production to meet that contract. That is incredibly crucial and not only in our industry but you’re going to see that in every single agricultural industry that you talk to whether that’s papayas or breadfruit or whatever” (Int4- Industry Organization)

“It would be awesome. I would love to help try and coordinate something like that. I mean, it's impossible to guarantee yes it could work but I feel like we have some farmers that would definitely be interested in that” (Int22-Distributor)

21. Many understand the benefits of a co-op.

Pooling resources and centralized distribution were mentioned.

“Yes, I'd love to join. Like I say, depends what the Department of Education wants me to do or wants my company to do, then I will” (Int18- Distributor)

“Right now we are a distributor that distributes to the schools but currently we're only distributing our own and we would like to grow as a distributor. I'm very much supportive of it being a cooperative” (Int10- Ag Producer)

“So, this is why a co-operative is important. I have a plan delivering my produce. I'm really glad most of my buyers pick up the produce from us in refrigerated trucks. You know, because food safety is gonna require refrigeration all the way from farm to the table... and not that many farmers can afford these things. So, why not have a co-operative, where we share these facilities? Why do we all deliver? Why don't we have one big truck pick it up at one big location and all of us sell it out of there?” (Int13- Ag Producer)

21. Some feel that a co-op approach wouldn't work.

Some feel they don't need it, while others believe a model is needed.

"So it would seem like a cooperative model might be helpful but there is no formalized cooperative model in Hawaii that I know of. So again we would be the experiment without support from private, public private. And nonprofit kind of entities, it would fail. It would fail." (Int17- Ag Producer)

"...probably not. Basically our farm is on Maui and the other farm is on Oahu. I think we have enough volume to handle what the state needs..." (Int16- Ag Producer)

"I think farmers are just, they're very independent, grumpy old men. You know? They don't want to" (Int13- Ag Producer)

In Summary



[A]

In Summary

1. Awareness of Aina Pono is high, but not universal.
2. The perception of 'Aina Pono is largely positive.
3. The perception of working with the State is mixed.
4. There are opportunities to improve the bidding process.
5. Complex language is a potential barrier.
6. Vendor support / education is highly desired.
7. In-person debriefing would be of great value to unsuccessful bidders.
8. Federal government approach was mentioned as possible model.

In Summary

9. There is no one-size-fits-all approach to distributing solicitations.
10. Not much understanding of the differences between RFP and IFB.
11. Multiple methods for submitting bids are desired.
12. Food safety compliance is not much of an issue.
13. Statewide contracts serve as biggest barrier to most.
14. Producers are not in the logistics business.
15. Pricing considerations are also important.
16. Flexibility in contract language for substitutions, etc.

In Summary

17. Desire for consistency in order size, type and timing.
18. Product seasonality should be considered.
19. Favoring local will serve as incentive.
20. Industry players are willing to expand.
21. The benefits of a co-op are understood, but some are resistant.

Mahalo!



[A]