

**THE THIRTIETH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES**

Type of Grant Request:

Operating                       Capital

Legal Name of Requesting Organization or Individual: Dba: N/A  
Big Island Resource Conservation and Development Council as  
Fiscal Sponsor for Hawai'i 'Ulu Producers Cooperative

Amount of State Funds Requested: \$265,555

Brief Description of Request (Please attach word document to back of page if extra space is needed):

The requested grant will be used to significantly expand the capacity of the state-owned Honoāuliʻi Marshaling Yard facility, an innovative agricultural hub serving over 100 small-scale diversified farmers throughout the state. This infrastructure improvement will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource.

Amount of Other Funds Available:

State: \$ 25,000

Federal: \$ 464,174

County: \$ 0

Private/Other: \$ 0

Total amount of State Grants Received in the Past 5  
Fiscal Years:

\$ 25,000

Unrestricted Assets:

\$ 125,000

New Service (Presently Does Not Exist):  Existing Service (Presently in Operation):

Type of Business Entity:

- 501(C)(3) Non Profit Corporation
- Other Non Profit
- Other

Mailing Address:

200 Kanoelehua Avenue  
PMB 285

City: Hilo                      State: Hawaii                      Zip: 96720

Contact Person for Matters Involving this Application

Name:  
Brandi Milare

Title:  
Program Manager

Email:  
bircd1@gmail.com

Phone:  
808-217-7234

Federal Tax ID#:

[REDACTED]

State Tax ID#

[REDACTED]



Authorized Signature

Larry M. Komata, President

Name and Title

01-15-2019

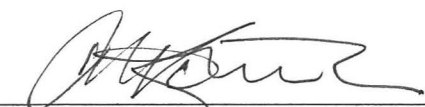
Date Signed

**received**  
1/15/19 10:05am PR

## Application Submittal Checklist

*The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.*

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
  - a) Budget request by source of funds ([Link](#))
  - b) Personnel salaries and wages ([Link](#))
  - c) Equipment and motor vehicles ([Link](#))
  - d) Capital project details ([Link](#))
  - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing



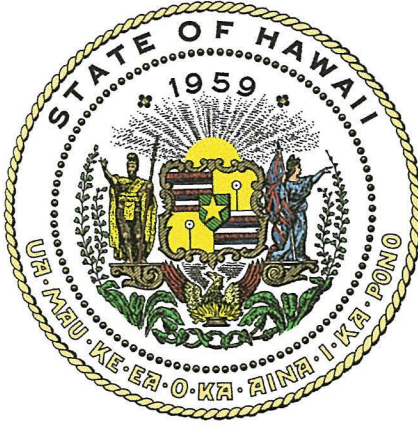
AUTHORIZED SIGNATURE

LARRY M. KOMATA, PRESIDENT

PRINT NAME AND TITLE

01-15-2019

DATE



## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

**BIG ISLAND RESOURCE CONSERVATION AND DEVELOPMENT COUNCIL**

was incorporated under the laws of Hawaii on 10/12/1989 ;  
that it is an existing nonprofit corporation; and that,  
as far as the records of this Department reveal, has complied  
with all of the provisions of the Hawaii Nonprofit Corporations  
Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set  
my hand and affixed the seal of the  
Department of Commerce and Consumer  
Affairs, at Honolulu, Hawaii.

Dated: January 13, 2019

Director of Commerce and Consumer Affairs



**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

**CERTIFICATE OF VENDOR COMPLIANCE**

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

**Vendor Name:** **BIG ISLAND RESOURCE CONSERVATION AND DEVELOPMENT COUNCIL**

**DBA/Trade Name:** **Big Island Resource Conservation and Development Council,**

**Issue Date:** **01/15/2019**

**Status:** **Compliant**

Hawaii Tax#: W40435414-01

New Hawaii Tax#:

FEIN/SSN#: XX-XXX9188

UI#: XXXXXX8741

DCCA FILE#: 77190

**Status of Compliance for this Vendor on issue date:**

<b>Form</b>	<b>Department(s)</b>	<b>Status</b>
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service (Compliant for Gov. Contract)	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

**Status Legend:**

<b>Status</b>	<b>Description</b>
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information



**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

**CERTIFICATE OF VENDOR COMPLIANCE**

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

**Vendor Name:** **HAWAI'I 'ULU PRODUCERS COOPERATIVE**

**Issue Date:** **01/08/2019**

**Status:** **Compliant**

Hawaii Tax#:

New Hawaii Tax#: GE172444672001

FEIN/SSN#: XX-XXX2889

UI#: No record

DCCA FILE#: 269078

**Status of Compliance for this Vendor on issue date:**

<b>Form</b>	<b>Department(s)</b>	<b>Status</b>
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service (Compliant for Gov. Contract)	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

**Status Legend:**

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Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Big Island Resource Conservation and Development Council

(Typed Name of Individual or Organization)



(Signature)

01/15/2019

(Date)

Larry M. Komata

(Typed Name)

President

(Title)

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

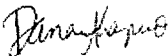
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
  
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
  
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

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Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii Ulu Producers Cooperative  
(Typed Name of Individual or Organization)



1/15/2019

(Signature)

(Date)

Dana Shapiro  
(Typed Name)

Manager, HUPC  
(Title)

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
2 CUPANIA CIRCLE  
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: MAY 10 1994

BIG ISLAND RESOURCE CONSERVATION  
AND DEVELOPMENT COUNCIL  
PO BOX 2975  
KAMUELA, HI 96743-2975

Employer Identification Number:  
99-0279188  
Case Number:  
954108041  
Contact Person:  
CAROLYN TSCHOPIK  
Contact Telephone Number:  
(213) 725-7002  
Our Letter Dated:  
October 17, 1990  
Addendum Applies:  
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

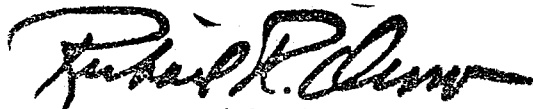
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Richard R. Orosco  
District Director

Letter 1050 (DO/CG)



## Application for Grants

***If any item is not applicable to the request, the applicant should enter "not applicable".***

### **I. Certification – Please attach immediately after cover page**

#### **1. Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2018.

Please find Certificates of Good Standing for Hawai'i 'Ulu Producers Cooperative and Big Island Resource Conservation & Development Council, attached.

#### **2. Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

Please find Declaration Statements from Hawai'i 'Ulu Producers Cooperative and Big Island Resource Conservation & Development Council, attached.

#### **3. Public Purpose**

*The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))*

The requested grant will be used to significantly expand the capacity of the state-owned Honalō Marshaling Yard facility, an innovative agricultural hub serving over 100 small-scale diversified farmers throughout the state. This facility is managed by the Hawai'i 'Ulu Producers Cooperative, which holds a 25-year commercial lease and in 2018 aggregated over 150,000 pounds of local produce for minimal processing and distribution to Hawai'i public schools, hospitals, restaurants, hotels and value added processors on all major islands. Proposed improvements will quadruple storage space for a range of fresh- and steamed-frozen Hawai'i agricultural products, benefiting local producers and consumers while increasing the state's food security and providing lucrative export market opportunities. *This project directly fulfills multiple state goals, objectives and strategies, including the State of Hawai'i Aloha+ Challenge commitment to double local food production by 2030 statewide<sup>1</sup>, and the Increased Food Security and Increased Food Self-sufficiency Strategy, which stipulates that investments in programs and projects that support greater food self-sufficiency will result in economic, social and environmental benefits<sup>2</sup>. Additionally, the proposed project helps fulfill the*

<sup>1</sup> <https://dashboard.hawaii.gov/en/stat/goals/5xhf-begg/vey8-efit/4dt7-wn38>

<sup>2</sup> Increased Food Security and Food Self-Sufficiency Strategy, State of Hawai'i Office of Planning, October 2012.

following public needs stipulated in the Hawai'i State Planning Act Section HRS Chapter 226, which underlines State goals and objectives.

Food Security:

1. HRS 226-6 (8) Assure that the basic economic needs of Hawai'i's people are maintained in the event of disruptions in overseas transportation.
2. HRS 226-6 (10) Encourage the formation of cooperatives and other favorable marketing arrangements at the local or regional level to assist Hawai'i's small scale producers, manufacturers, and distributors.
3. HRS 226-7 (7) Strengthen diversified agriculture by developing an effective promotion, marketing, and distribution system between Hawai'i's food producers and consumers in the State, nation, and world.

Sustainability:

1. HRS 226-7 (13) Promote economically competitive activities that increase Hawai'i's agricultural self-sufficiency, including the increased purchase and use of Hawai'i-grown food and food products by residents, businesses, and governmental bodies as defined under section 103D-104.
2. HRS 226-7 (17) Perpetuate, promote, and increase use of traditional Hawaiian farming systems, such as the use of loko i'a, māla, and irrigated lo'i, and growth of traditional Hawaiian crops, such as kalo, 'uala, and 'ulu.

Community Resilience:

1. HRS 226-7 (18) Increase and develop small-scale farms.

## **II. Background and Summary**

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Big Island Resource Conservation and Development Council (BIRCDC) is an incorporated and registered nonprofit organization within the State of Hawai'i, operating since 1975. We provide fiscal sponsorship to support others in their goals to conserve, enhance, and promote the economic, cultural, and natural environment of Hawai'i.

BIRCDC is made up of an executive committee, representatives from various soil and water conservation districts throughout the Island of Hawai'i, a mayor's representative, a program manager, and at-large community representatives. This variety of backgrounds and knowledge base allows for a wide-range of environmental and natural resource concerns to be effectively addressed through the development of projects for public purpose, and the fulfillment of grant opportunities.

Hawai'i 'Ulu Producers Cooperative (HUPC) is the state's leading breadfruit farmer organization, pioneering commercial industry development since summer 2016. Founded with 9 pilot members located around Hawai'i Island, HUPC has – in just over two years – grown to over **70** producers statewide and aggregated over 200,000 pounds of fruit. The vast majority of this crop has been minimally processed into steamed-frozen cuts for local food service operations, primarily public schools, hospitals, restaurants and value added processors. Breadfruit, or 'ulu, is a traditional Polynesian staple with great potential to help reverse Hawai'i's 85% reliance on imported foods, which includes virtually 100% of our staple food groups. An indigenous starch, 'ulu is a culturally appropriate food source for Hawai'i, with a nutritional profile that compares favorably to that of potatoes, wheat and rice. It grows well across many of Hawai'i's diverse microclimates, from sea level to approximately 2,000 ft. elevation and in most rainfall gradients, and is among the most sustainable starches in the world because it grows on a perennial tree – eliminating the need for annual tilling and replanting. Breadfruit trees sequester carbon, enhance soil microbial health, create shady habitat for animals and other plants and recreational space for humans, and thrive in diversified cropping systems that can optimize small farm returns by maximizing total productivity per acre. However, for Hawai'i to realize these potential benefits, commercial scale 'ulu production and processing systems must be developed and supported.

In 2017, in partnership with the Hawai'i Department of Agriculture (HDOA) and the University of Hawai'i (UH), HUPC developed the first dedicated 'ulu processing and R&D facility in the state, located within the state-owned Honalō Marshaling Yard in South Kona. The co-op acquired a 25-year commercial lease to manage this facility in September 2018, enabling it to scale its operations. Over the past few months, HUPC has diversified its product line to include a variety of “co-crops” including bananas, papayas, sweet potatoes, lū'au leaf and kabocha squash, which Hawai'i farmers commonly grow in conjunction with 'ulu. Nearly 50,000 pounds of these co-crops have since been aggregated, minimally processed and marketed – primarily for Hawai'i public schools. This has resulted in significantly increasing local farmers' revenues and enabling the co-op to better maintain year round operations, hire more employees, retain a qualified staff and cover its operating costs. Infrastructure improvements are now needed to support HUPC's current and projected volumes, which are expected to reach 2 million pounds per year within the next decade.

2. The goals and objectives related to the request;

This capital grant request seeks to significantly expand the capacity of the state-owned Honalō marshaling yard facility by quadrupling freezer storage space for local produce that has been aggregated and minimally processed at the facility. This infrastructure improvement will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource. Built in 1993 by the State of Hawai'i, the Honalō facility was originally designed as a marshaling yard or “ag hub” for farmers in the region of West Hawai'i Island (North and South Kona, Ka'u and Kohala districts). It was leased to the Kona Producers Cooperative but not utilized to its full potential and

eventually sub-leased to the Hawai'i Food Basket for use as the food bank's west side distribution site. After the Food Basket moved its operations to Kailua-Kona in 2017, HUPC applied for and was awarded a 25-year commercial lease, thereby returning the facility to its intended purpose – as a center for aggregation, minimal processing, distribution and marketing of local agricultural products. HUPC's 70 members from around Hawai'i Island and Maui currently ship up to 30,000 pounds of fresh produce to the facility each month through a variety of distribution channels including truck, barge and air; farmers from O'ahu also utilize the facility and those from Kaua'i and Moloka'i have indicated their interest in doing so once their volumes reach sufficient size to ship interisland.

Infrastructure improvements are now needed to support expanded use of the 5,200 square foot Honalō warehouse, which has not been materially improved since the early 1990's. Specific upgrades included in this request include installation of an 800 square foot (40x20') walk in freezer with capacity to hold up to 40,000 pounds of minimally processed product. This represents a quadrupling of the facility's current storage capacity of 10,000 pounds, saving farmers tens of thousands of dollars in rental costs for offsite freezer storage and enabling increased intake volumes of up to 100,000 pounds per month or 1.2 million pounds per year. At an average farm gate price of \$1 per pound for the particular crops processed at Honalō currently, this investment reflects at least \$30 million in added revenues for Hawai'i farmers over the equipment's expected lifespan (25 years).

3. The public purpose and need to be served;

Over 95% of farms in Hawai'i are small-scale according to the 2012 USDA Census, with annual sales of under \$250,000. These farms play a critical role in the state's socioeconomic fabric and food production, and provide essential ecosystem services – contributing to Hawai'i's unique sense of place, tourist appeal, beauty and sustainability. However, most small farms lack the ability and/or capital to scale or vertically integrate on their own, and rely on structures for collective action to sustain themselves and thrive. At the same time, Hawai'i consumers currently rely about 85% on imported food, including nearly 100% of starches and staple food groups. This puts the state at high risk of food insecurity should global shipping routes become disrupted due to political, economic or environmental upheaval.

The proposed project addresses both production and consumption sector needs, by providing the physical infrastructure and organizational support to help Hawai'i's small-scale farmers reach the economy of scale necessary for developing high quality, commercially viable, FSMA-compliant food products for both local and export markets. By quadrupling freezer storage space at the Honalō Marshaling Yard, this project will significantly advance development of the local agriculture industry, increase small farm revenues, and enable the production and distribution of over 1 million pounds of minimally processed Hawai'i-grown produce per year, which would otherwise be wasted due to inadequate storage infrastructure. Investing in adequately-equipped

manufacturing facilities for local food production, processing and storage is critical to Hawai'i's long-term food security, economic strength and resilience.

*This project fulfills multiple state goals, objectives and strategies, including the State of Hawai'i Aloha+ Challenge commitment to double local food production by 2030 statewide<sup>3</sup>, and the Increased Food Security and Increased Food Self-sufficiency Strategy, which stipulates that investments in programs and projects that support greater food self-sufficiency will result in economic, social and environmental benefits<sup>4</sup>. Additionally, the proposed project helps fulfill the following public needs stipulated in the Hawai'i State Planning Act Section HRS Chapter 226, which underlines State goals and objectives.*

Food Security:

4. HRS 226-6 (8) Assure that the basic economic needs of Hawai'i's people are maintained in the event of disruptions in overseas transportation.
5. HRS 226-6 (10) Encourage the formation of cooperatives and other favorable marketing arrangements at the local or regional level to assist Hawai'i's small scale producers, manufacturers, and distributors.
6. HRS 226-7 (7) Strengthen diversified agriculture by developing an effective promotion, marketing, and distribution system between Hawai'i's food producers and consumers in the State, nation, and world.

Sustainability:

3. HRS 226-7 (13) Promote economically competitive activities that increase Hawai'i's agricultural self-sufficiency, including the increased purchase and use of Hawai'i-grown food and food products by residents, businesses, and governmental bodies as defined under section 103D-104.
4. HRS 226-7 (17) Perpetuate, promote, and increase use of traditional Hawaiian farming systems, such as the use of loko i'a, māla, and irrigated lo'i, and growth of traditional Hawaiian crops, such as kalo, 'uala, and 'ulu.

Community Resilience:

2. HRS 226-7 (18) Increase and develop small-scale farms.
4. Describe the target population to be served; and

The proposed project targets small- to mid-scale diversified farmers, who represent over 95% of Hawai'i's agricultural sector. While 'ulu farmers represent a key target group for their potential contribution to the state's long term food security and sustainability and because of the crop's strong historical significance and cultural alignment, a wide range of other crops that can be grown in conjunction with 'ulu under diversified cropping systems are targeted, as well. The selection of six crops described above that are currently processed at the Honoāloa facility have been chosen through a partnership with the Hawai'i State Department of Education to meet the unmet demand of Hawai'i's 256

<sup>3</sup> <https://dashboard.hawaii.gov/en/stat/goals/5xhf-begg/vey8-efit/4dt7-wn38>

<sup>4</sup> Increased Food Security and Food Self-Sufficiency Strategy, State of Hawai'i Office of Planning, October 2012.

public schools for minimally processed local produce. However, additional crops will continue to be piloted and developed in partnership with other prospective customers, including institutional partners such as hospitals. Hawai'i's small-scale, diversified farmers need improved infrastructure and strong organizational support to maintain their viability and scale their operations, especially with the onset of stringent FSMA food safety regulations and mounting global competition from regions with lower production costs. Cooperatives and shared facilities managed through public-private partnerships have traditionally provided this targeted infrastructure to nurture new agricultural industries, ensure public food security and maintain thriving rural economies.

On the consumption side, this project targets a range of market segments including local institutional food service operations such as schools and hospitals, which currently comprise the largest customer group for HUPC's minimally processed local products. Through the infrastructure expansion proposed herein, the co-op be able to expand its customer base and specifically work to develop retail orientated packaging for Hawai'i grocery stores, so that everyday consumers may have greater access to these nutritious and convenient products. Market expansion will also encompass entry into select export markets as both a risk mitigation strategy as well to increase revenues and margins for Hawai'i farmers.

5. Describe the geographic coverage.

While the Honalō facility continues to service primarily West Hawai'i Island farmers, due to its location in the the "breadbasket" of South Kona, it has begun to function as a critical aggregation and processing site for farmers statewide. Indeed, some 50% of its produce currently comes from outside the region. Agricultural crops from all districts of Hawai'i Island as well as from the islands of O'ahu and Maui are regularly shipped to the facility for minimal processing and final distribution and marketing. Hawai'i's robust network of shipping channels, including interisland barges multiple days per week and daily trucking and air transport routes, make statewide coverage feasible. Moreover, the Honalō facility – as managed by HUPC – provides more than just a market outlet for local farmers; it offers an array of technical assistance and ongoing education as well as a unique opportunity to invest in a farmer-owned social enterprise making significant contributions to the local food system. Through the cooperative model, farmers are co-owners in an exciting, novel business with promising economic potential and tremendous community support. As such, HUPC is pioneering development not only of Hawai'i's 'ulu industry, but of a new model for Hawai'i business development and entrepreneurship that is innovative, resourceful, and community-based.

### **III. Service Summary and Outcomes**

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The proposed project will encompass all planning, design, permitting and implementation of the Honalō facility infrastructure improvements described herein. Preliminary planning for the project has already been conducted by HUPC in partnership with the Hawai'i Technology Development Center (HTDC) and Ulupono Initiative, which worked in collaboration to retain the services of qualified food manufacturing consultant, Claude Smith (*see resume attached*), who visited the Honalō facility in March and December 2018 to assess the co-op's operations and provide recommendations on a phased infrastructure improvement plan. This project will include the following tasks:

- Finalize freezer design and specs with food manufacturing consultant, Claude Smith.
- Contract licensed architect and engineer to finalize plans and provide stamped drawings.
- Procure customized 20x40' walk in freezer and supplemental equipment including an electric forklift with battery and charger per FSMA regulations, electric pallet jack with hydraulic scissors, skate conveyors for moving finished product efficiently to freezer, and pallet shelving to maximize space loading inside freezer.
- Install, test and implement use of equipment.
- Develop FSMA-compliant food safety plan and associated SOPs; write up summary reports and guidelines to share with other local agricultural organizations in Hawai'i.
- Expand supplier network and customer base to support increased operational volumes as accommodated by new commercial-scale equipment.

All activities will be directed by HUPC executive manager Dana Shapiro, M.Sc., with support from HUPC operations manager Anissa Lucero and in partnership with dedicated project partners and qualified contractors as referenced herein. *Resumes for Ms. Shapiro and Ms. Lucero are attached.*

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Timeline	Results or outcomes accomplished
July 2019	- Finalize freezer design and supplemental equipment specs with consultant, Claude Smith. Ensure capacity for expansion and/or modification to accommodate increased volumes in the future.
August-September 2019	- Retain services of qualified licensed architect and engineer. - Receive final plans and stamped drawings for permitting.
October 2019	- Source equipment to meet final specs and procure.

November-December 2019	<ul style="list-style-type: none"> <li>- Install equipment at Honalō facility and test operations. Begin holding final product in new walk in freezer.</li> <li>- Develop FSMA-compliant Food Safety Plan and SOPs.</li> </ul>
January-June 2020	<ul style="list-style-type: none"> <li>- Gradually increase facility produce intake volumes and customer base to match larger final product storage available.</li> <li>- Recruit additional Hawai'i farmers to utilize facility as expanded freezer storage capacity allows for greater intake volumes of up to 100,000 pounds of fresh produce per month, or 1.2 million pounds per year.</li> <li>- Continue market expansion efforts to move up to 80,000 pounds (accounting for byproduct losses and waste streams) of minimally processed product per month.</li> <li>- Continue utilizing new equipment, trouble shoot and modify operations and/or Food Safety Plan, as needed.</li> </ul>
May-June 2020	<ul style="list-style-type: none"> <li>- Write up summary reports and guidelines to share with other local agricultural organizations.</li> <li>- Post project results on website and social media to reach broad audience.</li> </ul>

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

HUPC manager Dana Shapiro M.Sc. will be primarily responsible for overseeing and evaluating project activities. Ms. Shapiro has over 10 years of experience managing and implementing projects funded by government awards, and is qualified to oversee this project. Please refer to her resume attached for evidence of qualifications. Ms. Shapiro's responsibilities will include contract administration for hired consultants and contractors, managing project expenditures, and preparing required reports for the state and Big Island RC&D. She will also be the point of contact for communications with the state and Big Island RC&D during the project period. Ms. Shapiro expects to communicate with the grantors and project partners primarily by phone and e-mail during the project to submit reports, request payments, and provide periodic updates on project successes and challenges.

Honalō facility operations manager Anissa Lucero will be supervised by Ms. Shapiro during the project. In addition to completing assigned tasks, Ms. Lucero will support Ms. Shapiro with documentation of project activities through onsite coordination and communication with contractors, as needed. Ms. Anissa's resume is also attached for evidence of qualifications.

HUPC utilizes cloud-based Google office programs for project management and coordination. Ms. Shapiro, with support from Ms. Lucero, will establish and maintain a new folder on the co-op's shared Google Drive as a central location to store project documents, such as contracts, photos, reports, invoices, meeting notes, site visit briefs,



and evaluation materials. In Months 1-2 of the project, contractors to be hired will be contacted by Ms. Shapiro to discuss the approved scope of work, timeline, and compensation for their services. Formal contract agreements will be executed to ensure consultants deliver expected outcomes. Regular communication will occur with contractors by phone, e-mail, and in-person meetings for the duration of their contracts. Ms. Shapiro and Ms. Lucero will benchmark project progress on a bi-monthly basis to ensure deliverables are completed in accordance with the approved work plan. Benchmarking will include reviewing the approved work plan and comparing the timeline to actual work completed in the previous 4-8 weeks. In the event of a project delay, Ms. Shapiro will communicate promptly with the state and Big Island RC&D by phone to determine a proper course of action to ensure completion of the deliverables.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

Appropriate measures of effectiveness for the proposed project include:

- Infrastructure improvement design, plans and drawings completed in timely and expedient manner per timeline provided above.
- Equipment sourced and procured from reputable manufacturers and installed in accordance with project timeline; all equipment is commercial grade and meets design specifications.
- Local produce volumes handled at facility increase after implementation of infrastructure upgrades in accordance with projections, including a quadrupling of freezer storage volumes from 10,000 to 40,000 pounds of minimally processed product and more than a tripling of fresh fruit intake volumes from 30,000 pounds up to 100,000 pounds per month (1.2 million pounds per year).
- FSMA-compliant Food Safety Plan incorporating new equipment and associated SOPs developed and implemented in accordance timeline provided above.
- Project results shared in accessible and comprehensive format with other local agricultural organizations in order to leverage experiences and lessons learned for broadest public benefit.
- Additional farmers recruited to utilize facility thanks to greater infrastructure capacity, from current 100 farmers on three major islands to at least 150 farmers statewide by end of 12-month project period.
- Additional customers acquired to purchase minimally processed local products as a result of having greater inventory available year round; these include at least five Hawai'i grocery stores and one export market location.
- At least two additional local crops piloted and developed into commercial minimally processed products by the end of the project period, bringing total number of Hawai'i-grown crops manufactured at the Honalō facility up to eight.

## **IV. Financial**

### **Budget**

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

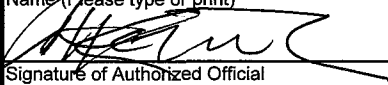
Please see all required budget forms, attached:

- a. Budget request by source of funds ([Link](#))
- b. Personnel salaries and wages ([Link](#))
- c. Equipment and motor vehicles ([Link](#))
- d. Capital project details ([Link](#))
- e. Government contracts, grants, and grants in aid ([Link](#))

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

Applicant: Big Island Resource Conservation and Development Council as Fiscal Sponsor for Hawai'i 'Ulu Producers Cooperative

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries	0	0	0	0
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island	0	0	0	0
2. Insurance	0	0	0	0
3. Lease/Rental of Equipment	0	0	0	0
4. Lease/Rental of Space	0	0	0	0
5. Staff Training	0	0	0	0
6. Supplies	0	0	0	0
7. Telecommunication	0	0	0	0
8. Utilities	0	0	0	0
9. Contractual (design, planning and permissi	20,000			
10. Fiscal Sponsor Indirect Fee (10%)	26,555			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>46,555</b>			
<b>C. EQUIPMENT PURCHASES</b>	<b>219,000</b>			
<b>D. MOTOR VEHICLE PURCHASES</b>	<b>0</b>			
<b>E. CAPITAL</b>	<b>0</b>			
<b>TOTAL (A+B+C+D+E)</b>	<b>265,555</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	265,555	Dana Shapiro, HUPC Manager		(808) 238-8869
(b) Total Federal Funds Requested	0	Name (Please type or print)		Phone
(c) Total County Funds Requested	0			1/15/2019
(d) Total Private/Other Funds Requested	0			Signature of Authorized Official
<b>TOTAL BUDGET</b>	<b>265,555</b>	Larry M. Komata, President		
		Name and Title (Please type or print)		

**BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES**

Period: July 1, 2019 to June 30, 2020

Applicant: Big Island Resource Conservation and Development  
Council as Fiscal Sponsor for Hawai'i 'Ulu Producers  
Cooperative

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
<b>Not Applicable</b>				
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				<b>N/A</b>
<b>JUSTIFICATION/COMMENTS: N/A</b>				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2019 to June 30, 2020

Applicant: Big Island Resource Conservation and Development Council as Fiscal Sponsor for Hawai'i 'Ulu Producers Cooperative

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Walk in freezer (20x40')	1	\$150,000.00	\$ 150,000.00	150,000.00
Forklift, electric (FSMA req'd), 2,500 Lbs capacity w battery and	1	\$40,000.00	\$ 40,000.00	40,000.00
Pallet jack to table height, electric (hydraulic scissor jack)	1	\$5,000.00	\$ 5,000.00	5,000.00
Skate conveyors	4	\$1,000.00	\$ 4,000.00	4,000.00
Pallet racking to maximize space in freezer	4	\$5,000.00	\$ 20,000.00	20,000.00
<b>TOTAL:</b>	<b>11</b>		<b>\$ 219,000.00</b>	<b>219,000</b>

**JUSTIFICATION/COMMENTS:**

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
<b>N/A</b>			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS: N/A**

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2019 to June 30, 2020

Applicant: Big Island Resource Conservation and Development Council as Fiscal Sponsor for Hawai'i 'Ulu Producers Cooperative

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2017-2018	FY: 2018-2019	FY:2019-2020	FY:2019-2020	FY:2020-2021	FY:2021-2022
PLANS	2,083.32	5,500.00	15,000.00			
LAND ACQUISITION						
DESIGN		5,000.00	5,000.00			
CONSTRUCTION		25,000.00				
EQUIPMENT	18,713.55	65,000.00	219,000.00			
<b>TOTAL:</b>	<b>20,796.87</b>	<b>100,500.00</b>	<b>239,000</b>			
<b>JUSTIFICATION/COMMENTS:</b>						
Previous funds received have or will be used to equip a commerical kitchen and fruit intake station at the Honalō facility.						

**GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID**

Applicant: Big Island Resource Conservation and Development Council  
as Fiscal Sponsor for Hawai'i 'Ulu Producers Cooperative

Contracts Total: 489,174

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY</b> (U.S. / State / Haw / Hon / Kau / Mau)	<b>CONTRACT VALUE</b>
1	Local Food Promotion Program - <i>Developing a breadfruit cooperative</i>	9/30/2016 to 9/29/2019	USDA, Agricultural Marketing Service	U.S.	220,773
2	Specialty Crop Block Grant - <i>To facilitate cooperation among Hawaii breadfruit producers to distribute, market and improve their production sustainability</i>	3/23/2017 to 3/22/2019	USDA, Agricultural Marketing Service	U.S.	41,636
3	Farm to School Grant - <i>Expanding HUPC's Farm to School Program Through Breadfruit: a "Hawaiian Whole Grain" to Enhance Food Security, Nutrition and Education</i>	6/25/2018 to 6/30/2019	USDA, Food and Nutrition Service	U.S.	97,592
4	HDOA ULU19 Grant - <i>Development of commercial-scale 'ulu intake station to increase Hawaii food self sufficiency</i>	11/26/2018 to 11/25/2019	Hawaii State Dept of Agriculture	State	25,000
5	Value Added Producer Grant - <i>Expanding Hawaii's market for steamed-frozen breadfruit cuts</i>	6/19/2018 to 6/18/2019	USDA, Rural Development	U.S.	104,173
6					
7					
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2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2020.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
26,638.75	225,638.75	6,638.75	6,638.75	265,555

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2020.

HUPC is seeking **\$98,560** in Small Business Innovation Research (SBIR) grant funds under the USDA SBIR Program Phase 1, topic area *8.12 Small and Mid-Size Farms*. This proposed project seeks to provide foundational research and development to determine the feasibility of scaling to commercial-level breadfruit production and processing of at least 1 million pounds per year of fruit aggregated from small diversified farmers. As a new agricultural enterprise, HUPC is focused on building Hawai'i's breadfruit industry from the bottom up to enhance food security, environmental/climate resilience and rural economic development; as such, optimizing small farmer returns is integral to ensuring long-term viability. Specifically, the project aims to identify new, and innovative utilization of existing, technologies for commercial-scale breadfruit production and manufacturing from farm gate to retail sale, with consideration of how to address GMP and FSMA regulations governing higher volume operations. This exploration also takes into account potential incorporation of select "co-crops," which small farmers already grow in conjunction with breadfruit within diversified production systems, and whose minimal processing can both increase and expedite their return on investment while supporting a year-round manufacturing facility otherwise challenged to retain staff and cover overhead expenses. Finally, this project analyzes the potential for novel branding strategies to effectively communicate the added value of diversified agroforestry practices, which are employed by most small breadfruit farmers in Hawai'i and other regions, in order to help them capture a larger market share and higher prices. More broadly, this effort supports the wellbeing of Hawai'i's rural communities and institutions, as it creates economic incentives for improved stewardship of our natural resources while laying the groundwork for a new commercial industry focused on long-term food security, health and resilience. Project results will have direct relevance for small breadfruit farmers and their communities throughout Hawai'i and elsewhere in the nation and internationally where the crop is grown or has potential to be established.

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not applicable.



5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2020 for program funding.

Within the prior three years and through fiscal year 2020, HUPC has received the following federal and state grants:

- USDA Local Food Promotion Program: \$220,773 original award; \$47,504.28 remaining through September 30, 2019.
  - USDA Specialty Crop Block Grant: \$41,636 original award; grant completed in December 2018 and successfully closed out in January 2019
  - USDA Farm to School Grant: \$97,592 original award; \$27,592 remaining through June 30, 2019
  - USDA Value Added Producer Grant: \$104,173 original award; \$88,560.15 remaining through June 18, 2019
  - HDOA ULU19 Grant: \$25,000 original award; \$10,000 remaining through November 25, 2019
6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2018.

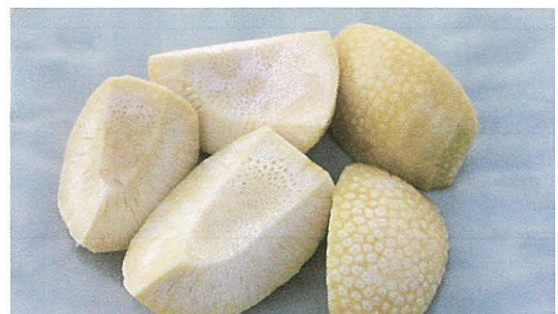
HUPC's unrestricted current assets as of December 231, 2018 are **\$125,000.**

## **V. Experience and Capability**

### **1. Necessary Skills and Experience**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

HUPC is among the most established and accomplished cooperative enterprises in Hawai'i State, with a demonstrated track record of competency in project management – including commercial kitchen construction and manufacturing equipment purchase and installation, fiscal responsibility – including managing grant funds of half a million dollars over the past two years, innovation in food manufacturing, food safety, commercial product development and agricultural production, and robust organizational capacity. Despite its formation just two and half years ago, the co-op has over 70 engaged members on multiple islands and provides significant resources and technical support to breadfruit farmers statewide. Through its bottom-up approach and grounded understanding of the local agricultural sector, the



Minimally Processed 'Ulu Quarters

co-op has been able to successfully launch multiple new product lines over the past few months representing over 50,000 pounds of bananas, papayas, sweet potato and lū'au leaf, in addition to its core competency of manufacturing minimally processed cuts of 'ulu at all maturity stages – with over 125,000 pounds of breadfruit aggregated and distributed to local markets since 2016. More information can be found on their website at [www.EatBreadfruit.com](http://www.EatBreadfruit.com).

HUPC is governed by a 5-member board of farmers with six outside advisors providing expertise in finance, horticulture, indigenous crops and cropping systems, the culinary industry and consumer marketing. Through a partnership with HDOA and UH, it developed Hawai'i's first and only dedicated 'ulu aggregation and processing facility and secured a 25-year commercial lease over the Honalō Marshaling Yard (valid through 2043). Co-op managers have been directly responsible for coordinating design, construction and permitting of a 300+ square foot commercial kitchen, successfully completing FSMA training and certification, developing a FSMA-compliant food safety plan, creating an in-house food safety training program for employees and 15 food manufacturing related jobs, acquiring over 100 customers throughout Hawai'i including the State Department of Education and Kaiser Hospital, and working with manufacturing consultants to develop a phased infrastructure expansion plan to accommodate volume growth expected to reach 2 million pounds of local produce within the next decade.

## 2. Facilities

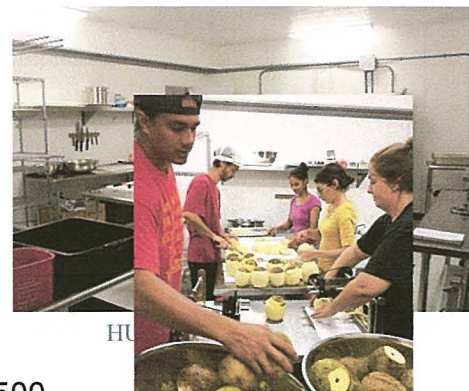
The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

HUPC has secured a 25-year commercial lease over the Honalō Marshaling Yard, which it sub-leases from the Kona Producers Cooperative, a project partner and the property master lessee since 1993. This facility includes 1.91 acres of land and a 5,200 square foot warehouse containing two offices as well as a 300+ square foot certified commercial kitchen that HUPC developed in partnership with HDOA and UH in 2017.

The commercial kitchen houses a double decker commercial steamer, hardening cabinet for rapid freezing, stainless steel work tables, racks and knives, and various table top appliances for peeling, cutting and processing local produce – all of which are owned by HUPC. With support from federal and state grant funds as well as through an investment of earned revenues, the co-op is now working to develop an outdoor fruit intake area with enclosed chill and dry storage in spring 2019; funds for this project total \$110,500



State-owned Honalō Marshaling Yard



HU  
15 Manufacturing Jobs Created

and have already been secured. This intake station will significantly increase the volume of fresh fruit the co-op is able to accept at a time and provide appropriate storage facilities to ensure that fruit quality and food safety are maintained.

HUPC also owns three small walk in freezers that will be replaced by the larger 800 square foot walk in freezer requested through this GIA proposal, and which will quadruple finished product storage space available. Licensed electrician Scott Yamamoto has verified that the facility has adequate power capacity to support operation of the proposed equipment upgrades.

## **VI. Personnel: Project Organization and Staffing**

### **1. Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

#### **Dana Shapiro, M.Sc. – HUPC Executive Manager**

*Qualifications/experience:* Ms. Shapiro has managed HUPC since its formation and previously worked as a cooperative and rural business development consultant for numerous local agriculture projects in Hawai'i. Her background is in social science research, using both qualitative and quantitative evaluation methods to assess the success, sustainability and functionality of community-based projects. She is PCQI certified, has a B.Sc. in Natural Resource Management from Cornell University and a M.Sc. in Cooperative Business Development from Ben Gurion University in Israel. Ms. Shapiro has over 10 years of experience managing and implementing projects funded by government awards, and is qualified to oversee this project. Please refer to her resume attached for evidence of qualifications.

*Roles and responsibilities:* Ms. Shapiro will direct the proposed project and be primarily responsible for overseeing and evaluating all project activities. Ms. Shapiro's responsibilities will include contract administration for hired consultants and contractors, managing project expenditures, communicating with and preparing required reports for the state and Big Island RC&D, and recruiting additional farmers and customers once infrastructure upgrades are in place and the co-op has capacity to grow its operations.

#### **Anissa Lucero – HUPC Operations Manager**

*Qualifications/experience:* Ms. Lucero has significant experience in commercial farming, marketing of farm products, educational agritourism, agricultural manufacturing, and farm and facility food safety. She is PCQI certified and has worked in local agricultural enterprises in Hawai'i since 2010, and currently manages operations of HUPC's aggregation and processing facility in Honalō. Ms. Lucero's resume is attached for evidence of qualifications.

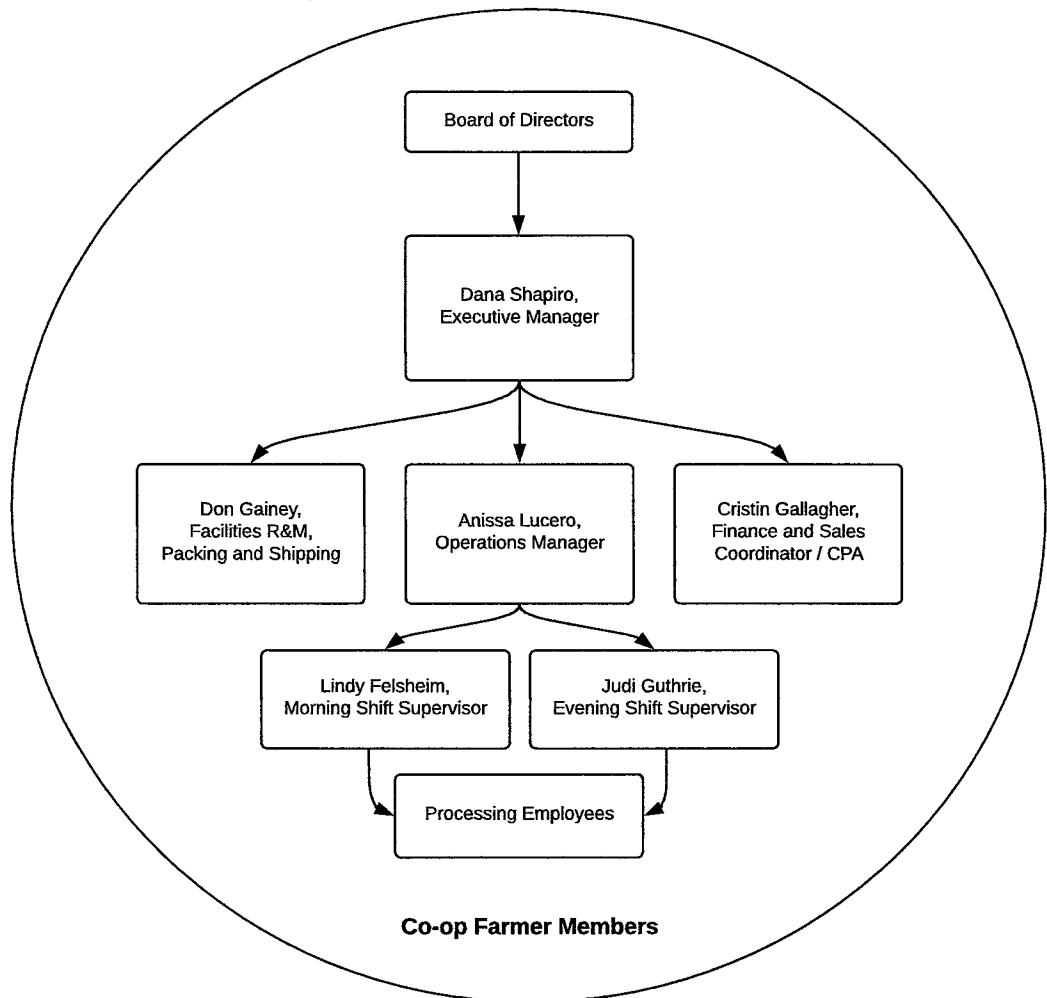
*Roles and responsibilities:* Ms. Lucero will be supervised by Ms. Shapiro during the project. In addition to completing assigned tasks, Ms. Lucero will support Ms. Shapiro

with documentation of project activities through onsite coordination and communication with contractors, as needed. Ms. Lucero will also be primarily responsible for developing the FSMA-compliant Food Safety Plan and SOPs incorporating the infrastructure upgrades, testing new equipment, and monitoring infrastructure performance throughout the project period. As facility intake and output volumes increase as a result of infrastructure expansion through this project, Ms. Lucero will help to train and hire new staff and farmers.

Please see attached resumes.

## 2. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.



# DANA LINAT SHAPIRO, M.Sc.

[shapiro.dana@gmail.com](mailto:shapiro.dana@gmail.com)

Phone 808-238-8869

3029 Lowrey Ave, Apt. 3111

Honolulu, HI 96822

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## EDUCATION

**Ben Gurion University**, Albert Katz International School for Desert Studies, Israel, October 2010

Masters of Science in Rural Development; Cum laude, Thesis grade: 98

Title: *Localization or caviar? Exploring rural development strategies to cope with high transport costs*

Arava Institute for Environmental Studies, Kibbutz Ketura, Israel

**Fulbright Scholar**, 2007-08

**Cornell University**, Ithaca, New York, May 2006

B.Sc. in Natural Resources; Cum Laude with Distinction in Research

Honors thesis: *Food tourism and sustainable rural development: analyzing the role of social networks in multifunctional landscapes*

## WORK EXPERIENCE

**Manager**, Hawai'i 'Ulu Producers Cooperative, Hawai'i Island, July 2016-Present

Rural cooperative development specialist, The Kohala Center, Hawai'i State

May-October 2015

Rural cooperative and business development consultant, Freelance, Hawai'i and Maui Islands

June 2012-July 2016

Rural cooperative development researcher, Ben Gurion University, Israel

November 2010-February 2016

Strategic planning, social marketing, and educational tourism, Volcano Island Honey Company Ahualoa, HI, March 2011-May 2012

Intern, Community and Rural Development Institute, Cornell University, Ithaca, NY

June-August 2007

Research assistant, Dept of Development Sociology and Dept of Natural Resources, Cornell University, Ithaca, NY

September 2016-May 2007

## PEER REVIEWED PUBLICATIONS

Shapiro, D., D. Pearlmutter and M. Schwartz. (2012). The emergence of rural transport strategies in response to rising fuel costs. *Energy Policy* 44, 92-100.

Shapiro, D., D. Pearlmutter and M. Schwartz. (2012). Rural development strategies to cope with high transport costs. *Horizons in Geography* 81-82, 20-38.

## OTHER RELEVANT PUBLICATIONS

Ragone, D., C.R. Elevitch, D. Shapiro, and A. Dean. (2012). Ho'oulu ka 'Ulu Cookbook: Breadfruit tips, techniques, and Hawai'i's favorite home recipes. *Kamehameha Publishing*.

## GRANTS AND AWARDS

**Kibbutz Prize 2010**, Israel

Highest recognition awarded annually to scientific research that supports the advancement of kibbutz economic and social goals.

**Fulbright Scholar**, Israel, 2007-08

## Mr. Claude L. Smith

42 Bend View Lane

Great Falls, MT 59404

Cell: 406-868-9474

email: [claudio.leonard.smith@gmail.com](mailto:claudio.leonard.smith@gmail.com)

### EDUCATION

B.A. Biology, Chemistry Minor: Jamestown College, Jamestown, North Dakota.

Professional Development courses include: FDA Better Process School, HACCP, Food Plant Sanitary Design, Statistics for Non-Statisticians, Lauhoff Good Manufacturing Practices School, Numerous classes on Total Quality Management and Statistical Process Control, (including a one-day seminar with Dr. W. Edwards Deming), LEAN, 5S, Situational Leadership I and II, Style Awareness, Public Speaking, DuPont STOP Safety Program, and many others.

### SKILL SET

- Strong leader with excellent coaching and assessment skills.
- FSMA Lead Instructor for Preventive Controls for Human Food and Produce Safety Rule
- Strong background in Lean Manufacturing and related concepts.
- Excellent capital project experience.
- Experience with most types of processing and packaging technologies.

### GOALS

- I want the challenges and rewards of aiding and improving food manufacturing and value-added agriculture.

### EMPLOYMENT HISTORY

**Wilcox Farms, LLC, Great Falls, MT**

Sep 2018 to present

General Manager

**Ag Processing Solutions, Great Falls, MT**

Aug 2018 to present

Food Manufacturing Consultant

**Montana Manufacturing Extension Center, MSU, Bozeman, MT**

Oct 2015 to present

Food Manufacturing and Process Specialist

- Assisting food manufacturers in MT, ND, SD, WA, and HI.

**Pasta Montana LLC, Great Falls, MT**

Nov 2009 to Oct 2015

## **Resume of Claude Smith continued**

### Plant Manager

- Project Leader for the implementation of the British Retail Consortium standard of the Global Food Safety Initiative. Plant received an "A" grade 5 consecutive years.
  - Received a special award in Tokyo, Japan from Chairman of parent company Nippon Flour Milling.
- Reduced waste and increased throughput every year.
- Plant had first ever profitable year in 2011. Repeated every year.
- Designed and led implementation of a factory SCADA system.
- Devised and implemented numerous Capital projects improving efficiency and quality.

### **J.R. Simplot Co., Grand Forks, ND**

Oct 2008 to Oct, 2009

#### Environmental Manager

- Accepted this vacant position to assist the facility. Responsible for wastewater treatment, all environmental reporting, the dried byproducts operation, and for renewing several key permits that were expiring. This included the **Title V Permit** and the **Risk Management Plan**.

#### Distribution Supervisor

- Supervised 45 warehouse employees at a 500 million pound per year frozen foods Distribution Center.

### **La Rinascente Pasta, Hope, ND**

Sep 2003 to Jul 2008

#### General Manager

- Responsible for every aspect of the business. Reported to a Board of Directors.
- Led the purchase and relocation of the business from NJ to a rural North Dakota green field site.
- Extensive customer interaction with national food manufacturers and distributors.
- Oversaw sales growth every year.

### **University of North Dakota Center for Innovation, Grand Forks, ND**

Feb 1999 to Sep 2003

#### Contract Assignments

- Worked on various food manufacturing projects across the states of North Dakota and Minnesota. These were mostly a series of short term contracts to assist entrepreneurs in **Business Planning, Engineering, Project Management, and Feasibility Studies**.

### **Conte Luna Foods, Grand Forks, ND**

March 1993 to Feb 1999

#### General Manager

- Hired to start-up a 24/7 state-of-the-art dry pasta production plant.
- Instituted all process and quality systems and hired all managers and supervisors.
- Increased plant throughput **300%** in 6 years with two major capital projects.
- Gained **Preferred Supplier** status with 3 key customers.

## Resume of Claude Smith continued

- Gained **Superior** scores on 3 American Institute of Baking audits.
- No lost time accidents in last **23** months of my tenure.

### Rhodes International, Columbus, WI

Mar 1992 to Feb 1993

#### Plant Manager

- Managed a 24/6 frozen bread dough plant.
- Led 8 salaried and 80 hourly employees.

### Earth Care Paper, Madison, WI

April 1990 to Jun 1991

#### Operations Manager

- Led all operations of a non-traditional recycled paper distributor.
- Managed 120 employees.

### The Pillsbury Company

Sep 1982 to Feb 1990

#### Manufacturing Manager, (Dec 88 to Feb 90), Beaver Dam, WI.

- Responsible for all canned and frozen production and maintenance.
- Led 6 supervisors, 60 permanent and 700 seasonal employees.
- Operations representative for Pillsbury's first **6 sigma** new product launch team, a frozen pasta product called "Pasta Accents".

#### Quality Assurance Manager, (Mar 86 to Dec 88), Beaver Dam, WI

- Managed all QA functions and served as **Statistical Process Control** resource.
- One of 4 Corporate Statistical Process Control and Total Quality trainers.

#### Process Control Manager, (Mar 85 to Mar 86), Terre Haute, IN

- Implemented quality and process improvement systems into two extremely successful new product launches at a reopened factory.

#### Quality Assurance Supervisor, (May 84 to Mar 85), Glencoe, MN

- Supervised the QA lab and 18 employees.
- Successfully implemented the Pillsbury QA and **HACCP** program into the facility.

#### Quality Assurance Supervisor, (Sep 82 to May 84), Grand Forks, ND

- Supervised the QA lab and 11 employees.

## PERSONAL

- Adjunct professor standing with the Montana State University system.
- Shotokan karate instructor.
- Former Advisory Board Chairman of the Montana Manufacturing Extension Center.



## **Anissa Marie Ann Lucero**

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Objective: To learn and gain more skills and express those skills in order to bring breadfruit to the table, so that places and communities can benefit from its many gifts

### Experience

**Hawai'i 'Ulu Cooperative- Assistant Manager** July 2017-current

- PCQI (Preventive Controls Qualified Individual) certified by FSPCA, works alongside food safety team members to develop food safety plan for various breadfruit products
- Oversees production efficiency, quality controls, and facility development and organization
- Educates and trains staff members and facility users on food safety and Good Manufacturing Practices
- Keeps records, inputs cost of production for analysis, and deposits payments
- Developing standard farm practices within coop and coordinating pruning educational material for farm members
- Engages in community outreach and breadfruit education encompassing agroforestry, nutritional benefits, and culinary uses, including with local schools (elementary through high)

**Big Island Bees- Bee Docent and honey processor** May 2011-current

- Educates guests on bees by doing hive demonstrations
- Makes sales and markets product through education of process and product
- Independently represents the company at product demonstrations
- Works closely with a staff to provide excellent guest and customer service
- Record keeping and tracking inventory, product organization, and adhering to food safety standards in warehouse and processing facility

**Māla Kalu'ulu Cooperative- Property Manager** May 2016-current

- Harvests and post harvest management ensuring quality of fruit
- Coordinates aggregation and distribution as well as delivery for fruit and products
- Host company booth at community events and local farmer's markets for education and outreach
- Marketing and sales of products

**Kealaola Organic Lettuce Farm- Head Apprentice** August 2010-May 2011

- Ensured quality of produce, fulfilled orders, and mad deliveries
- Trained and led apprentices on all levels of organic lettuce production

### Education

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Kohala Center Beginner Farmer Rancher Development & Mentorship Program	2014
Jadam Natural Farming and Cho Korean Natural Farming Certifications	2015
Iver C. Ranum High school	Graduated 2010

### **3. Compensation**

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

HUPC Executive Manager - \$58,200 salary  
HUPC Operations Manager - \$43,200 salary  
HUPC Production Supervisor - \$33,024 salary

## **VII. Other**

### **1. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not applicable.

### **2. Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Not applicable.

### **3. Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see [Article X, Section 1, of the State Constitution](#) for the relevance of this question.

Not applicable.

### **4. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2019-20 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2019-20, but
- (b) Not received by the applicant thereafter.

If this application is funded for FY2019-20 but not thereafter, all project services will be sustained and enhanced through HUPC's own revenues generated through product sales. Earning potential will be significantly bolstered by having increased freezer

storage capacity provided through funding for the proposed project, which will support greater production and sales volumes of 3-4 times 2018 levels. As an agricultural producer cooperative, HUPC is obligated to provide benefits to its farmer-members, specifically through the aggregation, processing and marketing of their agricultural crops. Earned revenues from the sale of minimally processed local produce are used to pay farmers for their fruit at competitive market rates, with net profits re-invested in the cooperative's mission and facility, and ultimately redistributed back to farmers according to patronage or their proportional contribution to the co-op's annual fruit volumes. This financial model will enable self-sustainability at the volumes realized through the proposed infrastructure improvements (up to 1.2 million pounds per year) to the Honalō Marshaling Yard, with net revenues invested in subsequent facility upgrades to support further scaling as Hawai'i's local food industry continues to grow.



Big Island Resource  
Conservation & Development Council

January 15, 2019

To Whom It May Concern,

I, Larry M. Komata, certify that this financial statement is a true reflection of the Big Island Resource Conservation and Development Council's finances to the best of my knowledge.

Larry M. Komata  
President  
Big Island RC&D Council

Please Note: The information contained in these documents is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of Big Island Resource Conservation and Development Council, unless required by law.

The Big Island Resource Conservation and Development Council is a non-profit, tax exempt 501(c) 3 corporation organized to assist communities of Hawaii to promote the conservation of natural resources, support economic development and enhance our environment and standard of living, with community capacity building. The Big Island Resource Conservation and Development Council is an Equal Opportunity Provider.

**BIG ISLAND RESOURCE CONSERVATION AND DEVELOPMENT COUNCIL  
2018 PROJECTED BUDGET**

<b>Description</b>	<b>Budget</b>	<b>Remarks</b>
<b>INCOME</b>		
Admin Fees	\$25,000.00	
Sponsor's Dues	\$2,300.00	
Interest from HFS Account	\$10.00	
Lease/MPU Reefer Truck	\$9,600.00	
Refunds	\$0.00	
Donations	\$0.00	
<b>TOTAL INCOME</b>	<b>\$36,910.00</b>	
<b>NON-PERSONNEL EXPENSES</b>		
Web Hosting/Internet	\$808.00	
Business Phone	\$505.00	
Postage	\$275.00	
Mail Box Rental	\$195.00	
Bank Fees	\$50.00	
Office Supplies	\$500.00	
<b>TOTAL</b>	<b>\$2,333.00</b>	
<b>PERSONNEL/PROFESSIONAL FEES</b>		
Employees	\$17,800.00	
Bookkeeper	\$4,000.00	
CPA	\$3,300.00	
Web Manager	\$350.00	
Payroll Taxes	\$5,000.00	
<b>TOTAL</b>	<b>\$30,450.00</b>	
<b>INSURANCE</b>		
D&O	\$1,309.00	
General Liability	\$909.00	
Workman's Comp	\$229.00	
<b>TOTAL</b>	<b>\$2,447.00</b>	
<b>OTHERS EXPENSES</b>		
Computer Upgrades	\$200.00	
Equipment	\$400.00	
Dues (Redirected to Conferences)	\$0.00	
State Filings	\$350.00	
State GE Taxes	\$400.00	
<b>TOTAL</b>	<b>\$1,350.00</b>	
<b>TRAVEL/MEETINGS</b>		
Meetings	\$300.00	
NARCDC National Conference	\$2,600.00	
NARCDC BOD	\$1,800.00	
Mileage	\$200.00	
Conferences	\$1,650.00	
<b>TOTAL</b>	<b>\$6,550.00</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$41,130.00</b>	

01/15/19

**BIRCD**  
**Balance Sheet**  
As of December 31, 2018

	Dec 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1000 · Cash In Bank	
1010 · Cash in bank - unrestricted	75,147.39
1011 · Cash in Bank-restricted	122,429.94
1000 · Cash In Bank - Other	-328.12
Total 1000 · Cash In Bank	197,249.21
1050 · CASH IN BANK HSF	
1051 · HFS-Unrestricted	1,025.00
1053 · HFS Savings	4,461.50
Total 1050 · CASH IN BANK HSF	5,486.50
1060 · Bank of Hawaii	8,342.74
Total Checking/Savings	211,078.45
Total Current Assets	211,078.45
<b>TOTAL ASSETS</b>	<b>211,078.45</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Funds Held For Others	1,071.00
Total Other Current Liabilities	1,071.00
Total Current Liabilities	1,071.00
Total Liabilities	1,071.00
Equity	
3010 · Unrestrict (retained earnings)	133,012.39
3100 · Fund Balance Restricted	75,485.59
Net Income	1,509.47
Total Equity	210,007.45
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>211,078.45</b>

**BIRCD RESTRICTED FUNDS**  
**INCOME & EXPENSE**  
 January through December 2018

Jan - Dec 18

<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4000 · Project Revenues	
4010 · Indiv/business contribution	21,035.76
4110 · Other Project Revenues	
41101 · Vendor Fees	1,750.00
41102 · Ticket Sales	4,438.06
41104 · Registration Fees	9,442.30
41105 · Other	780.00
41108 · Ribbon Sales	1,440.00
41110 · Vehicle Rental	860.00
41111 · Truck Lease Payments	7,946.94
<b>Total 4110 · Other Project Revenues</b>	<b>26,667.30</b>
4530 · State grants	
4531 · HTA/CPEP	30,000.00
4532 · HTA Other	32,000.00
4537 · Aloha Aina	9,292.92
4538 · GIA	160,000.00
<b>Total 4530 · State grants</b>	<b>231,292.92</b>
4540 · Local government grants	
4541 · County of Hawaii	
45412 · Research & Development	31,500.00
45413 · County Council Discretionary	3,400.00
45417 · Nonprofit Grant	
454171 · Nonprofit Grants 2018	3,650.00
45417 · Nonprofit Grant - Other	2,562.50
<b>Total 45417 · Nonprofit Grant</b>	<b>6,212.50</b>
45418 · Contingency Fund	20,171.34
<b>Total 4541 · County of Hawaii</b>	<b>61,283.84</b>
<b>Total 4540 · Local government grants</b>	<b>61,283.84</b>
<b>Total 4000 · Project Revenues</b>	<b>340,269.82</b>
4600 · Other Project Revenues	170.00
4700 · Carry Over Balances	
4800 · Refunds	200.00
4900 · Donations-Non-Project	-25.00
<b>Total Income</b>	<b>340,614.82</b>
<b>Gross Profit</b>	<b>340,614.82</b>
<b>Expense</b>	
7000 · Grant & contract expense	
7010 · Supplies-Program Related	92,741.39
7011 · Administrative Fee	27,701.16
7012 · Permits & Licenses	335.00
7014 · Transportation	1,250.00
7020 · Professional Fees	
7023 · Bookkeeper	750.00
7020 · Professional Fees - Other	172,184.82
<b>Total 7020 · Professional Fees</b>	<b>172,934.82</b>
7028 · Entry Fees	1,300.00
7029 · Returned Funds	20,653.69
<b>Total 7000 · Grant &amp; contract expense</b>	<b>316,916.06</b>
8100 · Non-personnel expenses	
8140 · Postage, shipping, delivery	61.17
8170 · Printing & copying	126.75
<b>Total 8100 · Non-personnel expenses</b>	<b>187.92</b>

**BIRCD RESTRICTED FUNDS****INCOME & EXPENSE**

January through December 2018

	<u>Jan - Dec 18</u>
8300 · Travel & meetings expenses	
8310 · Travel	
8311 · Lodging	3,109.43
8312 · Meals	3,559.13
8313 · Airfare	2,919.97
Total 8310 · Travel	<u>9,588.53</u>
8320 · Conference, convention, meeting	375.00
8300 · Travel & meetings expenses - Other	2,735.79
Total 8300 · Travel & meetings expenses	<u>12,699.32</u>
8500 · Misc expenses	
8520 · Insurance	2,901.13
8530 · Membership dues - organization	383.00
8570 · Advertising expenses	4,745.23
8500 · Misc expenses - Other	3.20
Total 8500 · Misc expenses	<u>8,032.56</u>
8600 · Business expenses	
8610 · Bank Charges	
8615 · NFS Checks	
Total 8600 · Business expenses	<u>                    </u>
Total Expense	<u>337,835.86</u>
Net Ordinary Income	<u>2,778.96</u>
Net Income	<u><u>2,778.96</u></u>



**BIRCD UNRESTRICTED FUNDS**  
**INCOME & EXPENSE**  
 January through December 2018

	Jan - Dec 18
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4600 · Other Project Revenues	400.00
4800 · Refunds	116.89
5000 · Earned revenues	
5180 · Program service fees	27,551.81
5220 · Dues-Organizations	
5223 · Dues-Kona SWCD	400.00
5225 · Dues-Puna SWCD	200.00
5226 · Dues-Waikea SWCD	200.00
5227 · Dues-County of Hawaii	1,500.00
<b>Total 5220 · Dues-Organizations</b>	<b>2,300.00</b>
<b>Total 5000 · Earned revenues</b>	<b>29,851.81</b>
<b>Total Income</b>	<b>30,368.70</b>
<b>Gross Profit</b>	<b>30,368.70</b>
<b>Expense</b>	
7000 · Grant & contract expense	
7010 · Supplies-Program Related	
7011 · Administrative Fee	
7012 · Permits & Licenses	30.50
7020 · Professional Fees	
7023 · Bookkeeper	2,725.00
7024 · Web Manager	50.00
<b>Total 7020 · Professional Fees</b>	<b>2,775.00</b>
<b>Total 7000 · Grant &amp; contract expense</b>	<b>2,805.50</b>
7200 · Salaries & related expenses	
7220 · Salaries & wages - other	16,986.29
7250 · Payroll taxes	
72501 · FICA	5,112.60
72502 · State	1,290.84
72503 · Unemployment	348.39
<b>Total 7250 · Payroll taxes</b>	<b>6,751.83</b>
<b>7200 · Salaries &amp; related expenses - Other</b>	<b>789.52</b>
<b>Total 7200 · Salaries &amp; related expenses</b>	<b>24,527.64</b>
7500 · Other personnel expenses	
7520 · Accounting fees	
7522 · Tax Preparation	1,560.00
<b>Total 7520 · Accounting fees</b>	<b>1,560.00</b>
7580 · Web Hosting	220.82
<b>Total 7500 · Other personnel expenses</b>	<b>1,780.82</b>
8100 · Non-personnel expenses	
8110 · Supplies	88.29
8130 · Telephone & telecommunications	
8131 · Internet Access	234.10
8130 · Telephone & telecommunications - Other	230.82
<b>Total 8130 · Telephone &amp; telecommunications</b>	<b>464.92</b>
8140 · Postage, shipping, delivery	356.00
8190 · Office Supplies	
8191 · Computer Software	279.00
8192 · Bank Checks	107.49
8190 · Office Supplies - Other	234.31
<b>Total 8190 · Office Supplies</b>	<b>620.80</b>
<b>Total 8100 · Non-personnel expenses</b>	<b>1,530.01</b>