

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

Type of Grant Request:

Operating                       Capital

Legal Name of Requesting Organization or Individual: Db a:  
Synergistic Hawaii Agricultural Council (SHAC)

Amount of State Funds Requested: \$ 235,700

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

- Portrait Country Sponsorship at the 2020 Specialty Coffee Expo trade show  
This sponsorship, and the events that come with it, will sustain and grow the reputation, export, and tourism opportunities for Hawaiian coffee, the second-highest valued agricultural commodity in the state.
- Market Research for the Floriculture, Papaya and Coffee Industries:  
To grow the exports of SHAC member commodities in targeted overseas markets and secure USDA funding.

Amount of Other Funds Available:

State: \$ \_\_\_\_\_  
Federal: \$ Pending: Federal Shutdown  
County: \$ \_\_\_\_\_  
Private/Other: \$ \_\_\_\_\_

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

\$ \$330,000 (2014, HDOA)  
Unrestricted Assets:  
\$ 120,890.50

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:

P.O. Box 4833  
City: Hilo State: HI Zip: 96720

**Contact Person for Matters Involving this Application**

Name: Ralph Gaston	Title: Secretary, Synergistic Hawaii Ag Council (SHAC)
Email: ralphgaston@islacoffees.com	Phone: (808) 928-0236 office; (510) 295-5838 cell

Federal Tax ID#:

State Tax ID#



Authorized Signature

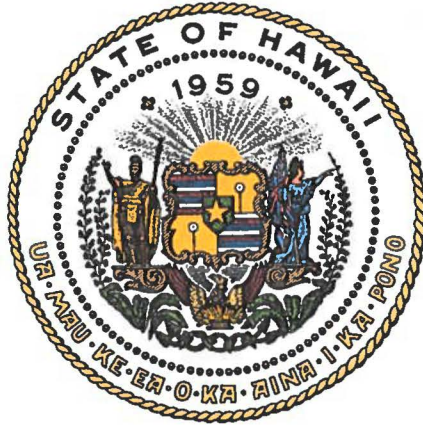
Suzanne Shriner, Administrator

Name and Title

January 16, 2019

Date Signed

**received**  
1/18/19 12:29p JR



## 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

#### SYNERGISTIC HAWAII AGRICULTURE COUNCIL

was incorporated under the laws of Hawaii on 07/19/2011 ; 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

## 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

SUZANNE SHRINER, ADMINISTRATOR

PRINT NAME AND TITLE

JANUARY 16, 2019

DATE

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAI'I REVISED STATUTES**

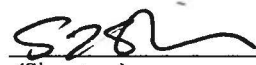
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i 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, Hawai'i 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, Hawai'i 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, Hawai'i 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.

Synergistic Hawaii Agriculture Council  
(Typed Name of Individual or Organization)

  
(Signature)

1/16/19  
(Date)

Suzanne Shriner, Administrator  
(Typed Name) (Title)

**Application for Grant In Aid - State of Hawaii FY 2020  
Synergistic Hawaii Agricultural Council**

**PUBLIC PURPOSE  
DECLARATION STATEMENT**

The undersigned authorized representative of the applicant certifies the following:

**This grant shall be used for the public purpose of promoting agricultural commodities grown within the State of Hawaii pursuant to Section 42F-102, Hawaii Revised Statutes.**

The cost of the grant is \$235,7000

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

Synergistic Hawaii Agriculture Council  
(Typed Name of Individual or Organization)

  
(Signature)

1/16/19  
(Date)

Suzanne Shriner, Administrator  
(Typed Name)

(Title)

## **Application for Grant In Aid - State of Hawaii FY 2020 Synergistic Hawaii Agricultural Council**

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

### **II. Background and Summary**

The Synergistic Hawaii Agriculture Council (SHAC) is a State of Hawaii non-profit trade organization. In an effort to better support and market Hawaii commodities to foreign and domestic markets, three statewide agriculture associations founded SHAC in 2009. The three founding associations - the Hawaii Coffee Association (HCA), the Hawaii Papaya Industry Association (HPIA), and the Hawaii Floriculture and Nursery Association (HFNA), - represent close to 600 businesses, and 90 percent of their respective industry's production. SHAC's purpose is to pool members' financial and human resources and create a solid management structure to support members in planning, government financing, compliance and activity implementation.

Any nonprofit or not-for-profit corporation recognized as representing an agricultural industry in the State of Hawaii can apply for SHAC membership. Our programs benefit all agricultural growers, and membership is not required for participation. Many of our activities reach and benefit the nearly 6,000 producers on island who are not direct members of a trade association.

#### **The goals and objectives related to the request:**

##### **Portrait Country Sponsorship at the 2020 SCA Expo**

The Hawaii Coffee Association (HCA), through SHAC, has a unique opportunity to boost Hawaii's reputation in the worldwide specialty-coffee market. The Specialty Coffee Association (SCA) has invited the Hawaii coffee industry to be Portrait Sponsor of the 2020 SCA Expo in Portland, Oregon. The SCA Expo is the largest specialty coffee trade-show in the world: In 2018, it attracted nearly 14,000 coffee industry members -- 31 percent of whom come from outside of the U.S. Attendees included roasters, growers, wholesalers, retailers, and other relevant industries, and 76 percent of last year's attendees directly authorize or greatly influence purchasing decisions for their companies. The Expo is preceded by a two-day symposium that focuses on international coffee trends, innovation, research, and concerns on a industry-wide scale. It regularly attracts some of the brightest minds in the specialty-coffee industry.

As Portrait Sponsor, Hawaii can promote itself as the premier American coffee-growing region, as well as our country's leading destination for coffee lovers. The SCA Expo would highlight these messages throughout the event: at the opening ceremonies; on the trade-show floor at our booth; in an exhibit and possibly a talk at symposium. In addition SCA's press materials about the event would emphasize Hawaii, along with official social media, website content, and physical marketing (signs, etc.) at the SCA Expo.

This is unparalleled exposure for the Hawaii coffee industry at a critical time. Specialty coffee is a highly competitive global marketplace. Hawaii has long been known for Kona coffee. Ka'u has won awards and garnered a reputation for excellence in recent years. As the market evolves, SHAC seeks to develop brand recognition for the high-quality coffees coming from Puna, Hamakua, Maui, Molokai, Oahu and Kauai as well. We face tough competition from other countries, as well as California's growing coffee industry. With American-grown coffee expanding beyond Hawaii, the Portrait Sponsorship allows our state to solidify its place as the country's top growing region.

SHAC has funded an HCA booth at the SCA Expo for five years. In 2017, the booth concept was modernized. The organizing team increased its size, updated its look to highlight individual Hawaiian coffee-growing regions, and gave it more of a vertical presence to stand out from the surrounding booths. Most importantly, HCA changed the selection, roasting and presentation of the coffees in the booth to appeal to buyers of green beans (unroasted coffee). This was a game changer. First, it allowed potential clients to experience how Hawaiian coffees could fit into the menus of their own roasting companies. Second, because buyers purchase raw coffee beans in larger amounts, it set the stage for bigger orders of Hawaiian coffee. During the 2017 show, the HCA obtained 87 new sales leads.

For 2018, HCA doubled down on its strategy of attracting green-bean buyers to its booth. Improvements included cuppings of coffees from all of the islands' major growing regions, talks by Hawaii's leading coffee breeder, and social media targeted to the show's attendees. The booth team collected 72 new leads, featuring distinct Canadian companies. The sales leads were shared with members of the Hawaii coffee industry.

As Portrait Sponsor of the 2020 SCA Expo, we would build on these past efforts. Our goal will be to expand excitement for Hawaiian green beans, our main export crop. In addition, Portrait Sponsorship is a terrific opportunity to build tourists' interest in coming to Hawaii: Honolulu, in particular, has a growing scene of specialty cafes to complement our islands' coffee-farm tours. Serious coffee lovers can visit farms to see Hawaiian coffee grown, processed, and milled, then go into a cafe' and have a cup of this product prepared for them. Hawaii has this unique advantage as a hub for both tourism and agriculture.

#### **Market Research for the Coffee, Floriculture and Papaya Industries**

Through SHAC, Hawaii's coffee, floriculture and papaya industries have successfully applied for USDA Market Access Program (MAP) funding to support exports in key markets since 2012. Hawaiian coffee has targeted exports to Canada, and now China. Floriculture's target is Canada. And Papaya's targets are Japan and Canada.

Because of the nationwide competition for MAP funds, securing them becomes more and more competitive. Last year, USDA released new advice for successful MAP grant applications. These guidelines indicate the need for more targeted and comprehensive market research for all three commodities represented by SHAC. It is market research designed to ensure that each industry will complete the following:

- 1) Evaluate the success of the current marketing activities in each target country. How can they be improved? Is the current target country the best one for each industry, based on factors such as ease of access, lack of phytosanitary constraints, lack of tariffs, and favorable demographics such as a growing middle class?
- 2) Identify the best metropolitan areas to target within the export countries selected by the industry groups.
- 3) Adjust current marketing activities or create new ones, and establish sales channels within these metropolitan areas that allow the industries to reach their ideal clients. (These clients can be consumers or other businesses.)
- 4) Fit these marketing activities and sales channels into a multi-year plan for each commodity. USDA is asking for structured plans that begin with no awareness of the product to be sold, and end with devoted fans of these products.

Using this grant, SHAC would hire a researcher to complete market studies for all three commodities. The work includes but is not limited to: interviewing key figures from each of these Hawaiian industries, gathering information from USDA Foreign Agriculture Service and Hawaii Tourism Authority staffers, sifting through import/export data from the US and target countries, and evaluating available research about demographics and potential customers for each commodity.

Deliverables will be reports to each of the commodity groups. The information in these reports will be used to complete future USDA MAP applications, as well as implement the actual marketing activities and sales channels.

**The public purpose and need to be served:**

**Portrait Country Sponsorship at the 2020 SCA Expo**

This activity will sustain and grow the reputation, export, and tourism opportunities for Hawaiian coffee, the second-highest valued agricultural commodity in the state.

**Market Research for the Floriculture, Papaya and Coffee Industries**

This research will help grow the exports of the three commodities in targeted overseas markets. Currently, those target markets are China (for Hawaiian coffee), for Canada (for Hawaiian papaya and floriculture), and Japan (for Hawaiian papaya). Export marketing for these three industries are supported by USDA funding. The market research will help secure future USDA funding for years to come.

**Describe the target population to be served; and describe the geographic coverage:**

**Portrait Country Sponsorship at the 2020 SCA Expo**

By USDA data, coffee is the largest farmer base in the state. Nearly one in seven Hawaii farmers grow coffee. The Hawaii Coffee Association represents members from all islands. At the 2018 SCA Expo, Hawaiian growers from Maui, Kauai, the Big Island and Molokai were in attendance at the booth.

Our outreach and focus for marketing is the young professional demographic in both the mainland U.S. and in our primary export regions (Japan, Taiwan, Southeast Asia). In these areas we see bigger population growth of young consumers (especially in the U.S. and Southeast Asia), as well as the largest growth of middle-class wage earners in Southeast Asia. China (mainland China, Taiwan, and Hong Kong) is of particular importance because it's an export market for Hawaiian coffee supported by the USDA. These are ideal areas to re-brand and re-introduce Hawaiian coffees as high-quality options that are well worth the price point, particularly with an audience who sees Hawaiian tourism and products favorably, but who may not yet have visited the state. Additionally, the international specialty-coffee market is changing, with competing coffee regions worldwide increasing their offerings to search for more visibility and higher prices. Hawaiian coffee must continue to fight for its unique place in this changing marketplace.

**Market Research for the Floriculture, Papaya and Coffee Industries**

The target market to be served is Hawaii's coffee, floriculture and papaya industries, all of which have expressed the need for this market research via SHAC. As one farmer said, "I'd like to know if I'm selling to the right customers, or if there are other markets within our target country that make more sense."

Ultimately, serving these three Hawaii industries with good market research results in serving our overseas markets well. The geographic coverage will extend beyond Hawaii into the best metropolitan areas of the target countries. In particular, the market research proposed in this grant will help identify potential Hawaiian tourists -- consumers with high disposable income who are interested in Hawaiian products and culture. Selling Hawaiian coffee, floriculture products and papaya to these consumers would reinforce their attachment to our islands and perhaps convince them to visit Hawaii.

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

**Scope of Work:**

**Portrait Country Sponsorship at the 2020 SCA Expo**



Our scope of work will be focused on planning, marketing, and executing a successful week as the SCA Portrait Country Sponsor for the 2020 SCA Expo in Portland, Oregon. Ralph Gaston would serve as the Project Manager and oversee the overall planning, coordination, and execution of plans for this project.

Pre-planning for this project has been ongoing since April 2018, when Ralph met with SCA event managers to discuss parameters and feasibility of becoming a Portrait Country sponsor. At present, the SCA event managers are in favor of having Hawaii showcased as the Portrait Country sponsor and await our update on the ability to secure the finances necessary to secure the sponsor position.

Our plan would begin once approval is given for this grant proposal, which we are hoping will come before April 12th, 2019, when this year's SCA Expo begins in Boston, MA. Ralph will manage the HCA booth at the Expo for the event, and plans to arrive on April 10th to begin setup and logistical arrangements for the 2019 booth presence. We also plan to meet with SCA event managers at this year's show to confirm our commitment to be the 2020 Portrait Country sponsor, contingent on payment of the sponsor fee once funds are released after the State of Hawaii fiscal year begins on July 1st.

Once approved for funding by the State and approved as the 2020 Portrait Country Sponsor by SCA, our first objective will be to form a 2020 SCA Expo planning committee. We plan to have this in place by June 1st, 2019. Our goal will be to have 5-6 members on the committee to connect the various organizations and specialties of our coffee industry. We would seek input, collaboration, and participation from members in all committees and sub-committees. Our outreach will include, but not be limited to, the following organizations:

- Synergistic Hawaii Agricultural Council
- Hawaii Coffee Association
- Kona Coffee Farmers Association
- Kona Coffee Council
- Maui Coffee Association
- Hawaii Coffee Growers Association
- Hawaii Dept. of Agriculture
- Pacific Basin Agricultural Research Center
- Hawaii Agricultural Research Center
- Hawaii Tourism Authority

We also seek input and participation from members of the growing specialty cafe scene on Oahu, Maui, and Hawaii Island.

Once formed, the planning committee will begin to separate the overall plan into separate tasks to be completed at a sub-committee level. These plans include the following groups:

1. **Trade Show Booth Theme & Design:** This sub-committee will be focused on planning for the trade show booth, which will be the focal point for interactions with industry professionals and consumers throughout the Expo. Our plan would be to use a 20x40 show floor booth space to fully showcase each Hawaii coffee-growing region in its own right, as well as a chance to highlight our local roasters and cafes. The committee also will work with our booth contractor to properly incorporate the desired visual elements into the booth design.
2. **Marketing/Advertising/Social Media:** We plan to build on the HCA's successful 2018 and 2019 social-media presence with an advance campaign targeted to buyers and focused on highlighting our planned special events, featured speakers, and show-floor cuppings to build interest and excitement about our 2020 Portrait Country position.

3. Finance/Logistics: This sub-committee will keep a constant update on the finances of the project. It will be responsible for authorizing disbursement of funds and coordinating all logistics related to the project. This will include coordination of travel expenses (airfare, lodging & meals/incidentals), shipment of booth supplies, scheduling of events, and any other planning needs deemed necessary by the committee.
4. Special Events/Presentations: This sub-committee will focus on planning our featured slot in the Expo's Opening Ceremony event on Thursday April 23rd, 2020. This traditionally includes a video to highlight the Portrait Country, but can also feature a live presentation. We see this as a great opportunity to showcase our Hawaiian culture with a live performance from a local musician and/or local hula group - possibly from the 2019 Merrie Monarch, depending on timing. (The 2020 Merrie Monarch festival may overlap with the SCA Expo). This committee also would be in charge of nominating and coordinating special cuppings and lectures by our coffee professionals during the week.

Work on these plans would occur during the summer, fall, and winter of 2019-2020. The result would be one week of seminars, ceremonies and trade-show activities focused on the international and domestic specialty-coffee markets – the most important ones for the Hawaiian coffee industry. We'll maximize the Portrait Country's featured position at the 2020 SCA Expo to push Hawaii's unique attractions for coffee professionals, enthusiasts, and travelers. We are certain this will enhance and solidify Hawaii's position as the premier coffee-growing region in the United States, boost exports of our green beans and roasted coffee into mainland U.S. and overseas markets, and enhance our ability to attract agritourism enthusiasts with a coffee-related experience unmatched in the United States.

The expected costs for this project will break down as follows:

<b>SCAA 2020 - Portrait Country Budget</b>		<b>Remark</b>	
Sponsorship Fee -SCA Portrait Country	\$50,000.00		
Booth floor space fee 20 x 40	\$25,000.00		
Trade Group Design and Booth construction	\$30,000.00		
Office	\$5000.00		
Roasted Coffee for booth & cuppings (Supplies)	\$1,000.00		
Traditional coffee ceremony service	\$0.00		
shipping and return material	\$4,000.00		
other expenses (print, internet, hospitality, etc.)	\$5,000.00		
<b>TOTAL BOOTH</b>	<b>\$120,000.00</b>		
Video for opening ceremonies	\$10,000.00	for opening ceremony	
Entertainment- Welcome Reception (Hula group)	\$15,000.00		
Marketing/promotional materials	\$10,000.00		
<b>TOTAL ACTIVITIES PORTRAIT</b>	<b>\$35,000.00</b>		
Delegation Hotel & related	\$15,000.00		
Re:co Symposium membership fee	\$10,000.00	2-day special seminar held before SCA Expo	

airline tickets	\$20,000.00	for Hula group & lecturers	
per diem (M&IE)	\$10,000.00	for Hula group & booth staff	
<b>TOTAL DELEGATION</b>	<b>\$55,000.00</b>		
<b>TOTAL</b>	<b>\$210,000.00</b>		

**Market Research for the Floriculture, Papaya and Coffee Industries**

The Hawaiian coffee industry just switched its target export market from Canada to China in fall 2018. Based on tariffs and legal requirements, the industry has determined that Taiwan is the best area for initial outreach. The market research for Hawaiian coffee would consist of the following:

- 1) Identify the best metropolitan areas to target within Taiwan, based on factors such as high disposable income, strong cafe culture, familiarity with Hawaii goods and tourism, location of coffee importers and wholesalers, and ease of shipping logistics.
- 2) Recommend marketing activities and sales channels within these metropolitan areas that allow the different factions of the coffee industry to reach their ideal clients. The sales channels are: ones for green beans, ones for roasted coffee to be sold on store shelves, and ones for mail-order coffee from small Hawaii growers.
- 3) Fit these marketing activities and sales channels into a multi-year marketing plan. USDA is asking for structured plans that begin with no awareness of the product to be sold, and end with devoted fans of these products.

The Hawaiian Papaya industry currently targets Canada and Japan for their export markets. The market research for Hawaiian Papaya would consist of the following:

- 1) Evaluate the success of current marketing activities in Canada and Japan. Are these the best export markets for Hawaiian GMO and non-GMO papayas? This information would be used to either maintain the current markets or make the case to switch to another in future years. (2019 export activities already are set for Canada and Japan.)
- 2) Identify the best metropolitan areas to target within the chosen countries, based on factors such as high disposable income, familiarity with papayas, favorable impressions of Hawaii products and tourism, ease of shipping logistics, and a concentration of sales channels in a given area that can support a wholesaler. (This is especially important, since Hawaiian papaya is mainly a fresh product.)
- 3) Recommend marketing activities and sales channels within these metropolitan areas that allow the different factions of the papaya industry to reach their ideal clients. The sales channels are: ones for sellers of GMO papayas and ones for sellers of non-GMO papayas, in food service and on retail shelves.
- 4) Fit these marketing activities and sales channels into a multi-year marketing plan. USDA is asking for structured plans that begin with no awareness of the product to be sold, and end with devoted fans of these products.

The Hawaiian Floriculture industry currently exports to Canada as its target market. While it is committed to Canada at the moment, the industry also has expressed interest in exploring opportunities in other countries.

- 1) Evaluate the success of the floriculture industry export programs in Canada. How can they be improved? This information would be used to either maintain the current market or switch to others in future years. (2019 export activities already are set for Canada.)
- 2) Identify the best metropolitan areas to target within the chosen country, based on factors such as high disposable income, demand for different floriculture products, favorable impressions of Hawaii and tourism, and ease of shipping logistics.
- 3) Recommend marketing activities and sales channels within these metropolitan areas that allow the different factions of the floriculture industry to reach their ideal clients. The sales channels are: ones for sellers of cut flowers, potted plants and nursery products.
- 4) Fit these marketing activities and sales channels into a multi-year marketing plan. USDA is asking for structured plans that begin with no awareness of the product to be sold, and end with devoted fans of these products.

To complete this work, the researcher would complete market studies for all three commodities. It includes but is not limited to: interviewing key figures from each of these Hawaiian industries, gathering information from USDA Foreign Agriculture Service and Hawaii Tourism Authority staffers, sifting through import/export data from the US and target countries, and evaluating existing research about demographics and potential customers for each commodity.

**2. Provide a projected annual timeline for accomplishing the results or outcomes of the service:  
Portrait Country Sponsorship at the 2020 SCA Expo**

Month	Project	Location	Cost	Completion Date
April 2019	Confirmation of sponsorship with SCA	Boston, MA	n/a	April 12, 2019
May 2019	Formation of 2020 SCA Expo Booth Committee	Hawaii	n/a	June 1, 2019
June 2019	First meeting of Booth Committee, sub-committees formed	Hawaii	n/a	July 1, 2019
July 2019	Grant funding released from state, sponsorship fee paid to SCA & Symposium	Hawaii	\$60,000	July 31, 2019
July-Sept 2019	Booth committee confirms booth layout & design, chooses contractor	Hawaii	\$30,000	Sept. 30, 2019
July-Sept, 2019	Event	Hawaii	\$30,000	Sept. 30, 2019

	committee arranges for Hula group/music/video for Opening Ceremonies			
September 1, 2019	Marketing plan for SCA 2020 Portrait Country goes into action	Hawaii, USA, international markets	\$25,000	April 2020
Oct 2019 - Feb 2020	Booth design completed, construction begins. Travel plans completed, lodging secured.	Hawaii/Portland	\$35,000	February 2020
March 2020	Booth Materials, supplies, etc. sent to Portland for show	Hawaii/Portland	\$7000	March 31, 2020
April 23-26, 2020	SCA Expo show begins - insurance paid	Portland, OR	\$1000	April 26, 2020
May 2020	Post-show report completed, materials returned to Hawaii, all necessary measurables reported	Hawaii	\$2000	May 15, 2020

**Market Research for the Floriculture, Papaya and Coffee Industries**

Month	Project	Location	Cost	Completion Date
July 2019	The researcher will hold baseline meetings with the three industries to evaluate current marketing programs.	Hawaii	\$600	February 2019
July-September 2019	The researcher will gather information		\$6,000	April 2019

	<p>from USDA Foreign Agriculture Service and Hawaii Tourism Authority staffers, sift through import/export data from the US and target countries, and evaluate existing research about demographics and potential customers for each commodity. The researcher also will communicate with the SHAC Administrator and Board members as necessary during the information-gathering phase.</p>			
<p>September-October 2019</p>	<p>The researcher will write the first draft of reports for each industry, and submit drafts for review by each commodity.</p>	<p>Hawaii</p>	<p>\$5,600</p>	<p>June 2019</p>
<p>October-December 2019</p>	<p>The researcher will revise and complete reports for each commodity.</p>	<p>Hawaii</p>	<p>\$4,400</p>	<p>July 2019</p>

3.

**Portrait Country Sponsorship at the 2020 SCA Expo**

SHAC Board representatives will be directly responsible for planning, logistics, finances, communication & staffing for the project. We will begin by setting up a committee to plan out the event, then quickly move into assignment of tasks with defined goals and deadlines. The committee head will be responsible for constant contact with SCA officials to make sure all is in order for the sponsorship well before the Expo. SHAC's accountant will be used to assist with proper accounting, disbursement, and oversight of all finances for the project. The Committee will be responsible for a final trip report including costs, outcomes, and a summary at the conclusion of all events.

**Market Research for the Floriculture, Papaya and Coffee Industries**

The SHAC Administrator will be directly responsible for managing the researcher, including setting overall research goals and expectations for deliverables. SHAC Board members will determine the specific research objectives based on their individual industries. SHAC's accountant will assist with proper accounting, disbursement, and oversight of all finances for the project. The researcher will be required to turn in a draft report to each of the industries, which will allow each of them to provide feedback before the researcher submits the final one.

4. **List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).**

**Portrait Country Sponsorship at the 2020 SCA Expo**

A successful SCA Expo is measured by the following metrics:

- 1) Number of buyers for green beans and roasted coffee that visit the HCA booth, as compared to those from previous years.
- 2) Social-media interactions (number of likes, comments, follows, private messages, etc.) compared to that of previous years.
- 3) Hits and inquiries to the HCA website (or other designated website) compared to that of previous years.
- 4) The value, in US dollars, of Hawaiian coffee exported to China in 2020, compared to that in previous years. (Because of USDA support for exports to this market, HCA is required to track figures for this China.)

**Market Research for the Floriculture, Papaya and Coffee Industries**

A successful market-research report will contain the following information:

- 1) An evaluation of the current marketing programs conducted by the commodities, based on factors such as economic data, good infrastructure for shipping, and lack of phytosanitary constraints.
- 2) Clear descriptions of the best metropolitan areas to target within the selected export countries. The researcher will identify markets where the population has high levels of disposable income, is likely to become travelers to Hawaii, and consumes or uses the products sold by the three commodities.
- 3) Recommendations for marketing activities and sales channels within these metropolitan areas that allow the industries to reach their ideal clients. (These clients can be consumers or other businesses.)
- 4) A fit of these marketing activities and sales channels into a multi-year plan for each commodity. USDA is asking for structured plans that begin with no awareness of the product to be sold, and end with devoted fans of these products.

**IV. Financial**

**Budget**

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

Budget request by source of funds - attached

Personnel salaries and wages - attached

Equipment and motor vehicles - **not applicable**

Capital project details - **not applicable**

Government contracts, grants, and grants in aid - attached

**\*\*NOTE: Also attached is a detailed breakdown of the 2020 Portrait Country Sponsor budget.**

The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2020.

Quarter 1 (July-Sept 2019)	Quarter 2 (Oct-Dec 2019)	Quarter 3 (Jan - Mar 2020)	Quarter 4 (Apr - Jun 2020)	Total Grant
100,000	100,200	25,500	10,000	235,700

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.

2016 Federal USDA Market Access Program Grant: \$ 330,000  
 2016 Federal USDA Technical Assistance for Specialty Crop Grant, Coffee Berry Borer: \$500,000  
 2017 Federal USDA Market Access Program Grant: \$ 308,000  
 2018 Federal USDA Market Access Program Grant: \$ 315,983  
 2018 US Dept of Commerce Minority Business Development Grant for Disaster Relief \$483,040.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2018.

SHAC's unrestricted assets as of December 31, 2018 totalled \$120,890.50.

## **V. Experience and Capability**

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

SHAC and its member commodities have lengthy experience in managing programs for our industries and has successfully applied for and administered grants for Hawaiian agriculture since its inception in 2012. Under SHAC's guidance, more than \$2.1 million has been awarded for programs to research and combat the presence of the Coffee Berry Borer (CBB) in Hawaii's coffee farms. The Hawaii coffee industry successfully used the Technical Assistance for Specialty Crops (TASC) grant to create unique management programs for different growing regions on our islands. It also gave farmers the financial support necessary to obtain materials that combat the pest in the fields. SHAC has also successfully applied for and administered more than \$2 million in Federal marketing grants. They assist in expanding our Hawaiian commodities into new-and-emerging export markets.

### **2. Facilities**



SHAC's main office is in Hilo, Hawaii Island, which is suitable for the planning and administration of this grant. Because the Expo will be held at a convention center in Portland, Oregon in 2020, no further local facilities are necessary.

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

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

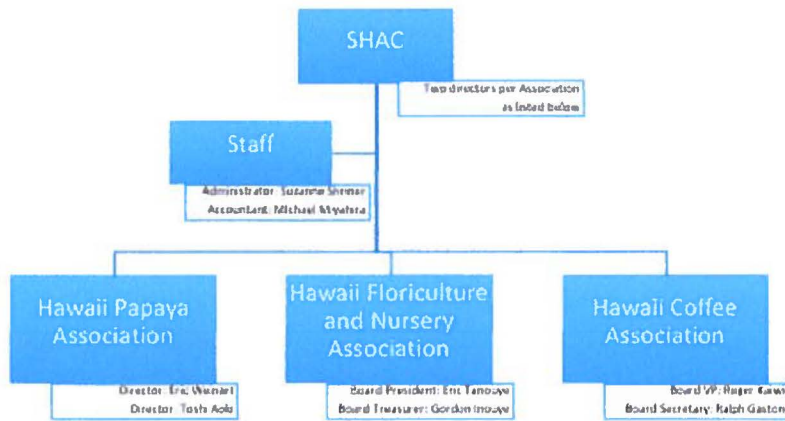
Suzanne Shriner, Administrator for SHAC, has 14 years of experience in the implementation, and management of contracts, including State and Federal projects. She has an additional 15 years of experience in Hawaii's small-business, farmer-to-farmer projects, and non-profit management. With SHAC, she has conducted industry-wide strategic planning, drafted marketing plans, wrote white papers and organized workshops. She serves as the farmer representative to the USDA's Areawide Pest Response committee as well as on multiple community boards. She is well known and regarded in the agriculture industry. She is a second-generation coffee farmer.

Joan Obra - Joan is a co-owner of two Hawaii-based coffee companies (Rusty's Hawaiian & Isla Custom Coffees), and is vice-president of the United Ka'u Farmers Cooperative, based in the Ka'u District of Hawaii. Joan was the lead grant writer on a 2009 USDA Rural Development Grant awarded to the Ka'u Coffee Growers Cooperative, which awarded \$112,855 for improvement of farming and processing practices in Ka'u. The grant was a big success which directly led to rapid improvement in cupping scores and competition wins for Ka'u coffees. Joan has been working with SHAC as a grant writer since 2017.

Ralph Gaston - Ralph also is a co-owner of Rusty's Hawaiian and Isla Custom Coffees, and is currently on the SHAC board of directors, where he serves as the secretary. Ralph is one of the board's representatives from the HCA, where he served as vice president from August 2015-July 2017, and remains a member of the HCA to the present time. Ralph assisted Joan with writing the successful application for the 2009 USDA Rural Development grant on behalf of the Ka'u Coffee Growers Cooperative. He also has been involved with SHAC's Market Access Program (MAP) grants since 2015, focusing on export marketing for the Hawaii coffee industry. Ralph has managed the HCA's trade show presence at the SCA Expo since 2016, and has overseen the HCA booth at the Expo for the past three years. Due to this consistent and increased presence, Ralph has obtained and maintained several contacts within the SCA membership and management structure.

Michael Miyahara - Michael serves as accountant for SHAC. He provides consulting services to family-owned and closely-held businesses located across the state. Miyahira also is a member of the Advisory Committee for the Hilo Innovation & Manufacturing Center, a development project of the Hawaii Technology Development Corporation of the State of Hawaii. He is a past adjunct professor at the University of Hawaii at Hilo, College of Business and Economics, past president of the Hawaii Island Chamber of Commerce, the Japanese Chamber of Commerce, the Big Island Business Council and the Hawaii Island United Way.

### **2. Organization Chart**



### 3. Compensation

SHAC has two staff consultants: Their Full Time Equivalent rates are  
 Administrator: \$104,000  
 Accountant: \$78,000  
 The Board of Directors does not receive compensation.

## VII. Other

### 1. Litigation

SHAC is not currently a part of any litigation, nor are the individual grant applicants.

### 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 nonsectarian private educational institution.

The grant will not be used to support or benefit a private educational institution.

### 4. Future Sustainability Plan


SHAC is a self-sustaining entity through dues submitted by our member associations. For fiscal year 2018, our members contributed close to \$250,000 in cash and in-kind contributions to SHAC activities. The baseline funding for Hawaii Coffee to attend the SCA expo is provided through the USDA Foreign Ag Service' Market Access Program. This baseline funding is expected to continue past 2020.. The Portrait Sponsor package that this GIA seeks for 2020 would be a one-time event.

Applicant  \_\_\_\_\_

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

Applicant: Synergystic Hawaii Agricultural Council

BUDGET CATEGORIES	Total State Funds Requested	Total Federal Funds Requested	Total County Funds Requested	Total Private/Other Funds Requested
	(a)	(b)	(c)	(d)
<b>A.</b>	<b>PERSONNEL COST</b>			
	1. Salaries	25700		
	2. Payroll Taxes & Assessments			
	3. Fringe Benefits			
	<b>TOTAL PERSONNEL COST</b>	<b>25700</b>		
<b>B.</b>	<b>OTHER CURRENT EXPENSES</b>			
	1. Airfare	20000		
	2. Insurance	2000		
	3. Lease/Rental of Equipment	30000		
	4. Lease/Rental of Space	30000		
	5. Staff Training	5000		
	6. Supplies	12000		
	7. Telecommunication	10000		
	8. Utilities	1000		
	Meals & incidentals	10000		
	Lodging	15000		
	Dues/Subscriptions	60000		
	Marketing Materials	15000		
		210000		
	<b>TOTAL OTHER CURRENT EXPENSES</b>			
<b>C.</b>	EQUIPMENT PURCHASES	0		
<b>D.</b>	MOTOR VEHICLE PURCHASES	0		
<b>E.</b>	CAPITAL			
<b>TOTAL (A+B+C+D+E)</b>		<b>235700</b>		
			Budget Prepared By:	Ralph Gaston
<b>SOURCES OF FUNDING</b>				
(a) Total State Funds Requested		235700		
(b) Total Federal Funds Requested		Name (Please type or print) RALPH GASTON		Phone (808) 928-0236
(c) Total County Funds Requested				
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
			1/20/19	
<b>TOTAL BUDGET</b>		<b>235700</b>	Suzanne Shriner, Administrator	





Applicant: \_\_SYNERGYSTIC HAWAII AGR

FUNDING AMOUNT REQUESTED							
TOTAL PROJECT COST	ALL SOURCES OF FUNDS		STATE FUNDS	OTHER SOURCES OF FUNDS	FUNDING REQUIRED IN		
	RECEIVED IN PRIOR YEARS		REQUESTED	REQUESTED	SUCCEEDING YEARS		
	FY: 2017-2018	FY: 2018-2019	FY:2019-2020	FY:2019-2020	FY:2020-2021	FY:2021-2022	
PLANS			235700				
LAND ACQUISITION			0				
DESIGN			0				
CONSTRUCTION			0				
EQUIPMENT			0				
<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>235700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**JUSTIFICATION/COMMENTS:** Funding requested to fully support GIA grant application enclosed. Details included in scope of work and budget

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

Applicant: Synergistic Hawaii Agriculture Council

Contracts Total: **1**

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)</b>	<b>CONTRACT VALUE</b>
1					
2	SHAC - State of HI Grant	August 1 2019 - July 31 2020		State of Hawaii	235700
3					