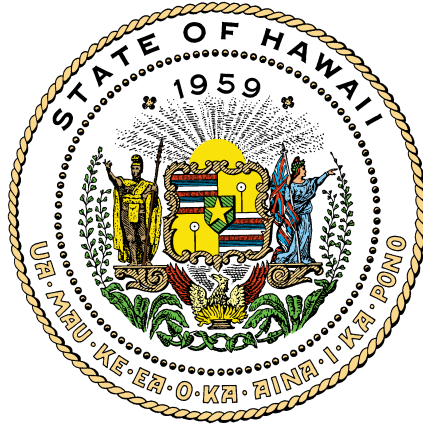


Application Submittal Checklist

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) Hawaii Compliance Express Certificate (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 AILEEN YEH, PRESIDENT 01/19/2024
PRINT NAME AND TITLE 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 19, 2024

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 (DCCA).

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

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

Issue Date: **01/19/2024**

Status: **Compliant**

Hawaii Tax#: [REDACTED]

New Hawaii Tax#:

FEIN/SSN#: XX-XXX9188

UI#: XXXXXX8741

DCCA FILE#: 77190

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
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	A status determination has not yet been made
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 (DCCA).

Vendor Name: HAWAI'I 'ULU PRODUCERS COOPERATIVE

DBA/Trade Name: Hawaii Ulu Cooperative

Issue Date: 12/16/2023

Status: **Compliant**

Hawaii Tax#:

New Hawaii Tax#: GE-1724446720-01

FEIN/SSN#: XX-XXX2889

UI#: No record

DCCA FILE#: 269078

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
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	A status determination has not yet been made
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

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

The undersigned authorized representative of the applicant certifies the following:

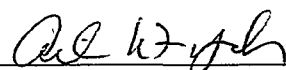
- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide 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; and
- 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.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

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)

01/19/2024

(Date)

Aileen Yeh

President

(Typed Name)

(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

**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.
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 - 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; and
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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.

Hawai'i 'Ulu Producers Cooperative
(Typed Name of Individual or Organization)

 01/17/2024
(Signature) (Date)

Dana Shapiro General Manager
(Typed Name) (Title)

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. Hawaii Compliance Express Certificate (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a Hawaii Compliance Express Certificate from the Comptroller of the Department of Accounting and General Services that is dated no earlier than December 1, 2023.

Please find Certificates of Vendor Compliance and Certificate 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](#).

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](#).

The requested grant will be used to significantly expand the capacity of the state-owned Honalo Marshaling Yard facility, an innovative agricultural hub serving 156 small-scale diversified farmers throughout the State and one of four processing and marshaling facilities owned and managed by the Department of Agriculture on Hawai'i Island. This facility is operated by the Hawai'i 'Ulu Producers Cooperative (HUC), which holds a 25-year commercial lease and in 2023 aggregated over 500,000 pounds of Hawai'i-grown staple crops for minimal processing and distribution to Hawai'i families, schools, hospitals, restaurants, hotels and manufacturers on all major islands. Proposed improvements will quadruple processing capacity and storage space for a range of fresh and frozen local agricultural products – primarily culturally significant staple crops such as 'ulu (breadfruit) and kalo (taro), benefiting local producers and consumers while increasing the state's food security and providing lucrative export market opportunities.

The Honalo Marshaling Yard is the State's only agricultural manufacturing facility dedicated to minimally processing Hawai'i-grown staples. 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 statewide¹, 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 benefits². 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:

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.

Other recent Acts and regulations which the proposed project helps to satisfy include HB767 HD2 SD2 (Act 175) in Section 2 Chapter 302A, Hawaii Revised Statutes: **Farm to school meals**, which stipulates that by 2030, the department shall meet the local farm to school meal goal that thirty percent of food served in public schools shall consist of locally sourced products, as measured by the percentage of the total cost of food. Prior to COVID-19, HUC was a primary local produce vendor for the Hawai'i State Department of Education (HIDOE) – providing over 50,000 pounds of 'ulu, sweet potato, bananas, and papaya annually to all 256 public schools statewide from 2018-2020. Proposed upgrades will position the co-op and its farmers to supply HIDOE and other state institutions.

In 2022, the legislature also passed **SB 338 Related to a Food Hub Pilot Program³**, which stipulates that strengthening the State's food security may be supported by establishing food hubs, which are centrally located facilities with a business management structure that facilitates the aggregation, storage, processing, distribution, and marketing of locally produced food

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

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

³ https://www.capitol.hawaii.gov/sessions/session2022/bills/SB338_.HTM

products. By actively coordinating these activities along the value chain, food hubs provide wider access to institutional and retail markets for small to mid-sized producers, and increase consumers' access to fresh healthy food, including those consumers in underserved areas and "food deserts." The Honalo Facility is a thriving food hub that needs financial support through the requested grant funding to reach its full potential and increase community food security and agricultural economic development.

Additional state and county level plans which this project supports include:

- 'Āina Aloha Economic Futures
- Hawai'i 2050 Sustainability Plan
- Hawai'i Agribusiness Plan 2021
- Transforming Hawai'i's Food System Together
- County of Hawai'i General Plan 2040
- County of Hawai'i Climate Action Plan (2020)

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 (HUC) 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, HUC has – in just over 7 years – grown to **156** producers across four islands and aggregated over 1.69 million pounds of produce. This includes nearly 700,000 pounds of breadfruit that has been minimally processed into steamed-frozen cuts for local food service operations, primarily public schools, hospitals, restaurants and value-added processors, as well as grocery stores statewide. Breadfruit, or 'ulu, is a traditional Polynesian staple with great potential to help reverse Hawai'i's 85-90% 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 1,500 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), HUC developed the first dedicated 'ulu processing and R&D facility in the State, located within the state-owned Honalo 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. HUC has diversified its product line to include a variety of "co-crops," including taro, sweet potatoes, and orange squash, which Hawai'i farmers commonly grow in conjunction with 'ulu. Over 1 million pounds of these co-crops have been aggregated over the past few years, minimally processed and marketed to commercial accounts as well as directly to consumers. This has resulted in significantly increasing local farmers' revenues and enabling the co-op to better maintain year-round operations, hire more employees, retain qualified staff and cover its operating costs. **Infrastructure improvements are now needed to support HUC's current and projected volumes, which are expected to reach 2 million pounds per year by 2030.**

2. The goals and objectives related to the request;

This capital grant request seeks to significantly expand the capacity of the state-owned Honalo marshaling yard facility by developing a temperature-controlled packing room for minimally processed products and an outdoor receiving and storage building for incoming produce, which will bring the facility up to compliance with Food Safety Modernization Act (FSMA) standards while improving the operational efficiency and increasing product quality through shelf-life upgrades. These infrastructure improvements 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 Honalo 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, HUC 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. While the co-op has established partner aggregation and processing facilities to serve its neighbor island farmers, Honalo is the anchor headquarters for all cooperative member-farmers. Currently, HUC's 156 members from around Hawai'i Island, O'ahu, Kaua'i and Maui currently ship more than 30,000 pounds of fresh produce to the facility each month through a variety of distribution channels including truck, barge and air; farmers from 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 Honalo warehouse, which has not been materially improved since the early 1990's. Specific upgrades included in this request include:

- Complete construction of detached intake building. Procure fresh crop aggregation equipment for use in the detached intake building: in-pit commercial scale, ethylene scrubber, electric forklift, inline water cooler, and produce receiving refrigeration to improve product quality, minimize losses due to ripening, and prevent microbial and mold contamination to uphold FSMA standards.
- Complete construction of temperature-controlled packing room. Procure packaging equipment for use in the temperature-controlled packing room: conveyor, packing machine, and box taper.

This project is a critical piece of a larger improvement effort to significantly increase production capacity – enabling increased intake volumes of up to 160,000 pounds per month or 2 million pounds per year. At an average farm gate price of \$1.25 per pound for the particular crops processed at Honalo currently, this investment reflects at least \$2.5 million in added revenues for Hawai'i farmers per year once completed or \$51 billion over the equipment's expected lifespan (25 years).

3. The public purpose and need to be served;

Ninety-five percent of farms in Hawai'i are small-scale according to the 2017 USDA Census, with annual sales of under \$250,000; moreover, only 14% of farmers across the state were reported to have a net income greater than \$50,000. While they are small and often have limited capacity, 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 minimal processing capacity and chill storage space at the Honalo 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 2 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. It supports the State of Hawai'i Aloha+ Challenge commitment to double local food production by 2030 statewide, and the Increased Food Security and Increased Food Self-sufficiency Strategy developed by the Office of Planning, which stipulates that investments in programs and projects which support greater food self-sufficiency will result in economic, social and environmental benefits.

Additionally, the proposed project meets the 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 (5) Foster increased public awareness and understanding of the contributions and benefits of agriculture as a major sector of Hawai'i's economy.
4. 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 (2) Encourage agriculture by making the best use of natural resources.
2. 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 103D104.
3. 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.
2. HRS 226-20 (7) Prioritize programs, services, interventions, and activities that address identified social determinants of health to improve native Hawaiian health and well-being consistent with the United States Congress' declaration of policy as codified in title 42 United States Code section 11702, and to reduce health disparities of disproportionately affected demographics, including native Hawaiians, other Pacific Islanders, and Filipinos.
3. HRS 226-21 (4) Promote educational programs which enhance understanding of Hawai'i's cultural heritage.

Other recent Acts and regulations which the proposed project helps to satisfy include HB767 HD2 SD2 (Act 175) in Section 2 Chapter 302A, Hawaii Revised Statutes: **Farm to school meals**, which stipulates that by 2030, the department shall meet the local farm to school meal goal that thirty percent of food served in public schools shall consist of locally sourced products, as measured by the percentage of the total cost of food. Prior to COVID-19, HUC was a primary local produce vendor for the Hawai'i State Department of Education (HIDOE) – providing over

50,000 pounds of 'ulu, sweet potato, bananas, and papaya annually to all 256 public schools statewide from 2018-2020. Proposed upgrades will position the co-op and its farmers to supply HIDOE and other state institutions.

In 2022, the legislature also passed **SB 338 Related to a Food Hub Pilot Program**, which stipulates that strengthening the State's food security may be supported by establishing food hubs, which are centrally located facilities with a business management structure that facilitates the aggregation, storage, processing, distribution, and marketing of locally produced food products. By actively coordinating these activities along the value chain, food hubs provide wider access to institutional and retail markets for small to mid-sized producers, and increase consumers' access to fresh healthy food, including those consumers in underserved areas and "food deserts." The Honalo Facility is a thriving food hub that needs financial support through the requested grant funding to reach its full potential and increase community food security and agricultural economic development.

Additional state and county level plans which this project supports include:

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- Hawai'i 2050 Sustainability Plan
- Hawai'i Agribusiness Plan 2021
- Transforming Hawai'i's Food System Together
- County of Hawai'i General Plan 2040
- County of Hawai'i Climate Action Plan (2020)

4. Describe the target population to be served; and

The proposed project targets small-scale diversified farmers, who represent 95% of Hawai'i's agricultural sector. A recent membership analysis conducted by HUC showed that 73% of its member farms meet the federal designation as socially disadvantaged (according to race, ethnicity and gender), and over 55% are beginning farmers who have been in operation for less than 10 years. The average farm size is less than 5 acres and 22% are of Native Hawaiian descent – nearly 2.5 times the state average. The average age for HUC farmers is 50 years old, about 13 years younger than the state figure according to the latest USDA Census.

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 also targeted. The selection of crops described above that are currently processed at the Honalo facility have been developed in part through collaboration with the HIDOE to meet the unmet demand of Hawai'i's 256 public schools for minimally processed local produce (from 2018-2020); additional crops have been added into the mix through community and farmer feedback. HIDOE demand is expected to increase again as the Department of Education works to meet the goal of 30% local purchasing by 2030 (Act 175). 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, as well as restaurants, food hubs, grocery stores and other value-added producers. Through the infrastructure expansion proposed herein, the co-op will be able to expand its customer base and improve its compliance FSMA to open new markets.

5. Describe the geographic coverage.

While the Honalo facility continues to service West Hawai'i Island farmers, due to its location in the “breadbasket” of South Kona, it has begun to function as a critical aggregation and processing site for farmers statewide. Over 75% of its produce now comes from outside the region. Agricultural crops from all districts of Hawai'i Island as well as from Maui are regularly shipped to the facility for minimal processing and final distribution and marketing. Likewise, nutritious staple foods are distributed to consumers statewide, as HUC currently supplies institutions, distributors, grocers, restaurants, food hubs and home buyers throughout all major islands. 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 for both procurement and distribution. Moreover, the Honalo facility – as managed by HUC – 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, HUC 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 is part of a larger, two-phase capital improvement project conducted in partnership with the Department of Agriculture. Pre-construction activities are nearing completion. In December 2023, HUC received a new waste separating auger that will enable a cleaner agricultural wash water effluent from the manufacturing process. HUC is currently retesting the wastewater system and results will be incorporated into plan revisions that will be submitted to the Department of Health in February 2024. In March 2024, HUC will submit revised plans, including the DOH-approved redesign of the agricultural wastewater system, to the County of Hawai'i for approval of infrastructure upgrade plans. County approval of the

building permit is expected by September 2024 and a qualified contractor will be retained by that time to begin the capital improvements as soon as the permit is approved.

To support the larger capital improvement project, HUC recently worked with the State Department of Agriculture to secure \$1.9MM in Coronavirus State Fiscal Recovery Funds (CSFRF) through the American Rescue Plan. Funding was confirmed in December 2023 and the current next step is for the DOA to encumber funding. Current federal guidance requires liquidation of funds by September 2024 and DOA is requesting extension of liquidation through December 2025. Scope of work for the use of CSFRF funds are pending this request.

Phase I construction is focused on infrastructure upgrades to expand processing capacity and bring critical infrastructure up to current State of Hawai'i health codes and County of Hawai'i building codes. Phase I improvements include commercial kitchen expansion, upgrading wastewater and domestic water supply systems, HVAC improvements, on-site fire protection, and ADA compliance improvements, among other related upgrades. The anticipated completion date of Phase I activities is January 2025.

The proposed project seeks capital GIA funding to support Phase II, which is focused on the construction of a detached produce intake building and temperature controlled-packing room to comply with the Food Safety Modernization Act (FSMA). The anticipated start date for Phase II activities is February 2025 with completion scheduled for June 2025.

The FY24 State Grant-in-Aid funds requested will enable the proposed project to advance to completion. When fully implemented, the proposed Phase 2 upgrades will comprise a temperature-controlled packing room connecting the commercial kitchen to storage freezer, as well as a 1,050 square foot detached, dedicated fresh crop receiving station with in-pit commercial scale, ample unloading space, consistent access to an electric reach-in forklift, and chill storage located outside the building. *This project will include the following tasks:*

- Complete construction of detached intake building.
- Procure fresh crop aggregation equipment for use in the detached intake building: in-pit commercial scale, ethylene scrubber, electric forklift, inline water cooler, and produce receiving refrigeration to improve product quality, minimize losses due to ripening, and prevent microbial and mold contamination to uphold FSMA standards.
- Complete construction of temperature-controlled packing room.
- Procure packaging equipment for use in the temperature-controlled packing room: conveyor, packing machine, and box taper.
- Install, test and implement use of equipment.
- Develop FSMA-compliant food safety plan and associated SOPs for use of new packing and aggregation infrastructure; 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 HUC general manager Dana Shapiro, M.Sc., with support from HUC operations manager Holokai Brown and in partnership with dedicated project partners and qualified contractors as referenced herein.

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

Timeline	Results or outcomes accomplished
July 2024	- Hire licensed contractor to construct temperature-controlled packing room and detached intake building, and to install equipment per specifications detailed in project plans and permits
August-September 2024	- Source equipment to meet final specs and procure.
January 2025	- Begin construction on packing room and intake building - Install equipment at Honalo facility and test operations. Begin holding fresh product in the new receiving building and packing finished product in the packing room.
March 2025	- Develop FSMA-compliant Food Safety Plan and SOPs for use of the new receiving building and equipment. Refine breadfruit post-harvest and storage procedures to maximize shelf life for distribution statewide.
April-June 2025	- Gradually increase facility produce intake volumes and customer base to match larger final product storage available. - Recruit additional Hawai'i farmers to utilize the facility as expanded receiving and storage capacity allows for greater intake volumes of up to 167,000 pounds of fresh produce per month, or 2 million pounds per year. - Continue market expansion efforts to move up to 133,000 pounds (accounting for byproduct losses and waste streams) of minimally processed product per month. - Continue utilizing new equipment, troubleshoot and modify operations and/or Food Safety Plan, as needed.
May-June 2025	- Write up summary reports and guidelines to share with other local agricultural organizations. - Post project results on HUC website and social media to reach broad audience.

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

HUC general manager Dana Shapiro M.Sc. will be primarily responsible for overseeing and evaluating project activities. Ms. Shapiro has over 11 years of experience managing and

implementing projects funded by government awards, and is qualified to oversee this project. 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.

Honalo facility operations director Holokai Brown will be supervised by Ms. Shapiro during the project. In addition to completing assigned tasks, Mr. Brown will support Ms. Shapiro with documentation of project activities through onsite coordination and communication with contractors, as needed.

HUC utilizes cloud-based Google office programs for project management and coordination. Ms. Shapiro 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 Mr. Brown 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:

- Construction completed on schedule and according to scope of work.
- 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 more than a 5x increase of fresh fruit storage capacity from 6,000 pounds currently to over 30,000 pounds upon project completion; this will support intake volumes up to 167,000 pounds per month (2 million pounds per year).

- FSMA-compliant Food Safety Plan incorporating new equipment and associated SOPs developed and implemented in accordance with the 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 156 farmers on four major islands to at least 175 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 100 Hawai'i grocery stores and 15 export market locations.
- 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 Honalo facility up to six.

IV. Financial

Budget

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

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2025.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$150,592	\$150,591	\$150,591	\$150,591	\$602,365

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2025.

HUC is also applying for a capital GIA for the expansion of chill storage capacity at the Alae Postharvest Facility in Hilo, Hawai'i Island.

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.

HUC has not applied for any tax credits within the prior three years. The co-op also does not anticipate applying for any tax credits pertaining to any capital project in 2024-2025.

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 2025 for program funding.

Within the prior three years and through fiscal year 2025, HUC has received the following federal, state and county grants:

- Hawai'i County Department of Research & Development, "Conducting Product R&D to Support Hawai'i County's Growing Breadfruit Industry and Sustainable Economic Development": \$25,000 award (complete)
 - USDA Specialty Crop Block Grant, "Educational Marketing Campaign for Five Hawaii Specialty Crops Grown in Diversified Production Systems": \$42,810 award (complete)
 - Hawai'i State GIA, "Increasing Freezer Storage for Honalo Marshaling Yard": \$150,000 award (\$35,000 remaining to complete project through December 31, 2023)
 - USDA Rural Energy for America Program EE: \$60,382 original award (complete)
 - USDA Rural Energy for America Program RE: \$37,732 original award (complete)
 - USDA Local Food Promotion Program, "Scale-up and expansion of Hawaii Ulu Cooperative to increase local access and consumption of breadfruit and specialty crops to replace imported food in the State of Hawaii": \$500,000 original award; \$359,730.65 remaining through September 29, 2023
 - USDA Socially Disadvantaged Groups Grant, "Providing Technical Assistance to Hawaii Ulu Cooperative and Socially Disadvantaged Breadfruit Growers to Advance Hawaii's Food Security and Rural Economic Development": \$175,000 award (complete)
 - USDA Value Added Producers Grant, "Working capital for Hawai'i 'Ulu Cooperative to increase processing and sales of breadfruit flour": \$250,000 original award; \$212,125.13 remaining through September 29, 2024
 - USDA WSARE Grant, "Mitigation of Breadfruit Orchard Establishment Challenges in Hawaii: Assessing Best Practices to Address Weed Management and Ungulate Control": \$74,998 original award; \$35,509 remaining through 12/31/2025
 - Hawai'i County Department of Research & Development, "Transforming the Economic Viability of Small-scale Breadfruit Production in Hawaii through R&D of High Value Dense Products": \$25,000 award available through December 31, 2023
 - USDA Climate Smart Commodity Program - subaward under The Nature Conservancy: \$613,938 available through April 2027
 - USDA Climate Smart Commodity Program - subaward under Lynker Corporation: \$123,059.75 available through April 2027
 - USDA SBIR Program Phase II "Overcoming Risks to Fully Commercialize Breadfruit Manufacturing and Marketing Through a Cooperative Framework to Support Small, Diversified Farmers": \$649,809 available through August 2025
 - American Rescue Plan Coronavirus State Fiscal Recovery Funds – awarded to HI Department of Agriculture for Honalo Marshaling Yard under long-term lease by HUC: \$1,900,000 available through 9/30/2024
6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2023.

HUC's unrestricted current assets as of December 31, 2023 are \$96,540.02.

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.

HUC 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 three and a half million dollars over the past four years, innovation in food manufacturing, food safety, commercial product development and agricultural production, and robust organizational capacity. Despite its formation just over seven years ago, the co-op has 156 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 co-op has been able to successfully launch multiple new product lines representing over 1,000,000 pounds of kalo, pumpkins, 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 640,000 pounds of breadfruit aggregated and distributed to local markets since 2016. More information can be found on their website at www.EatBreadfruit.com and www.Ulu.Coop.

HUC is governed by a 7-member board of farmers with four 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 Honalo 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 20 food manufacturing related jobs, acquiring over 800 customers throughout Hawai'i including schools and hospitals, 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.

HUC has secured a 25-year commercial lease over the Honalo Marshaling Yard, currently set to renew in 2043. 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 HUC developed in partnership with HDOA and UH in 2017. HUC has also served as the primary tenant of a second commercial aggregation facility in Hilo, the Alae Postharvest Facility, owned by Kamehameha Schools, which it uses to aggregate produce from East Hawai'i Island farmers and consolidate shipments for transport to the Honalo facility for processing and distribution to markets statewide.



The commercial kitchen at Honalo houses various manufacturing equipment including two double decker commercial steamers, a blast freezer, stainless steel work tables, Urschel industrial cutter, commercial breadfruit peeler, quarterer, racks and knives, and various table top appliances for peeling, cutting and processing local produce – all of which are owned by HUC. HUC also owns a large walk-in storage freezer that was recently installed thanks in part to a 2019 GIA award, which effectively quadrupled finished product storage space available.

HUC's Commercial Kitchen (above)
20 Manufacturing Jobs Created
(below)

The Honalo Marshaling Yard is presently undergoing a capital improvement project that will enable HUC to process 2 million pounds of 'ulu per year. Phase I improvements include commercial kitchen expansion, upgrading wastewater and domestic water supply systems, HVAC improvements, on-site fire protection, and ADA compliance improvements, among other related upgrades. With support from the requested GIA funds currently proposed, HUC will conduct Phase II construction activities, including construction and equipment furnishing of a detached intake building and temperature-controlled packing room. These FSMA-compliant upgrades will significantly increase the volume of fresh fruit the co-op is able to accept and process at a time and provide appropriate storage facilities to ensure that fruit quality and food safety are maintained.



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. – HUC General Manager

Qualifications/experience: Ms. Shapiro has managed HUC 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 11 years of experience managing and implementing projects funded by government awards, and is qualified to oversee this project.

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.

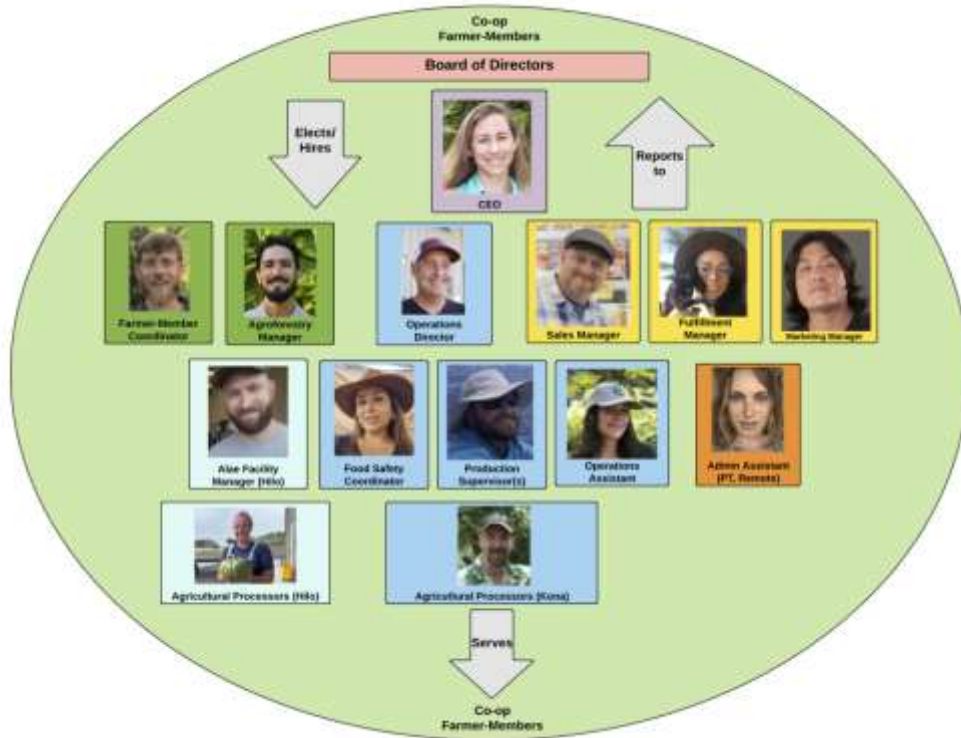
Holokai Brown– HUC Operations Director

Qualifications/experience: Mr. Brown has significant experience in commercial farming, marketing of farm products, agricultural manufacturing, and farm and facility food safety. Born in the South Kona region of Miloli'i, Mr. Brown's family later moved to O'ahu where he attended Kamehameha Schools. After graduating and working in agriculture and retail throughout the continental U.S. for a number of years, he now operates his own farm in the ahupua'a of Alika by Miloli'i. He is PCQI certified and has worked with HUC since 2019, and currently manages operations of HUC's aggregation and processing facility in Honalo. Mr. Brown's resume is attached for evidence of qualifications.

Roles and responsibilities: Mr. Brown will be supervised by Ms. Shapiro during the project. In addition to completing assigned tasks, Mr. Brown will support Ms. Shapiro with documentation of project activities through onsite coordination and communication with contractors, as needed. Mr. Brown 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, Mr. Brown will help to train and hire new staff and farmers.

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.



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.

HUC General Manager - \$80,000-90,000/year.

Operations Director - \$70,000-\$80,000/year.

Sales Manager - \$60,000-\$70,000/year.

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.

Big Island Resource Conservation and Development Council and Hawaii Ulu Cooperative are not parties to any pending litigation.

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 2024-25 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2024-25, but
- (b) Not received by the applicant thereafter.

If this application is funded for FY24-25 but not thereafter, all project services will be sustained and enhanced through HUC's own revenues generated through product sales. Earning potential will be significantly bolstered by having increased fresh storage and minimal processing capacity provided through funding for the proposed project, which will support greater production and sales volumes of 4 times 2023 levels (500,000 pounds to 2 million pounds of fresh produce aggregated, processed and marketed per year). As an agricultural producer cooperative, HUC 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 reinvested 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 2 million pounds per year) to the Honalo Marshaling Yard, with net revenues invested in subsequent facility upgrades to support further scaling as Hawai'i's local food industry continues to grow.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2024 to June 30, 2025

Applicant: Big Island Resource Conservation and Development Council as Fiscal Sponsor for
Hawaii Ulu Producers Cooperative - Honalo Marshaling Yard

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES	233,564			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	368,801			
TOTAL (A+B+C+D+E)	602,365	0	0	0
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	602,365	Dana Shapiro (808) 238-8869		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		<i>Aileen Yeh</i>		
(d) Total Private/Other Funds Requested		Signature of Authorized Official Date		
TOTAL BUDGET	602,365	Aileen Yeh, President Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2024 to June 30, 2025

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

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

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES Period: July 1, 2024 to June 30, 2025

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

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Floor Scale - Aegis industrial SS floor scale	1	\$9,375.00	\$9,375.00	\$9,375.00
Ethylene Scrubber	1	\$2,300.00	\$2,300.00	\$2,300.00
Pneumatic Forklift	1	\$45,000.00	\$45,000.00	\$45,000.00
Incline Water Cooler	1	\$27,600.00	\$27,600.00	\$27,600.00
Produce Receiving Fridge	1	\$108,584.00	\$108,584.00	\$108,584.00
Conveyor - AquaGard 7350 Straight Modular Flat Belt Conveyor	1	\$13,880.00	\$13,880.00	\$13,880.00
Weighing and Packing Machine	1	\$17,450.00	\$17,450.00	\$17,450.00
Automatic Box Taper	1	\$9,375.00	\$9,375.00	\$9,375.00
TOTAL:			\$233,564.00	\$233,564.00

JUSTIFICATION/COMMENTS Floor Scale, Aegis industrial SS floor scale - for local crop receiving and aggregation

 Ethylene Scrubber - to delay fruit ripening

 Pneumatic Forklift - Toyota Pneumatic Forklift to transport and handle large quantities of material

 Incline Water Cooler - to reduce core produce temperature

 Produce Receiving Fridge - 20' x 20' x 10'10" Walk In Combination Cooler Freezer, includes refrigeration

 Conveyor, AquaGard 7350 Straight Modular Flat Belt Conveyor -

 motorized belt conveyor to transport crop from outdoor wash station into commercial kitchen

 Weighing and Packing Machine -

 Weigh Right Model HF-1 Net Weigher semi-automatic weighing and packing machine for minimally processed breadfruit

 Automatic Box Taper - BestPack MSD Simple Pack System, automated box taping system to increase efficiency of box and packing assembly

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES Period: July 1, 2024 to June 30, 2025

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS Period: July 1, 2024 to June 30, 2025

Applicant: Big Island Resource Conservation
and Development as Fiscal Sponsor for Hawai'i
'Ulu Producers Cooperative - Honalo Marshaling
Yard

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: 2022-2023	FY: 2023-2024	FY:2024-2025	FY:2024-2025	FY:2025-2026	FY:2026-2027
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION		\$200,000.00	\$368,801.00	\$1,900,000.00		
EQUIPMENT			\$233,564.00			
TOTAL:		\$200,000.00	\$602,365.00	\$1,900,000.00		
JUSTIFICATION/COMMENTS: Packing room construction, \$168,801 - See project narrative for full detail.						
Outdoor intake building, \$200,000 - \$200,000 rcv'd FY23 GIA and additional \$200,000 is needed to complete project; See project narrative for full detail.						
\$1.9MM pending through HI Department of Agriculture request for American Rescue Plan Coronavirus State Fiscal Recovery Fund. See project narrative.						

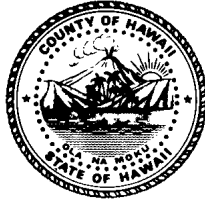
GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Big Island Resource Conservation and Development Council as Fiscal Sponsor
for Hawaii Ulu Producers Cooperative - Honalo Marshaling Yard

Contracts Total: \$4,476,429.90

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	Local food promotion program - promoting four Hawaii specialty crops	9/30/2020-9/30/2024	USDA Agricultural Marketing Service	U.S	499,995.15
2	Value added producer grant - scaling breadfruit flour	9/30/2021-9/30/2024	Development	U.S	250,000.00
3	Transforming the Economic Viability of Small-scale Breadfruit Production in Hawaii through R&D of High Value Dense Products	1/1/2023-6/30/2024	Department of Research and Development	Hawaii County	14,630.00
4	Expanding Agroforestry Project (EAP)	4/1/2023-3/31/2027	USDA NRCS	U.S	613,938.00
5	Expanding climate-smart agriculture and soil health in Hawaii	4/1/2023-3/31/2027	USDA NRCS	U.S	123,059.75
6	Small Business Innovation & Research Phase II - complete R&D to extend breadfruit shelf life, increase processing efficiencies, and conduct marketing research	9/1/2023-8/31/2025	USDA NIFA	U.S.	649,809.00
7	Coronavirus State Fiscal Recovery Fund - HI Dept. of Agriculture awarded funds to improve state-owned Honalo Marshaling Yard leased by HUC	PENDING	Hawaii State Governor's Office	U.S.	1,900,000.00
8	Research and Extension Around Mitigation Practices for Ungulate Prevention and Weed Management in Young Breadfruit Orchards	4/1/2022-12/31/2025	WSARE	U.S.	74,998.00
9	Capital GIA to build fruit receiving building at Honalo Facility	PENDING	Hawaii State	State	200,000.00
10	Capital GIA to build cold storage bay at Alae facility	PENDING	Hawaii State	State	150,000.00
11					

Mitchell D. Roth
Mayor



Douglass S. Adams
Director

Frecia Cevallos
Deputy Director

County of Hawai'i

DEPARTMENT OF RESEARCH AND DEVELOPMENT

25 Aupuni Street, Room 1301 • Hilo, Hawai'i 96720-4252
(808) 961-8366 • Fax (808) 935-1205
E-mail: chresdev@co.hawaii.hi.us

January 17, 2024

Senator Donovan M. Dela Cruz
Senator Gilbert S.C. Keith-Agaran
Senate Committee on Ways and Means
Hawai'i State Capitol
415 S. Beretania Street, Room 208
Honolulu, HI 96813

RE: The Hawai'i 'Ulu Producers Cooperative Capital Grant in Aid proposal
(Honalo Marshaling Yard Facility) for FY 2024-25.

Dear Chair Donovan, Vice Chair Keith-Agaran and Committee Members:

Thank you for the opportunity to submit testimony in strong support of the Hawai'i 'Ulu Cooperative (HUC) proposed project for funding from the FY2024-25 Grant-in-Aid to increase infrastructural capacity for produce aggregation and chill storage at the Honalo Marshaling Yard Facility in Kailua Kona, Hawai'i Island.

My team and I have worked with the Hawai'i 'Ulu Producers Cooperative (HUC) over the past several years to collaborate around innovation and sustainable development of Hawai'i's agriculture and food sector. In addition to serving as a key member of Hawai'i County's Build Back Better Regional Challenge agriculture coalition, the co-op is a wonderful example of farmers collaborating to add value to their crops and reach larger markets, like the Department of Education, that would be otherwise unattainable for individual producers.

The Honalo Marshaling Yard is one of four agricultural processing and marshaling facilities managed by DOA on Hawai'i Island. The Honalo facility is operated by HUC and serves as the primary aggregation, processing, storage and distribution hub for their 145 members across four islands. The facility process over 500,000 pounds of indigenous, Hawai'i-grown staple crops per year and has become the only dedicated agricultural manufacturing facility in the state committed to local staple crops.

The purpose of the proposed upgrades is to significantly expand Honalo's the capacity in order to keep up with its farmers supply of 'ulu and other Hawai'i-grown staple crops. Specifically, funds will be used to develop an outdoor receiving and storage building for incoming produce, which will bring the facility up to compliance with Food Safety Modernization Act (FSMA) standards while improving the operational efficiency and

January 17, 2024

Page 2

increasing product quality through shelf life upgrades. This infrastructure improvement will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource.

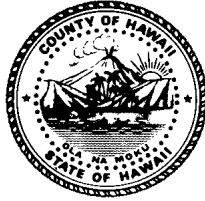
I encourage the Members of the Ways and Means Committee to recommend this proposal be approved by the Senate. Thank you for the opportunity to support this important project and please contact me or my Food Systems Specialist, Sarah Freeman (x8582), with any questions or concerns.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Douglass S. Adams", with a long horizontal flourish extending to the right.

Douglass S. Adams
Director

Mitchell D. Roth
Mayor



Douglass S. Adams
Director

Frecia Cevallos
Deputy Director

County of Hawai'i

DEPARTMENT OF RESEARCH AND DEVELOPMENT

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E-mail: chresdev@co.hawaii.hi.us

January 17, 2024

Representative Yamashita
Representative Kitagawa
House Committee on Finance
Hawaii State Capitol, Room 306
Honolulu, HI 96813

RE: The Hawai'i 'Ulu Producers Cooperative Capital Grant in Aid proposal (Honalo Marshaling Yard Facility) for FY 2024-25.

Dear Chair Yamashita, Vice Chair Kitagawa and Committee Members:

Thank you for the opportunity to submit testimony in strong support of the Hawai'i 'Ulu Cooperative (HUC) proposed project for funding from the FY2024-25 Grant-in-Aid to increase infrastructural capacity for produce aggregation and chill storage at the Honalo Marshaling Yard Facility in Kailua Kona, Hawai'i Island.

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January 17, 2024

Page 2

will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource.

I encourage the Members of the Finance Committee to recommend this proposal be approved by the House. Thank you for the opportunity to support this important project and please contact me or my Food Systems Specialist, Sarah Freeman (x8582), with any questions or concerns.

Very Respectfully,

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Douglass S. Adams
Director

**HONOLI‘I ESTATES FARM
HAWAI‘I ISLAND**

January 16, 2024

Senate Committee on Ways and Means
Hawaii State Capitol, Rm. 208
Honolulu, HI 96813

RE: The Hawai‘i ‘Ulu Producers Cooperative Operating GIA proposal for 2024

Dear Senate Committee on Ways and Means,

On behalf of HUC’s 150+ member-farmers, I write to you today to share the importance of HUC’s current and proposed infrastructure improvements for Hawai‘i’s agricultural producers as well as for consumers and the public at large. Honoli‘i Estates Farm has been an HUC member since 2017 with approximately 170 breadfruit trees in the ground, and I have had the honor of serving on the board of directors from 2020-2m.

Given that Hawai‘i’s breadfruit industry is still nascent and fledgling, we farmers need substantial infrastructure improvements in order to efficiently market our crop. As the largest breadfruit producer group in Hawai‘i by both tree and fruit volume and by number of farmers, HUPC is pioneering entry of breadfruit products into local markets and expanding access to this nutritious sustainable crop for local communities. Our cooperative model enables the development of economies of scale and has allowed us to penetrate over 400 local schools, hospitals, restaurants and grocery stores, among other community outlets such as CSAs and farmers markets. To date, HUC’s educational efforts for consumers have targeted schools – where diet related health problems such as obesity, diabetes and hypertension affect a substantial portion of the population, and grocery stores – including over 85 stores throughout the state of Hawai‘i that currently carry our value added breadfruit products. The activities proposed in this grant will allow us to greatly expand our production and deliver nutritious staples to more consumers in Hawai‘i.

Our specific goals through this grant include:

1. To significantly expand the capacity of the state-owned Honalo marshaling yard facility by developing a temperature-controlled packing room and outdoor receiving and storage building for incoming produce, which will bring the facility up to compliance with Food Safety Modernization Act (FSMA) standards while improving the operational efficiency and increasing product quality through minimal processing and shelf life upgrades. This infrastructure improvement will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource.

We truly believe in the importance of expanding this capacity for a thriving breadfruit industry, a healthy community and a sustainable island. Please contact me by email if you would like to communicate directly with any of our members, our community partners and our collaborators.

**HAWAIIAN CROWN
HILO, HAWAII ISLAND**

We would be happy to connect you and also to answer any questions you may have regarding HUC and our current programs. Thank you for considering HUC for the GIA application.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Menezes". The signature is fluid and cursive, with the first name "Tom" and last name "Menezes" clearly distinguishable.

Tom Menezes, Owner, Hawaiian Crown
HUC Board Director
tmenezes@twc.com
(808) 960-5218

**HONOLI'I ESTATES FARM
HAWAI'I ISLAND**

January 16, 2024

House Committee on Finance
Hawaii State Capitol, Room 306
Honolulu, HI 96813

RE: The Hawai'i 'Ulu Producers Cooperative Operating GIA proposal for 2024–25

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HILO, HAWAII ISLAND**

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Sincerely,

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Tom Menezes, Owner, Hawaiian Crown
HUC Board Director
tmenezes@twc.com
(808) 960-5218



January 18, 2024

Senate Committee on Ways and Means
Hawai'i State Capitol, Rm. 208
Honolulu, HI 96813

RE: The Hawai'i 'Ulu Producers Cooperative Operating GIA proposal for 2024-25

Dear Senate Committee on Ways and Means,

May this letter serve to express my commitment to Hawai'i 'Ulu Cooperative's proposed project for funding from the 2024-25 Grant-in-Aid to increase capacity for fresh produce intake and production of locally-grown staples.

Founded in 2000, The Kohala Center (TKC) is an independent research, education, and 'āina stewardship non-profit for healthier ecosystems. We turn ancestral knowledge and research into action to improve the conditions that lead to stronger relationships with our place, water, food, and people. TKC was established in direct response to requests from island residents and leaders to create greater educational and employment opportunities by caring for—and celebrating—Hawai'i's Island's natural and cultural landscape.

The Kohala Center assists farmers and cooperatives such as Hawai'i 'Ulu Cooperative through our Rural and Cooperative Business Development Services program which works to expand and strengthen Hawai'i's rural economies and food systems by providing cooperative and business development services to farmers, value-added producers, and small businesses.

The proposed project will make a measurable and positive economic impact on the farmers who are members of Hawai'i 'Ulu Cooperative and will increase the utilization of local agricultural products to respond to strong demand in the market for nutritious locally-sourced staples. Thank you for the opportunity to express my support and please contact me with any questions or concerns regarding this commitment.

Sincerely,

Kelly Teamey, Cooperative Development and Collective Economies Manager
(808) 987-9210
kteamey@kohalacenter.org



January 18, 2024

House Committee on Finance
Hawai'i State Capitol, Room 306
Honolulu, HI 96813

RE: The Hawai'i 'Ulu Producers Cooperative Operating GIA proposal for the 2024-2025

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Kelly Teamey, Cooperative Development and Collective Economies Manager
(808) 987-9210
kteamey@kohalacenter.org

**‘Ulu Mana Farm
Umauma, Hawai‘i Island**

January 17, 2024

Senate Committee on Ways and Means
Hawaii State Capitol, Rm. 208
Honolulu, HI 96813

RE: The Hawai‘i ‘Ulu Producers Cooperative Operating GIA proposal for 2024-25

Dear Senate Committee on Ways and Means,

As the Farmer-Member and Board President of Hawai'i 'Ulu Cooperative, I write to you today on behalf of the cooperative's 156+ farmers-members, who the owners of the cooperative. May this letter serve to express our co-op's full commitment to carrying out the proposed infrastructure improvement project to expand production and sales of our agricultural products.

Through our commitment to the cooperative model and to our producers, HUC has created a thriving local breadfruit industry, serving a growing number of agricultural producers and an expanding base of local consumers. HUC has quickly become the largest breadfruit producer group in the State of Hawai'i by both tree and fruit volume and by number of farms.

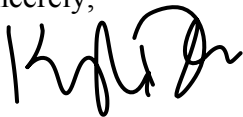
We have pioneered the local breadfruit market through our steamed-frozen product line for wholesale markets, and launched a line of value-added retail products. Building infrastructure capacity is necessary to support our current trajectory of growth.

Our specific goals through this grant include:

1. To significantly expand the capacity of the state-owned Honalo marshaling yard facility by developing a temperature-controlled packing room and outdoor receiving and storage building for incoming produce, which will bring the facility up to compliance with Food Safety Modernization Act (FSMA) standards while improving the operational efficiency and increasing product quality through minimal processing and shelf life upgrades. This infrastructure improvement will impact producers throughout the state and enable more farmers to benefit from and utilize this public resource.

We deeply appreciate the agency's consideration of our application for funding and thank you for your support of our cooperative business expansion efforts. Please contact me with any questions.

Sincerely,



Kyle Datta, Ulu Mana Farm
HUC Member-Farmer and Board President
ekyledatta@gmail.com
(808) 895-7785

**‘Ulu Mana Farm
Umauma, Hawai‘i Island**

January 17, 2024

House Committee on Finance
Hawaii State Capitol, Room 306
Honolulu, HI 96813

RE: The Hawai‘i ‘Ulu Producers Cooperative Operating GIA proposal for 2024-25

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Kyle Datta, Ulu Mana Farm
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