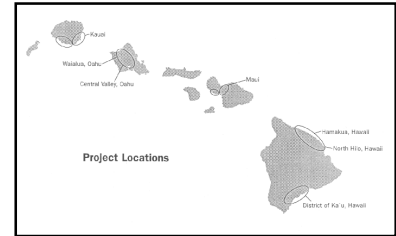


Distribution of RETA-H Projects and Funds

The RETA-H Program began in 1993 with the closure of two sugar plantations along the Hamakua Coast of the island of Hawai'i. As closures of other plantations occurred across the state in subsequent years, the program expanded to include the central valley and North Shore of O'ahu, the island of Kaua'i, and a northwestern portion of Maui. All concept statements received and proposals submitted were evaluated, and those that supported the goals and requirements of the program were funded. As a result the actual distribution of grants was largely a reflection of the number of appropriate proposals received from any community.



Out of 126 successful proposals during the RETA-H Program, 77 field projects created or expanded agriculturally related businesses, 33 proposals were for supplemental funding for particularly successful field projects, two proposals developed an important aspect for new agriculturally related businesses, another two proposals were studies supporting diversified agriculture, and 12 proposals were for program development projects.

The preponderance of projects along the Hamakua Coast of Hawai'i Island is a factor of being the first area of RETA-H activity in the state, of having greater initial acceptance of the program, and of the existence of many effective community programs that sprang up in response to the sudden closure of all of the sugar companies in this 45 mile-long agricultural area.

The relatively large amount of funds provided to Maui, O'ahu, and Kaua'i in relation to the relatively small number of projects reflects the fact that five sugar companies (Hawaiian Commercial & Sugar, Waialua Sugar, Gay & Robinson, Pioneer Mill, and Lihue Plantation Company) received funding in support of their initiatives in diversified agriculture.

Grant funds were divided between four different approaches to reach the program's goals. "Production" refers to the use of land to produce a primary product (a crop or an animal). "Processing" refers to support given to an individual or group to establish, enlarge or improve a facility that processes local products. "Sugar Diversification" refers to grants provided to three failing and two solvent sugar companies.

This provided the failing sugar companies time to reevaluate the use of their lands and workers and provided the surviving sugar companies with the ability to study diversification for future financial stability.

"Development" projects were a series of studies, conferences and support of various types to improve the chances of success for existing or potential businesses deemed to be particularly promising.

Table 3: The number of individual projects and total funds approved as a function of location.

<u>Location</u>	<u>Projects</u>	<u>Funding</u>	<u>Percentage</u>
Field Projects:			
Hawai'i Island:			
Hamakua Coast	35	\$ 5,022,783	28.5%
Ka'u District	9	2,103,518	12.0%
Subtotal	44	\$ 7,126,301	40.5%
Kaua'i	14	4,435,936	25.2%
Maui	4	1,693,495	9.6%
O'ahu	15	4,356,992	24.7%
Field Projects Subtotal	77	\$17,612,724	100.0%
Program Development	<u>14</u>	<u>1,360,217</u>	<u>7.2%</u>
All Projects Total	91	\$18,972,941	100.0%

Table 4: Types of activities and funds devoted to those activities

<u>Activity</u>	<u>Projects</u>	<u>Amount</u>	<u>Percentage</u>
Production	51	\$ 8,385,303	47.6%
Processing	21	3,909,946	22.2%
Sugar Diversification	5	5,316,975	30.2%
Field Projects Subtotal	77	\$17,612,724	100.0%
Program Development	<u>14</u>	<u>1,360,217</u>	<u>7.2%</u>
Total All Projects	91	\$8,972,941	100.0%

Processing projects were funded in support of production projects. The total of these two categories is \$12,295,749; 73.2% (\$8,997,265) of these two categories was used to support production and processing businesses involved with traditional crops such as coffee, livestock, papaya, taro, *etc.* The remaining 26.8% (\$3,298,484) supported the production and processing of crops not yet commercialized in the state. Funding provided to businesses producing and processing new crops represents the RETA-H Program's willingness to support crops that may or may not have been tested in the state, but whose potential for success was believed to be high.

Livestock represents another important area of agriculture in Hawai'i. While dairies and cattle do not employ great numbers of individuals, they keep large areas of land open and in productive use. In addition, their products provide many jobs in processing and other activities leading to the final retail sales.

The herbal industry was of interest to the RETA-H staff since the program's inception. Herbs were identified as the ideal product for an isolated, tropical state. Most herbs are easily processed into a high value product with a long shelf life. If dehydrated, they also are low weight for shipping. The potential opportunities for value-added processing are many and will add greatly to the development of this industry in Hawai'i. In addition to the herbal projects funded, four of the fourteen Program Development contracts were for activities supporting the establishment of the herbs industry in the state. According to one of this new industry's leaders, it was RETA-H's co-sponsorship of the first international symposium on kava that put Hawai'i on the map as an international source for kava (in Hawaiian, *'awa*) and signaled the beginning of the significant increase in kava production that the state realized until the recent scare in the industry.

Administrative and management costs for the RETA-H Program were \$4,732,059 (20% of total funds). These funds covered the costs of grant administration, staff support, and Oversight Committee expenses, but also expenses in direct support of the field projects, including consulting to the projects and a number of other activities in support of the projects.

Type of Crop	Projects	Funding	Percentage
Traditional Crops:			
Dairy/Livestock/Feed:			
Animal Production	5	\$ 558,077	3.2%
Dairy/Heifers	5	1,178,415	6.8%
Feed Production	4	680,470	3.9%
Meat Processing	7	<u>1,613,857</u>	<u>9.2%</u>
Livestock Subtotal	21	\$ 4,031,719	23.0%
Other Crops:			
Banana	1	164,512	0.9%
Coffee	5	837,579	4.8%
Forestry	2	367,384	2.1%
Ginger	2	291,347	1.7%
Honey	1	196,462	1.1%
Papaya	5	850,540	4.8%
Taro	7	828,054	4.7%
Vegetables	<u>6</u>	<u>1,429,668</u>	<u>8.1%</u>
Other Crops Subtotal	29	\$ 4,965,546	28.2%
Traditional Crops Total	50	\$ 8,997,265	51.1%
Crops New to Hawai'i:			
Asparagus	3	\$ 467,794	2.6%
Cacao	2	592,720	3.3%
Heart of Palm	1	146,901	0.8%
Herbals:			
Aloe Vera	2	\$ 323,330	1.8%
Echinacea	1	161,100	0.9%
Herbal Tea	1	57,200	0.3%
Kava	4	470,945	2.7%
Neem	2	274,970	1.6%
Stevia	<u>1</u>	<u>134,500</u>	<u>0.8%</u>
Herbals Subtotal	11	\$ 1,422,045	8.1%
Melons	1	200,000	1.1%
Onions (Bulb)	1	112,500	0.6%
Pineapple (low acid)	2	245,667	1.4%
Vanilla	<u>1</u>	<u>110,857</u>	<u>0.6%</u>
New Crops Subtotal	22	\$ 3,298,484	18.7%
Multiple Crops:			
Sugar Companies	5	\$ 5,316,975	30.2%
Total Field Projects	77	\$17,612,724	100.0%
Program Development	14	1,360,217	7.2%
Total for All Projects	91	\$18,972,941	100.0%