



A Message from Darryl Mleynek
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This report is a final accounting of a major economic development program in Hawai'i. By all measurements, the RETA-H Program was successful. How successful is the subject of this report.

The factors that contributed to that success are important to note. Most notably, they include the exceptional people involved in the program from U. S. Senator Daniel K. Inouye and his staff to the granting agencies—in particular, Dr. Daniel E. Kugler, Deputy Administrator Natural Resources and Environment, at the U.S. Department of Agriculture, Cooperative State Research, Education, and Extension Service and Betty A. Davis, Team Leader, Performance Enhancement and Nutritional Quality Team, at the U.S. Department of Defense Combat Feeding Program at Natick Labs—and to the Oversight Committee, the program staff, and the grant recipients themselves.

The success of RETA-H has also been due to a number of relatively innovative concepts incorporated into the program.

- **Public/Private Sector Management.** Both public sector and private sector individuals were included in program management. The Department of Defense, the Department of Agriculture, and the Hawai'i Small Business Development Center Network represented the public sector. Volunteer members of the RETA-H Oversight Committee, comprised of highly respected community leaders who made all funding decisions, and the Hawai'i Island Economic Development Board represented the private sector. Due to this integration of differing perspectives, the program was able to address not only the business viability of the individual projects in terms of agronomic issues, marketing, and strength of project leaders, but also some of the complicated public issues of land use and water availability.
- **Coordinating Entrepreneurs.** The RETA-H Program incorporated into its projects, when possible, the use of coordinating entrepreneurs to turn former unionized, plantation laborers into independent business people. A coordinating entrepreneur is a project leader who has business and agricultural experience and is willing to act as a mentor to a group of former sugar workers starting their own small farms. The coordinating entrepreneurs typically instructed project members in land clearing and preparation, seed and fertilizer selection, planting, use of insecticides, harvesting, and identifying a market, and, sometimes, they even purchased the harvested crops at fair market value.
- **Risk-Reduction through Consulting.** In order to reduce what would otherwise have been high risk of failure, a concept of risk-reduction through consulting was introduced. Given the considerable risk of failure in providing grants to often inexperienced farmers growing crops that have not been commercially grown in Hawai'i, the RETA-H Program was designed to reduce that risk by providing business assistance counseling from the Hawai'i SBDC Network consultants and technical assistance counseling from the RETA-H staff consultants. Intensive counseling was available to projects from first contact by a potential grant applicant through the project period and beyond into the post-project period.
- **Commodity Group Acceptance.** When appropriate, proposed projects were required to demonstrate in the application process that the related commodity group accepted the project. This procedure avoided the possible perception of creating unfair competition.
- **A Marketing Channel Perspective.** Because Hawai'i is geographically isolated, has a small population base, and lacks a modern history of diversified agriculture, commodities new to Hawai'i were examined as an industry along their entire marketing channel from production through processing to distribution and shipping to retailers and end-users. This process sometimes turned up instances of a "block" in the channel that had to be resolved before a project could be funded. For instance, a project involved in processing a commodity might be found to have inadequate supply of the commodity to reach the levels of processing that were projected. One solution: Fund projects for growers of the commodity in order to increase production.

Each of these concepts has proven itself in the RETA-H Program. Combined with an uncommonly dedicated and involved group of individuals, they produced a highly successful program.