

The RETA-H Program Overview

The Rural Economic Transition Assistance – Hawai'i (RETA-H) Program was developed as a response to the closing of multiple sugar plantations in the early to mid-1990's in Hawai'i. These closings created not only large-scale unemployment, but also a devastating change in the life patterns of sugar plantation workers and their communities. Senator Daniel K. Inouye challenged these communities to change the face of agriculture. While some individuals left agriculture as jobs became available or as barriers grew greater, those who stayed and took on the Senator's challenge found in RETA-H an opportunity to reinvent their lives.

RETA-H was funded through the U.S. Department of Agriculture with funds originating in the U. S. Department of Defense.

RETA-H was a business incubation program with two primary purposes: (1) To create for former sugar workers agriculturally related businesses, preferably, or jobs and (2) to diversify agriculture in the state of Hawai'i. Through this program, former sugar workers with an entrepreneurial spirit used RETA-H grants to start their own agricultural businesses. Many applicants were former sugar workers without any business background and little knowledge of farming, but willing to learn what it took to create and run a small business.

<u>Fiscal Year</u>	<u>Amount</u>
FY 1993	\$ 905,000
FY 1994	4,000,000
FY 1995	0
FY 1996	4,700,000
FY 1997	4,800,000
FY 1998	4,800,000
FY 1999	<u>3,500,000</u>
Total	\$23,705,000

Other applicants were community leaders with an understanding of business and knowledge of farming and a willingness as coordinating entrepreneurs to share their knowledge with former sugar workers in order to develop for them their own agriculturally related business.

While some of the businesses developed with RETA-H grants were simple production and marketing businesses, others became vertically integrated, coupling value-added processing to their existing business. With the advantage of entrepreneurial experience, these individuals were able to share with their project participants Senator Inouye's vision of RETA-H, while concurrently training the same participants for their own agricultural businesses.

In all cases, the staff of the Hawai'i Small Business Development Center Network (SBDC) was available to applicants and participants to assist in their business plans, bookkeeping, marketing, and general business management. Similarly, friends, farmers, business colleagues, and the staff from the University of Hawai'i's College of Tropical Agriculture and Human Resources' (CTAHR) Extension Service were also available to show new and proven farmers alike how to produce the type, quality, and quantity of a crop required in a competitive market.

The effect of this activity was dramatic. Diversified agriculture brought increased dollars to the state's long-stagnant economy. While the RETA-H Program impacted the communities on the macro-scale, the effect on individual lives has been the most striking. Senator Inouye told the communities he wanted to give them hope. And, through this program he did. Each business or job created through the RETA-H Program positively impacted the lives of entire families. RETA-H participants have testified that new hope for their families, as well as new pride in their own lives, had been found.

Approximately half of the jobs created were "entrepreneurial" as an owner or decision-maker in a new agricultural business. This move up from laborer to owner of a farm or related business provided increased opportunities for individuals, their families, and their communities. The risks were great, but the individuals who were able to accomplish their goals as successful entrepreneurs made this program different and rewarding.

Every successful business that has been created through this program will continue to perpetuate the program's purpose.