

## Featured Farmer: Susan and Chad Matsushima Alluvion, Inc., Haleiwa, O'ahu

**Area under production:** 20 acres with two acres under cover (five other farmers also work on the property).

**Years farming in Hawai'i:** 30 years, 16 at this location

**Crops grown, products/services:** Alluvion is a plant nursery, a full florist, a gift basket fulfillment center, and a plant rental company.

**Number of employees:** 15

Alluvion, Inc. is an agribusiness operation located on the North Shore of O'ahu at the old home of Lani Moo. We work on twenty acres of land with two acres under cover. Our belief of "working together works" brought together five other farmers that work on the property. We have been at this location for 16 years and have a downsized operation of 15 employees. Due to the economy, we were forced to cut back on the number that worked with us from 36 to 15.

### Marketing Strategy

Alluvion is a plant nursery, a full florist, a gift basket fulfillment center, and a plant rental company. We service all of the big box stores, the military (commissaries and garden shops), retailers, florists and do mail order fulfillment for Hawaiian Host and Hawai'i Popcorn Company.

We grow 60% of our own production and work with over 50 growers in plants and flowers as a coordinating entrepreneur. We are able to put value-added products like entwined leis and gift baskets with materials that are bought in from other growers. Since we are a small operation, everyone gets to do lots of different tasks. When we are planting, all hands are called to do this task until the job is completed.

Production costs keep rising in our industry. With most of the raw materials originating on the mainland, the cost of products and shipping have affected our bottom line. We all work harder and longer to keep our business going. With great employees with good attitudes, we have been able to keep going. Some of them have been with me for 30 years -- the number of years I have been in the business.

One cannot sell from an empty cart. Thus, having weekly production is essential. Because we are always looking for quality materials, we do charge a little more for our products. Selling beautiful, healthy plants and arrangements is our goal. Our mission statement is: *Alluvion de-*



*Small dish garden by Alluvion, Inc.*

*livers ALOHA with potted plants and flowers, gift baskets, cut flowers and arrangement, and leis.*

## **What does Sustainability mean to you?**

Hawai'i is such a small place and unless we all work together, we cannot be sustainable. The coordinating entrepreneur concept insures that we can be a "consistent supplier of quality products". Like the produce business, we cannot have product one day and have nothing the next. The needs of having certain products available for the marketplace each day is one that Hawai'i growers must come to realize.



*Hawaiian wreath made from macnut leaves and pods*

## **Coordinating Entrepreneur**

The coordinating entrepreneur is a PARTNERSHIP with the growers we work with. We commit to products that we will be purchasing from them and expect that the quantity and quality that we received is what we agreed upon. This agreement is with a hand-shake and thus there are no contractual agreements. Although our agreement as a coordinating entrepreneur is for net 30 days, our policy has been to pay the growers in net 15 days. We understand fully that each of us must be willing make some money on the product we are selling, and if it is not profitable for both of us we would not be able to do this.

The requirements of selling, ticketing, invoicing, delivering, merchandising, putting invoices into the buyer's computer system, and waiting longer than 30 days for payments is not an easy task. Most of the growers that work with us do not have the infrastructure and capacity to do all of this. Often we feel that the growers make much more than we do since all that they do is grow. Marketing, sales, and distribution take a different effort.

## **How did the next generation successfully integrate into the family farm?**

Alluvion is fortunate in that my son, Chad decided to come into the business 10 years ago and is now the president of the operation. Building a business is not easy. However, having succession is even harder. Any operation in agriculture is hard work. One must be willing to work much more than the 40 hours a week that an employee does. If new plants are received, one must come in to water them to insure that they will survive during the weekend. Thus, coming in on Saturday and Sunday becomes essential. This is in addition to meeting of the EDI requirements of the Big Boxes.

## **Challenges in Agriculture**

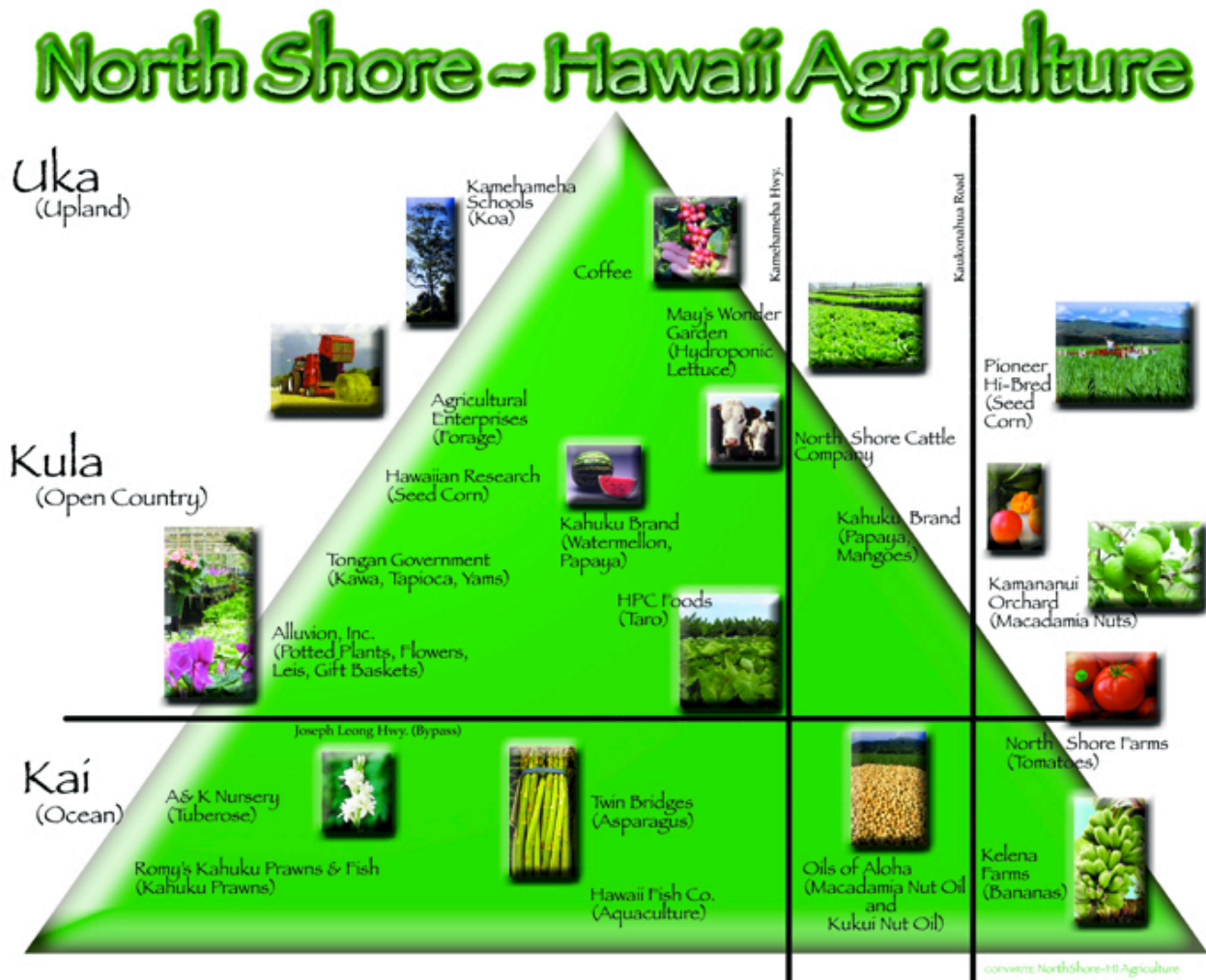
Water is the most critical element for all of agriculture. Without water, none of us can farm. We must all try to preserve this precious commodity each day. At Alluvion, we try to use drip irrigation whenever possible. We also try to use water during off peak hours. Because of the limit of

flow on the property with five different operations, we coordinate use of water with staggered watering schedules.

Now for the challenges of agriculture on the North Shore: water is the most critical issue for us. Right now, very little production of food crops can be done on the acres that Kamehameha and Castle and Cooke own, since most of the water for those acres comes from Lake Wilson. Lake Wilson (a three billion gallon reservoir) is a vital source of water for the North Shore, but unless the water is cleaned up from R2 to R1, we will have very little production. Seed corn and tree crops, as did sugarcane, can do very well with this water. However, no leafy vegetables can be grown with this water. On the North Shore, the water sustainable group stated that no potable water could be used for agriculture. Thus, our only hope is to clean up Lake Wilson with possible holding reservoirs so that water can be transformed to R1.

People keep saying “Keep the Country, Country” with agricultural production. However, without clean water sources, there will be a limit to what we can produce. At this time, the \$260 million seed corn industry is helping to keep Hawai'i in agriculture. This helps with the restoration of our aquifers with crops planted on the land. Without those crops, what will hold the water back

Representation of North Shore Agriculture



from running into the ocean during heavy rains? Sugarcane did that but we don't have that production on O'ahu.

The Hawai'i Department of Agriculture, the Hawai'i Farm Bureau Foundation, and CTAHR have all supported all kinds of agricultural production in Hawai'i. This means GMO, Organic, and Conventional production. However, in recent times, the vocal minority that thinks that their voice is the only one that needs to be heard has dominated our media. Although only 1%<sup>1</sup> of the Produce purchased our state is Organic, those supporting this kind of production have overpowered many of us. Most of us cannot afford to buy organic and thus we go to conventional production for most of our food needs. We must allow the silent majority to RISE UP to support what they believe in. Buying LOCAL ...is more important in supporting Hawai'i farmers and reduces the carbon footprint.

Challenges for Hawai'i in the next 5-10 years are water and labor. The majority of our farmers are aging and the NEW FARMER will be our hardworking immigrant farmers. We must work with them and make them succeed in order for us to increase production in our state. We must also work with those who are willing to do PRODUCTION agriculture. Those who are willing to work hard each day and make their living from agriculture are those that we must support. We will not become self sufficient with subsistence farmers.

This view is not one that is conventional. However, we must look at the hard issues that need to be addressed: water, food safety, good land with reasonable leases, and support of immigrant workers who are willing to work hard to get to be producers of products for our Hawai'i.

One last note, the University of Hawai'i is one of only 100 remaining Land Grant Universities. It is essential to have the support for CTAHR by producers and the University. The University of Hawai'i is here because of the Land Grant system and the three-legged stool of education, research, and extension makes us different from other institutions. We must have the extension programs strengthened so that Hawaii's agriculture can help farmers make Hawaii's production more sustainable.



*Gift basket with tropical and Hawai'i products*

*Mahalo nui loa to Susan Matsushima for this article and photographs.*



**HOT TIP** from Alluvion Inc.

Working together works! Hawai'i is so small that unless we work together and help each other as farmers...we will not succeed. We cannot be bad-mouthing our neighbors and other growers. We must work together to make Hawaii's agriculture succeed.

**Alluvion Website:** <http://www.alluvionhi.com/>

*Article content is the sole responsibility of the author. For more information about this article, contact Susan Matsushima at Alluvion, Inc.*

<sup>1</sup> **Editor's Note:** Organic sales account for over 3 percent of total U.S. food sales, though organic products account for a much larger share in some categories, like produce and dairy. See <http://www.ers.usda.gov/topics/natural-resourcesenvironment/organic-agriculture.aspx>.