



Sustainable Agriculture: Agribusiness Management Overview

Presentation for Hawaii WSARE PDP 2019-2022

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College of Tropical Agriculture
and Human Resources
University of Hawai'i at Mānoa



Sustainable and Organic
Agriculture Program
College of Tropical Agriculture and Human Resources
University of Hawai'i at Mānoa





Agri-Business Management

- The integration of business and management strategies into the agricultural sector.
 - Business planning
 - Production management
 - Financial feasibility
 - Sales
 - Marketing
 - Regulations
 - Compliance
 - Human resources
- Information in this presentation was extracted from the Hawaii Agribusiness Guidebook





Components of Agribusiness

- **Business Planning**

- Defining goals and your business model
- Identifying and negotiating land options and related infrastructure
- Establishing your business
- Knowing resources and developing networks

- **Production management**

- Developing needed skills and resources
- Production planning and crop scheduling
- In-field research and labor/yield tracking

- **Financial (accounting, financing, taxes)**

- Ensuring financial feasibility
- Developing accurate and up-to-date records

- **Sales/marketing**

- Developing consistent and purposeful efforts to increase customer value and revenues
- Establishing markets, and building relationships
- Creating efficient delivery and superior customer service skills

- **Regulations/compliance**

- Ensuring compliance with construction, land, labeling, food safety, organic, pesticide, taxes, labor laws

- **Human Resource Management**

- Personnel decisions
- Health and safety



Business Planning

- Components of a Business Plan
 - Executive Summary
 - Company Overview
 - Operational Overview
 - Marketing
 - Financials
- Business Plan Development Organizations
 - GoFarm Hawai'i AgBusiness
 - Hawaii Small Business Development Center
 - The Kohala Center

Hawaii Agribusiness Guidebook

Editor: Charles M. Kinoshita





Business Structure

- The business structure may impact multiple aspects of your business, including taxes, liability, ownership succession, and others.
 - Sole proprietorships
 - Partnership
 - Corporations
 - Limited liability company
 - Non-profit organizations

www.BusinessRegistrations.com

Nonrefundable Filing Fee \$50.00

FORM LLC-1
7/2010

Clear Form

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
335 Merchant Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810
Phone No. (808) 586-2727



ARTICLES OF ORGANIZATION FOR LIMITED LIABILITY COMPANY (Section 426-203, Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, for the purpose of forming a limited liability company under the laws of the State of Hawaii, do hereby make and execute these Articles of Organization:

I
The name of the company shall be:

(The name must contain the words *Limited Liability Company* or the abbreviation *L.L.C.* or *LLC*.)

II
The mailing address of the initial principal office is:

III
The company shall have and continuously maintain in the State of Hawaii a registered agent who shall have a business address in this State. The agent may be an individual who resides in this State, a domestic entity or a foreign entity authorized to transact business in this State.

- a. The name (and state or country of incorporation, formation or organization, if applicable) of the company's registered agent in the State of Hawaii is:

(Name of Registered Agent)

(State or Country)

- b. The street address of the place of business of the person in State of Hawaii to which service of process and other notice and documents being served on or sent to the entity represented by it may be delivered to is:



Customers

- Community Supported Agriculture (CSA):
 - CSA allows consumers to buy local, seasonal food directly from a farmer.
- Retail:
 - Selling direct to consumers.
- Wholesale:
 - Selling to supermarkets or restaurants or through a distributor.





Registering Your Business

Online: Hawai'i Business Express

The screenshot shows the Hawaii Business Express website. At the top is a dark navigation bar with the *hawaii.gov* logo, a home icon, and the text "DCCA BREG". To the right are links for "Welcome", "Start", "Manage", "Search & Buy", "My Dashboard", "Log In", and "What's new!". Below this is a banner for the "Business Registration Division, Department of Commerce & Consumer Affairs" featuring the "Hawaii Business Express" logo and the tagline "Start, manage, and learn about Hawaii businesses". A search bar with the placeholder "Enter a business name..." and a "Search" button is present. Below the banner, a message reads: "Got an idea for a business in Hawaii but unsure what else you need? Visit our [Business Action Center](#)". The main content area consists of four light blue boxes: 1. "Start" (pencil icon) with a list: "Register a new business", "Reserve a business name", "Register a new trade name or mark", and a "Get started" button. 2. "Manage" (gear icon) with a list: "File your annual report", "Change an existing business", "Renew trade names / marks", and a "Learn more" button. 3. "Search & Buy" (magnifying glass icon) with a list: "Search businesses, trade names & marks", "Buy documents", and a "Search now" button. 4. "My Dashboard" (pie chart icon) with a list: "Track all of your filings", "See what's due", "Access purchased documents", and a "Learn more" button. A green star icon is in the top right corner of the dashboard box.

hawaii.gov DCCA BREG Welcome Start Manage Search & Buy My Dashboard Log In What's new!

Business Registration Division, Department of Commerce & Consumer Affairs
Hawaii Business Express
Start, manage, and learn about Hawaii businesses

Enter a business name... Search

Got an idea for a business in Hawaii but unsure what else you need? Visit our [Business Action Center](#).

Start

- Register a new business
- Reserve a business name
- Register a new trade name or mark

Get started

Manage

- File your annual report
- Change an existing business
- Renew trade names / marks

Learn more

Search & Buy

- Search businesses, trade names & marks
- Buy documents

Search now

My Dashboard

- Track all of your filings
- See what's due
- Access purchased documents


Learn more



Registering Your Business

Mail:
Department of Commerce
and Consumer Affairs

Source: 2018, Hawaii Agribusiness Guidebook



Department of Commerce and Consumer Affairs
Business Registration

Search this site

HomeAboutNews ReleasesCalendarReportsHRSHARFAQs▼ContactDCCA Home

Home » Registration Forms, Fees and Information » Registration Forms and Information

REGISTRATION FORMS AND INFORMATION

You can easily register online and instantly submit a filing and receive a receipt. Or you can file using a paper form. Forms are in a fillable PDF format. Print, sign, and mail in with check or walk-in with check or credit card.


REGISTERING YOUR BUSINESS IN HAWAII

In Hawaii, corporations, partnerships, limited liability companies, and limited liability partnerships are registered with the Department of Commerce and Consumer Affairs, Business Registration Division (BREG). Registering a business with the Business Registration Division is relatively simple.


BREG's business registration, amendment, correction, and reservation forms are available for download. To register a business using a paper form, select a business entity type then click the desired form to view, fill, and print.

REGISTER ONLINE

- Domestic Profit Corporation**

Info & Forms		Apply Online 
----------------------------------	--	---
- Domestic Nonprofit Corporation**

Info &		Apply Online
----------------------------	--	------------------------------

COMMISSIONER

Ty Nohara
[Read Message](#)

BREG SPOTLIGHT

- [Business Name Search / Find File Number](#)
- [Register a Business Online](#)
- [Buy Certificate of Good Standing Other Docs](#)
- [Business Annual Report Filing](#)
- [Online Services](#)



Financial Records

Crop	Revenues				
	Year 1	Year 2	Year 3	Year 4	Year 5
Salad Mix	\$ 14,063	\$ 15,469	\$ 17,016	\$ 18,717	\$ 20,589
Bunching Greens	\$ 4,725	\$ 5,198	\$ 5,717	\$ 6,289	\$ 6,918
Beets	\$ 5,400	\$ 5,940	\$ 6,534	\$ 7,187	\$ 7,906
Bush Beans	\$ 4,050	\$ 4,455	\$ 4,901	\$ 5,391	\$ 5,930
Eggplant	\$ 1,500	\$ 1,650	\$ 1,815	\$ 1,997	\$ 2,196
Tomatoes	\$ 574	\$ 631	\$ 694	\$ 764	\$ 840
Broccoli	\$ 450	\$ 495	\$ 545	\$ 599	\$ 659
Green Onions	\$ 489	\$ 538	\$ 592	\$ 651	\$ 716
Revenues	\$ 31,251	\$ 34,376	\$ 37,813	\$ 41,595	\$ 45,754
Direct Costs	\$ 5,074	\$ 5,581	\$ 6,140	\$ 6,753	\$ 7,429
Gross Profit	\$ 26,177	\$ 28,794	\$ 31,674	\$ 34,841	\$ 38,325
Operating Costs	\$ 3,460	\$ 3,806	\$ 4,187	\$ 4,605	\$ 5,066
Operating Profit	\$ 22,717	\$ 24,988	\$ 27,487	\$ 30,236	\$ 33,259
Startup Costs	\$ 15,000				
Profit Before Income Taxes	\$ 7,717	\$ 24,988	\$ 27,487	\$ 30,236	\$ 33,259

Sample Farm

1735 County Road
Waimanalo, HI 12345

Invoice

DATE	INVOICE #
12/15/2021	1100

BILL TO

TERMS

DUE DATE

12/15/2021

DESCRIPTION	QUANTITY	U/M	RATE	AMOUNT
Bananas	80	Lb	1.25	100.00
Subtotal				\$100.00
GET (7.75%)				\$0.00
Total incl. GET				\$100.00
Payments/Credits				\$0.00
Balance Due				\$100.00

Payment Instructions: Make checks payable to Sample Farm

Contact Information:

Email: sample.farm@gmail.com
Phone: 808-555-1234



Business Taxes

- General Excise Tax
- State Income Tax
- Federal Income Tax
- Use Tax
- Real Property Tax
- Motor Vehicle Weight Tax

(REV. 2018)

STATE OF HAWAII
DEPARTMENT OF TAXATION



GENERAL INSTRUCTIONS FOR FILING THE GENERAL EXCISE/USE TAX RETURNS

CONTAINS THE FOLLOWING:

Page Nos.

General Excise/Use Tax Returns General Instructions.....	2-4
General Excise/Use Tax Activity Classifications.....	4-6
Step-By-Step Instructions for Filing in Your Form G-45 (Periodic Return)	7-12
Instructions for Filing an Amended Form G-45.....	12
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Schedule of General Excise Tax Exemptions and Deductions.....	19-21
Division of Gross Income Among Taxpayers	21-22
Schedule of Use Tax Exemptions and Deductions.....	22
Schedule of County Surcharge Exemptions and Deductions.....	22

REMINDER: A county surcharge on the State's general excise and use taxes is imposed on Hawaii taxpayers. Taxpayers MUST complete Part V of their periodic and annual general excise/use tax returns to assign their taxes to each county, or may be subject to a 10% penalty for noncompliance.

NOTE: Periodic general excise/use tax returns (Form G-45), the annual general excise/use tax return (Form G-49), and the Application for Extension of Time to File (Form GEW-TA-RV-6) can be filed and payments made electronically through the State's Internet portal. For more information, go to tax.hawaii.gov/eservices/.

Mailing Address Information

HAWAII DEPARTMENT OF TAXATION
P.O. BOX 1425
HONOLULU, HI 96806-1425



Business Fees

- Business
 - Registration fees
 - Liability insurance
 - Crop insurance
- Employees
 - Federal income tax
 - State income tax
 - Social Security
 - Medicare
 - Unemployment Insurance
 - Workers' Compensation Insurance
 - Temporary Disability Insurance





Production Planning

- What do you plan to grow?
- Who do you plan to sell to?
- Do you need to grow a specific amount to achieve your financial or production goals?
- What are your land and growing restrictions?
- How much money will you make?





Production Planning

- What kind of production schedule makes sense for your business and personal needs?



Crop	Leafy Greens (ex. soil)	Fruiting Vegetables (ex. Tomato)	Fruit crops (ex. Mango)
Days to Harvest (generalized)	45-60 days	60-75 days after transplant	2-3 years
Harvest interval	Once	Multiple harvest per week	Once per season



Land Options

- Purchase
- Lease
 - Agricultural Parks
 - Hawaii Department of Agriculture
 - Hawaii Agricultural Foundation Ag Parks
 - Kula Agricultural Park
 - Kapulena Agricultural Park
 - Private Landowners
 - Agribusiness Development Corporation
 - Kamehameha Schools
 - Grove Farm





Licensing: Land

- Special Management Area Permit
 - Any disturbing work such as: grading, stockpiling, grubbing, and trenching.
- Building / Zoning Permits
 - City and County of Honolulu Department of Planning and Permitting





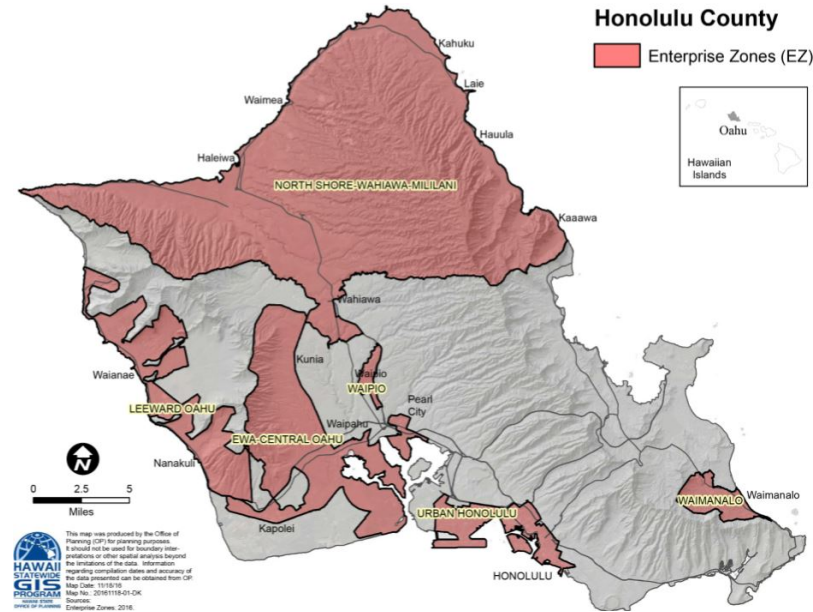
Land: Conservation Planning

- Conservation Planning
 - Cover Crop
 - Crop Rotation
 - Vegetative Barriers
 - Nutrient Management
 - Pest Management
 - Wind Break
- Conservation Agencies
 - USDA NRCS
 - Hawaii Association of Conservation Districts (HACD)
 - Oahu Resource Conservation and Development Council



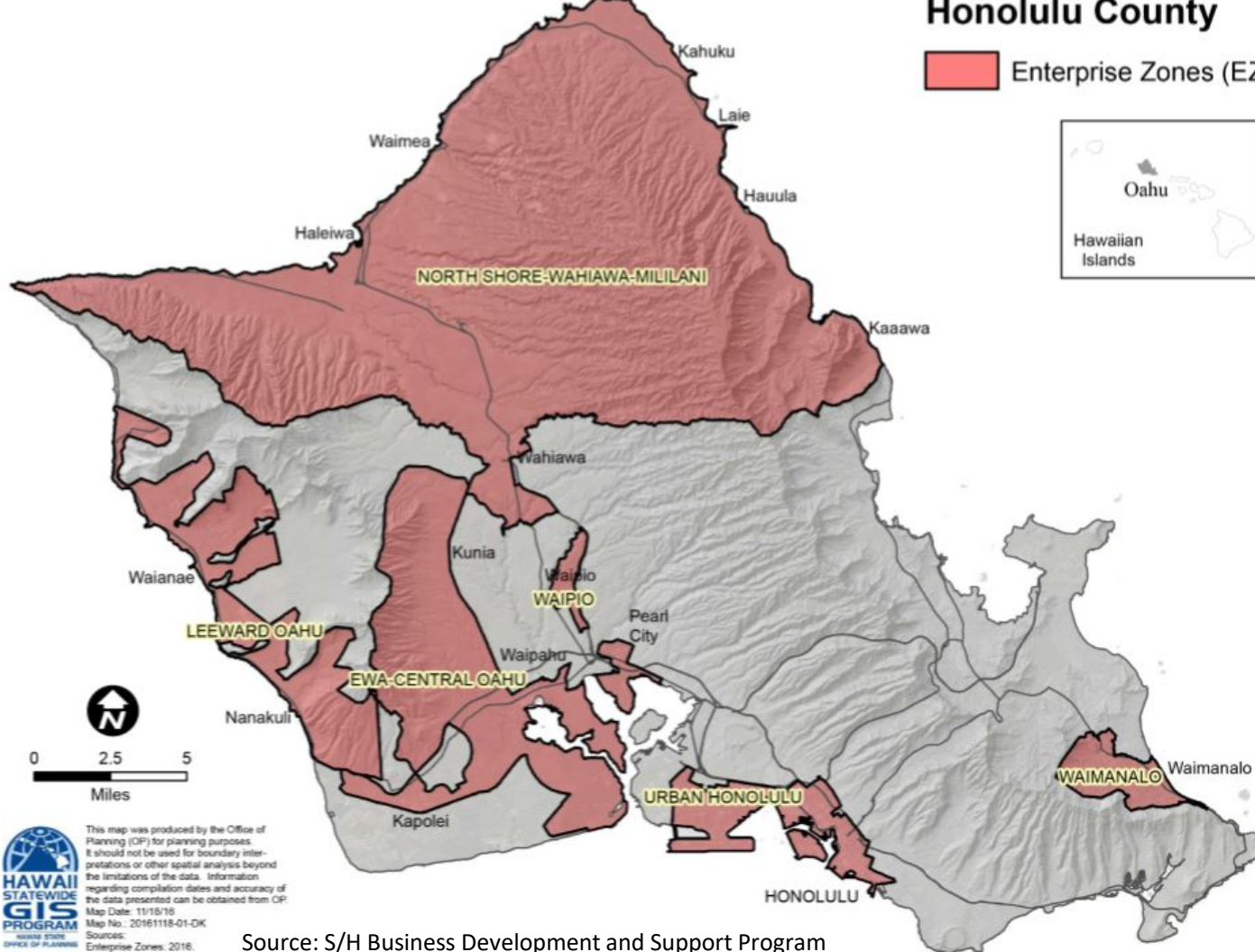
Land: Enterprise Zones

- 100% exemption from the General Excise Tax (GET)
- An 80% non-refundable State income tax credit the first year
- An additional non-refundable income tax credit equal to 80% of annual Unemployment Insurance premiums the first year



Honolulu County

 Enterprise Zones (EZ)



This map was produced by the Office of Planning (OP) for planning purposes. It should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. Information regarding compilation dates and accuracy of the data presented can be obtained from OP.
Map Date: 11/18/18
Map No.: 20161118-01-OK
Sources:
Enterprise Zones: 2016.

Source: S/H Business Development and Support Program



Marketing

- Identify your strategy and branding efforts
- Target your market
 - Think of your ideal customer
 - Ex. *Mother of school aged children who really wants her family to eat local, fresh, healthy vegetables*
- Conduct a market analysis
 - What is your story?
 - What is your inspiration?
 - How are you Innovative?
 - How are you innovating?
 - What is your value perception?
 - Does your price point match your branding & packaging?
 - What is your capacity (time, money, production)?
- Understand your competition

Island Fresh
Buy Local It Matters
Join the movement!





Successful Marketing Plan (4 P's)

- Product
 - Packaging and portion size
- Price
 - Premium pricing
- Place
 - Locations for sale and distribution
- Promotion
 - Tag, brand, slogan, logo
 - Nutritional benefits
 - Social media
 - Advertising





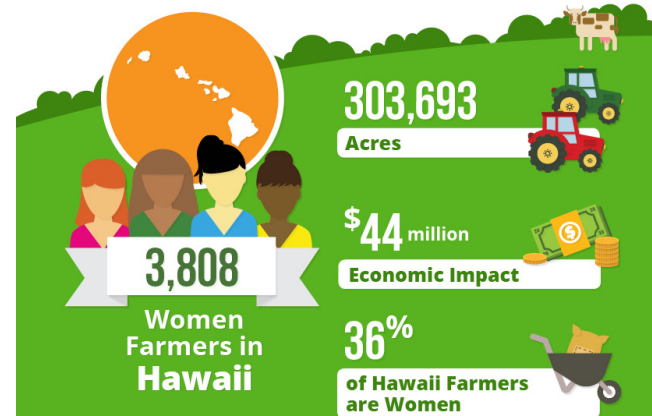
Position and Branding

- Position statement
 - A concise statement that describes the one or two things you want your potential customers to associate with your company.
- Branding
 - Convey your message/mission in your advertising, how you deal with customers, ensuring your packaging, letterhead, business cards, etc. convey your branding consistently and pervasively.



#WomenInAg

From the classroom to the farm to the boardroom, women in agriculture are helping to pave the way for a better future. As leaders, it is our responsibility to make sure the next generation of women are educated, encouraged and empowered to take on the challenges of meeting the world's growing food, fuel and fiber needs. To help women in Hawaii connect with other women leaders in agriculture all across the country, the U.S. Department of Agriculture has established a women in ag mentoring network. Join the conversation by emailing AgWomenLead@usda.gov or check out [#womeninag](#) on Twitter.





Positioning Statement Affects Your Marketing Mix (4 P's)

- **Products**-food safety certified, biodegradable material, grown organically, etc.
- **Price**-moderately priced, affordable vs. high end
- **Place** (distribution)-retail, wholesale, CSA's, delivery, community based, farmers markets, etc.?
- **Promotion**-advertise, sales people, events, social media, etc.

Position Statement Example:

We grow safe, organic, nutritious, affordable and accessible food that protects our environment, farm workers, and the community in which we farm.



Branding

- Developing preference and loyalty for your product
- Visual aids to reinforcement
 - Brand Name/Company Name
 - Tagline/Slogan
 - Logo
 - Color Scheme
 - Spokesperson/Character/Voice
 - Font/Typeface
 - Packaging/Labeling



Logo has to be linked to your position



Branding Linked to Position



Low Prices



Not Processed



Direct to customer



Ensure Marketing Mix Are Linked to Your Position



Reliable
Fast
Direct
Accountable



Latest Technology
Premium brand
Highly desired



Quick service
Affordable food
Simple



Marketing: Organic Certification

- USDA National Organic Policy
 - Land Requirements
 - Soil fertility and crop nutrient management practice
 - Crop Rotation
 - Seeds and planting stock
 - Crop pest, weed, and disease management practice
 - Post-Harvest Handling
 - Record Keeping
 - Inspection





Licensing: Sales

- Dealer's License – This is required when selling or handling Hawaii grown agricultural products obtained or purchased directly from a farmer or producer.





Regulations: Legal Labor

- Farm worker must be authorized to work in the U.S.
 - Citizens or nationals of the U.S.
 - Lawful permanent residents
 - Aliens authorized to work during the period of hire
- Child labor
 - Child labor certificate or “work permit” is required for working minors until they reach 18 years of age.



[About](#) ▾ [Getting started](#) [Destinations](#) [FoWO](#) [News](#) [FAQ](#) [Contact](#)





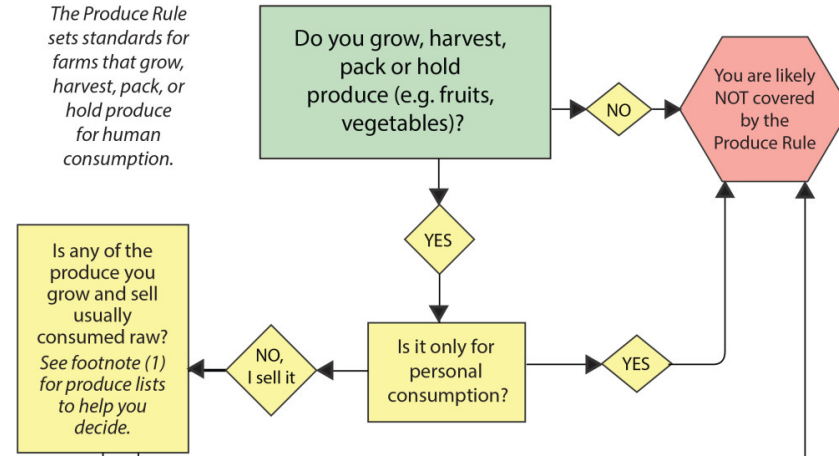
Regulations: Food Safety Regulations

- FSMA

- Worker health, hygiene, and training
- Agricultural water, both for production and post-harvest uses
- Biological soil amendments (e.g., compost, manure)
- Domesticated and wild animals
- Equipment, tools, buildings, and sanitation

Am I Affected by the FSMA Produce Rule?

The Produce Rule sets standards for farms that grow, harvest, pack, or hold produce for human consumption.





Regulation: Pesticide Applicator Certification

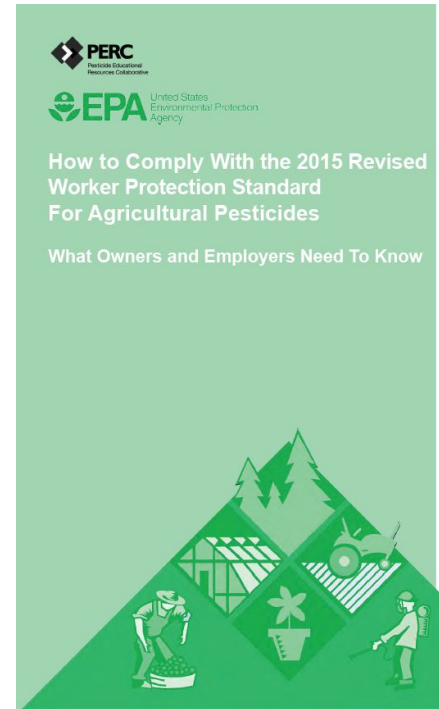
- You must be certified to use restricted use chemical pesticides on your farm





Regulations: Worker Protection Regulations

- If a farm employee will be entering a treated area on an agricultural establishment where a pesticide product has been used or a restricted-entry interval (REI) for such pesticide has been in effect, the employer must ensure that each worker has been trained in accordance with WPS within the last 12 months.





Growing Your Business

- Value added products
 - Food Safety Education
 - Food Establishment Permit
 - Special Event Food Establishment Permit
- Agri-tourism
 - Farm tour
 - Restaurant
 - Food truck
 - Farmers market
 - School programs



ALOUN FARMS 17TH ANNUAL PUMPKIN FESTIVAL

OCT 14-15, 21-22 & 28-29TH 2017 (8:30AM-5:00PM)

FREE PARKING
\$3 Entry
-2 & Under FREE-
Military Appreciation Day
Oct. 28th Military I.D.
Admits Card Holder Free

UnitedHealthcare
Community Plan

D-R HORTON
America's Builder
HAWAII

GROWING HOPE

LOCAL FOOD VENDORS
FREE HAYRIDES
ENTERTAINMENT
FARMERS MARKET
PICK CORN, BEANS, SUNFLOWERS, PUMPKINS & MORE!

DONATE 2 trash bags of gently used clothes & get FREE entry w/ a chance to WIN daily Family 4 packs to Wet N Wild Hawaii. DONATE to Hawaii Food Bank and receive a FREE mini mix pumpkin!

KROC CENTER HAWAII
THE QUEEN'S MEDICAL CENTER HAWAII
Urology Care Hawaii
FAMILY FIRST SOLAR
HAWAIIAN ELECTRIC
MAUI ELECTRIC
HAWAII ELECTRIC LIGHT
KIA MUKUNA AUTO
Jamba Juice
DTIC

PAPA JOHN'S
ISLAND NEWS KTVU
PERDUE LIL, INC.
PIONEER
First Hawaiian Bank
GENIE
MONSANTO
GOODFELLOW BROS. INC.
AM 760
AM 730
AM 690
AM 94.3 FM

CONTACT US: 808-677-9516 info@alounfarms.com www.alounfarms.com @ALOUNFARMS



Funding

- Loans
 - Commercial banks
 - USDA Farm Service agency
 - Hawaii Department of Agriculture
 - Farm Credit Services of Hawaii / Federal Land Bank Association
- Grants
 - Hawaii Community Foundation
 - The Kohala Center
 - USDA Sustainable Agriculture Research & Education (SARE) program
 - Western SARE
 - The USDA National Agriculture Library
 - USDA NRCS (EQIP/ AMA cost share)
 - USDA FSA (reimbursement program)





For More information:

Sustainable and Organic Agriculture Program

University of Hawaii at Manoa, College of Tropical Agriculture and Human Resources

<https://cms.ctahr.hawaii.edu/soap>

Oahu Agriculture & Conservation Association

<https://www.oahuaca.org>

WSARE

Western Sustainable Agriculture Research and Education

<https://www.westernsare.org/>

