Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- [X] 1) Certificate of Good Standing (If the Applicant is an Organization)
- [X] 2) Declaration Statement
- [X] 3) Verify that grant shall be used for a public purpose
- [X] 4) Background and Summary
- [X] 5) Service Summary and Outcomes
- [X] 6) Budget
  - a. Budget request by source of funds (Link)
  - b. Personnel salaries and wages (Link)
  - c. Equipment and motor vehicles (Link)
  - d. Capital project details (Link)
  - e. Government contracts, grants, and grants in aid (Link)
- [X] 7) Experience and Capability
- [ ] 8) Personnel: Project Organization and Staffing

Authorized Signature: [Signature]
Print Name and Title: [Name]
Date: 1/17/19

Rev 12/18/18 Application for Grants
Compliance with the 2011 Food Safety & Modernization Act (FSMA) is a significant barrier for farms in Hawaii seeking to sell their products to many local wholesale and retail companies who require food safety certification from their growers. North Shore EVP has established a USDA authorized GroupGAP food safety certification training program for Hawaii's medium to small farms. Of the 19 farms in the program (all Oahu), 2 farms have received their USDA GAP certification and 2 farms are pending final audit. This request is for support to expand the program statewide.
Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

NORTH SHORE EVP

was incorporated under the laws of Hawaii on 02/08/2016; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 06, 2019

[Signature]

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 321290-COGS_PDF-258986D2
DECLARATION STATEMENT OF APPLICANTS FOR GRANTS PURSUANT TO CHAPTER 42F, HAWAII REVISED STATUTES

The undersigned authorized representative of the applicant certifies the following:

1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
   a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
   b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
   c) Agrees not to use state funds for entertainment or lobbying activities; and
   d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.

2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
   a) Is incorporated under the laws of the State; and
   b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.

3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
   a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
   b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

North Shore EVP

[Signature] 1/15/2019

Kevin M. Kelly
President

Typed Name of Individual or Organization
Typed Name

Rev 12/2/16 5 Application for Grants
To Whom It May Concern,

I hereby certify that pursuant to Section 42F-102, Hawaii Revised Statutes the funds requested in the application will be used for a public purpose.

Kevin M. Kelly
President

January 11, 2019
BUDGET REQUEST BY SOURCE OF FUNDS
Period: July 1, 2019 to June 30, 2020

Applicant: North Shore EVP

<table>
<thead>
<tr>
<th>BUDGET CATEGORIES</th>
<th>Total State Funds Requested (a)</th>
<th>Total Federal Funds Requested (b)</th>
<th>Total County Funds Requested (c)</th>
<th>Total Private/Other Funds Requested (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. PERSONNEL COST</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>1. Salaries</td>
<td>87,035</td>
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<tr>
<td>2. Payroll Taxes &amp; Assessments</td>
<td>13,055</td>
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<tr>
<td>3. Fringe Benefits</td>
<td>10,444</td>
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<tr>
<td><strong>TOTAL PERSONNEL COST</strong></td>
<td>110,534</td>
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<tr>
<td><strong>B. OTHER CURRENT EXPENSES</strong></td>
<td></td>
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</tr>
<tr>
<td>1. Airfare, Inter-Island</td>
<td>1,260</td>
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<tr>
<td>2. Insurance</td>
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<tr>
<td>3. Lease/Rental of Equipment</td>
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<tr>
<td>4. Lease/Rental of Space</td>
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<tr>
<td>5. Staff Training</td>
<td>1,800</td>
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<tr>
<td>6. Supplies</td>
<td>1,400</td>
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<tr>
<td>7. Telecommunication</td>
<td></td>
<td></td>
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<tr>
<td>8. Utilities</td>
<td></td>
<td></td>
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<tr>
<td>9. Travel Expenses (car, lodging, M&amp;IE)</td>
<td>2,880</td>
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<tr>
<td>10. Mileage</td>
<td>245</td>
<td></td>
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<tr>
<td>11. Training Room rental</td>
<td>2,376</td>
<td></td>
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<tr>
<td>12. Light refreshments for trainees</td>
<td>540</td>
<td></td>
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<tr>
<td>13. Contractual: USDA Audits</td>
<td>5,439</td>
<td></td>
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<tr>
<td>14. Farm Bureau Food Safety Proposal</td>
<td>46,620</td>
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<tr>
<td>15. Ulupono Initiative</td>
<td>25,000</td>
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<tr>
<td>16. Private requests outstanding (3@$25k)</td>
<td>75,000</td>
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<tr>
<td><strong>TOTAL OTHER CURRENT EXPENSES</strong></td>
<td>15,940</td>
<td></td>
<td></td>
<td>148,820</td>
</tr>
<tr>
<td><strong>C. EQUIPMENT PURCHASES</strong></td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D. MOTOR VEHICLE PURCHASES</strong></td>
<td>0</td>
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<td></td>
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<tr>
<td><strong>E. CAPITAL</strong></td>
<td>0</td>
<td></td>
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</tr>
<tr>
<td><strong>TOTAL (A+B+C+D+E)</strong></td>
<td>126,474</td>
<td></td>
<td></td>
<td>148,820</td>
</tr>
</tbody>
</table>

SOURCES OF FUNDING

(a) Total State Funds Requested | 126,474
(b) Total Federal Funds Requested | 0
(c) Total County Funds Requested | 0
(d) Total Private/Other Funds Requested | 0

TOTAL BUDGET | 126,474

Budget Prepared By:

[Signature]

Kevin Kelly, President

Name and Title (Please type or print)
### BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2019 to June 30, 2020

Applicant: North Shore EVP

<table>
<thead>
<tr>
<th>POSITION TITLE</th>
<th>FULL TIME EQUIVALENT</th>
<th>ANNUAL SALARY A</th>
<th>% OF TIME ALLOCATED TO GRANT REQUEST B</th>
<th>TOTAL STATE FUNDS REQUESTED (A x B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President (Project Director)</td>
<td>0.25</td>
<td>$80,000.00</td>
<td>25.00%</td>
<td>$20,000</td>
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<tr>
<td>Food Safety Director</td>
<td>1</td>
<td>$60,000.00</td>
<td>50.00%</td>
<td>$30,000</td>
</tr>
<tr>
<td>Food Safety Specialist</td>
<td>0.25</td>
<td>$52,000.00</td>
<td>50.00%</td>
<td>$26,000</td>
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<tr>
<td>Partner Organization</td>
<td>0</td>
<td>$50,000.00</td>
<td>16.67%</td>
<td>$8,333</td>
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<tr>
<td>Administrative Assistance (hourly)</td>
<td>0.000</td>
<td>$36,720.00</td>
<td>7.35%</td>
<td>$2,700</td>
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</table>

| TOTAL:                          |                      |                |                                      | $87,033                             |

**JUSTIFICATION/COMMENTS:**

Funds for Partner Organization support (1m/partner) and Admin Assistant are new personnel.
BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES
Period: July 1, 2019 to June 30, 2020

Applicant: North Shore EVP

<table>
<thead>
<tr>
<th>DESCRIPTION EQUIPMENT</th>
<th>NO. OF ITEMS</th>
<th>COST PER ITEM</th>
<th>TOTAL COST</th>
<th>TOTAL BUDGETED</th>
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<tr>
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<td>TOTAL:</td>
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JUSTIFICATION/COMMENTS:

<table>
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<tr>
<th>DESCRIPTION OF MOTOR VEHICLE</th>
<th>NO. OF VEHICLES</th>
<th>COST PER VEHICLE</th>
<th>TOTAL COST</th>
<th>TOTAL BUDGETED</th>
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</thead>
<tbody>
<tr>
<td>Not Applicable</td>
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<td>$</td>
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<td>TOTAL:</td>
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<td>$</td>
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</table>

JUSTIFICATION/COMMENTS:
BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS  
Period: July 1, 2019 to June 30, 2020

Applicant: North Shore EVP

<table>
<thead>
<tr>
<th>TOTAL PROJECT COST</th>
<th>ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS</th>
<th>STATE FUNDS REQUESTED</th>
<th>OTHER SOURCES OF FUNDS REQUESTED</th>
<th>FUNDING REQUIRED IN SUCCEEDING YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLANS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAND ACQUISITION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DESIGN</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CONSTRUCTION</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>EQUIPMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

JUSTIFICATION/COMMENTS:
# GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

**Applicant:** North Shore EVP  
**Contracts Total:** $104,629

<table>
<thead>
<tr>
<th>CONTRACT DESCRIPTION</th>
<th>EFFECTIVE DATES</th>
<th>AGENCY</th>
<th>GOVERNMENT ENTITY</th>
<th>CONTRACT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 USDA Specialty Crop Block Grant</td>
<td>2/27/17 - 6/14/18</td>
<td>HDOA</td>
<td>State</td>
<td>$36,754</td>
</tr>
<tr>
<td>2 USDA Rural Business Development Grant</td>
<td>8/1/17 - 3/23/19</td>
<td>USDA</td>
<td>Federal</td>
<td>$17,000</td>
</tr>
<tr>
<td>3 GAP18: Group GAP Expansion Project</td>
<td>12/20/17 - 12/19/18</td>
<td>HDOA</td>
<td>State</td>
<td>$25,000</td>
</tr>
<tr>
<td>4 USDA Phase I SBIR: GAP App (partner w/ lead organization Smart Yields)</td>
<td>8/1/18 - 5/30/19</td>
<td>USDA</td>
<td>Federal</td>
<td>$25,875</td>
</tr>
</tbody>
</table>
II. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

North Shore EVP, a regional economic development non-profit 501(c) (3) organization, was formed to improve communication, networking, and civic and civil engagement across the communities of Oahu's North Shore. The goal of North Shore EVP is to use impartial economic analysis to identify and promote community-driven opportunities for economic growth that integrate traditional strengths in agriculture, manufacturing, and hospitality with new opportunities to build a strong and resilient economic foundation for the region.

A community-funded economic analysis of the North Shore of Oahu in 2013\(^1\) identified agriculture as a key regional economic driver despite the absence of any post-harvest cleaning, packing, cold storage, shipping, or marketing infrastructure in the area. In 2015 initial planning of a Food Hub to fill this gap in the agriculture supply chain identified the need for small farms to achieve Good Agricultural Practices (GAP) certification to satisfy food safety purchasing requirements of many larger buyers. In addition to GAP certification, the January 2020 deadline for all farms to comply with the Food & Drug Administration's recently enacted Food Safety Modernization Act (FSMA) was rapidly approaching.

USDA GAP is a voluntary program designed to reduce the risk of foodborne illness originating with produce at the farm level through recommended best practices. The Food Safety Modernization Act (FSMA) is a federal mandate passed by congress in 2011, and, similar to GAP, its focus is to prevent food borne illness and contamination, while enhancing the culture of food safety along the entire supply chain from farm-to-fork.

GroupGAP is a robust certification process that addresses many challenges that small farms face in complying with food safety audits and meets the demands of the retail, food service, and institutional buying community. GroupGAP makes food safety certification accessible to small and medium-sized producers by allowing farmers, food hubs, and other marketing organizations to work together to complete GAP certification as a group. The program builds a network of farms that share safety, quality standards, and training with the goals of accessing new markets, diversifying revenue streams and increasing production and profitability.

In 2015, the only path to GAP certification was through a one-farm, one-certification process that was difficult, time-consuming, and expensive. Our research identified GroupGAP as a viable solution to Hawaii's need for food safety certification for small to medium sized farms. We began communicating with participants of a national Group GAP pilot study being conducted by the Wallace Center in coordination with the United States Department of Agriculture (USDA). The success of that pilot project resulted in the formal launch of USDA's Group GAP program in April 2016. North Shore EVP initiated a USDA GroupGAP food safety certification training program in the spring of 2017, funded through a USDA Specialty Crop Block Grant award (Sect. IV.5.a). We conducted 4 outreach events to provide information about GroupGAP and recruit our first class of farmers. Twenty-nine (29) farmers attended and subsequently, 10 farms were accepted into the inaugural GroupGAP cohort -- 80% were defined as socially disadvantaged farmers, two are veterans and 60% are beginning farmers.

\(^1\) https://nsevp.org/WPnsevp/developing-a-shared-agenda/
In June 2018 North Shore EVP received official approval for its GroupGAP program by USDA. This is a significant milestone. It is the first GroupGAP program in Hawaii and only the 15th nationwide. North Shore EVP is now authorized to begin GroupGAP training with all of Hawaii’s farmers, and not a moment too soon. The deadline for compliance with FSMA is staggered, starting with large operations in 2018 and small farms in January 2019. With mandatory FSMA compliance scheduled to occur in January 2020 for very small farms, Hawaii farmers now have an opportunity to attain their GAP certification, the most common standard required by produce buyers, at a more affordable price.

A recent study from Michigan State University measured the cost of certification at over $25,000 during the first two years of implementation primarily due to personnel and administrative expenses associated with record keeping and auditing. The FDA estimates that compliance with new Food Safety Modernization Act (FSMA) regulations could cost small farmers from $5,000 to $13,000 each year.

Progress is already being made. In October 2018 another 9 farms started GroupGAP training. Four (4) of the Cohort 2 farms have come together to create a Waimanalo group (hosted by ‘Ai Love Nalo) and we consider two (2) Waianae farms, currently without a regional host, as a nucleus of a West Oahu group. We have been working with the Hawaii Department of Agriculture’s (HDOA) Quality Assurance Division to schedule the required 3rd party audits for all 10 of the farmers in our first cohort. To date, two farms have passed their audits, one farm is addressing audit findings and will be re-audited and one farm will be scheduled for an audit in January 2019. Of the 3,682 farms in Hawaii only about 50 are food safety certified. The certification of these four farms increases the total number of certified farms in the state by almost 10% and the work in this proposal will more than double that number.

The heavy lift of developing the training curriculum, writing a Quality Management System (QMS), producing a Farm Food Safety Plan template, and receiving USDA GroupGAP authorization is completed. North Shore EVP is now positioned to take this program statewide to serve neighbor island regions that are facing similar challenges in addressing FSMA compliance and preserving small farm agriculture in their communities.

2. The goals and objectives related to the request;

The goal of the GroupGAP Food Safety Training for Small to Medium Farms: Statewide Expansion and Sustainability project is to provide affordable GAP certification training to medium to small farmers in Hawaii and provide a mechanism for those farms to maintain compliance with the Food Safety and Modernization Act (FSMA) so that they can fully participate in the Hawaii food chain by growing and selling produce to local and export markets.

Objective 1: Increase the number of small to medium sized GAP certified and FSMA compliant farms in Hawaii.

Compliance with federal food safety regulations will be mandatory in January 2020. Currently less than 2% of Hawaii’s farms maintain GAP certification. North Shore EVP’s GroupGAP program is designed to work regionally to create groups of farms that share food safety knowledge and expertise.

---

2 Michigan State University Cost of certification (2015)
https://www.canr.msu.edu/resources/group_gap_pilot_upper_peninsula

Activities:

- Recruit new farms to the GroupGAP program with the assistance of partner organizations (see Figure 3)
- Provide food safety certification training for up to 30 farmers per year
- Provide one-on-one assistance to GroupGAP farmers in writing and implementing individual Farm Food Safety Plans
- Conduct biannual internal audits of all participating farm to insure implementation of Good Agricultural Practices on the farms.
- Manage the annual USDA GroupGAP 3rd party audit
- Maintain GroupGAP certification for all farms in the group

Objective 2: Expand the Hawaii GroupGAP Network (Figure 1)

Once North Shore EVP became the 15th authorized USDA GroupGAP program in the United States, the door was opened for participation of farmers on all of the Hawaiian islands. Rural communities and agricultural regions across the state can now take advantage of the training and certification opportunities of GroupGAP that will promote diversified agriculture and local food production and increase availability of locally grown fresh foods.

Activities:

- Establish relationships with neighbor island organizations that will host Regional Groups in their communities.
- Create Regional Groups of farms on three different islands in order to more effectively serve farmers across the state. (Note: there are already two groups on Oahu; North Shore and Waimanalo)
- Provide nominal resources to partner organizations to help them recruit farmers to the program and to offset the costs of hosting program training.
- Establish and implement a communication strategy to share best practices between Regional Groups

Figure 2: Hawaii GroupGAP Structure:
North Shore EVP is the organizing entity that is responsible for maintaining the group's Quality Management System (QMS) and monitoring maintenance of GAP standards on member farms. Regional Groups are hosted by local organizations with ties to agriculture. They work with North Shore EVP to facilitate the delivery of GroupGAP training.
Objective 3: Work to continue to lower the cost of GroupGAP participation

A professional staff provides GroupGAP administration and training and the costs of these services are spread across all of the participating farms. Currently, grant and private funding heavily offset annual fees paid by participating farms. We are focused on lowering costs in two specific areas, Personnel and Auditing.

Our staff provides expert information and training that no farm could afford to obtain on its own. Additional personnel will be hired as the number of participating farms increases so that we can continue to provide a high standard of service to our farmers. We anticipate judiciously hiring part-time staff and advancing these individuals into full-time positions over time. Our slow and deliberate hiring plan reduces costs and allows new hires to train and gain experience before committing to full-time employment. These positions are all new, living-wage jobs in agriculture.

We can reduce audit expenses by expanding the number of farms in the group (Objective 1) and providing USDA auditing training to our staff. Our Food Safety Director is certified to perform our internal audits under the USDA Harmonized GAP standard. This internal auditing capacity saves significant money compared to contracting with external auditors (Table 1). We plan to provide auditing training and certification to the entire food safety staff and will offer 3rd party auditing services as an alternative revenue stream to the GroupGAP program in the near future.

GroupGAP is more affordable than individual GAP certification because the farms all work together under a common set of food safety standards, our Quality Management System (QMS). Because the USDA reviews our biannual internal audits of every farm in the group, only a subset of the total number of farms is inspected in the annual USDA audit. The assumption is that if all of the farms in the group have the same training and are working under the same QMS, then a representative sample of audited farms will confer GAP certification on the entire group.

Audits typically cost between $600-$1,000 each. In GroupGAP USDA will audit only the square root of the total number of farms in the group in any given year. Table 1 illustrates the cost savings that accompany larger groups of farms.

**Activities:**

- Strategic hiring of food safety training staff
- Deployment of the GAP App (See Innovation on p.9)
- Increased use of online tools to facilitate the delivery of GroupGAP training
- Develop additional revenue streams including contract services for non-GroupGAP farms
  - 3rd party H-GAP audits services
  - Development of Farm Food Safety Plans
  - Food Safety Consulting

<table>
<thead>
<tr>
<th>Farms in Group</th>
<th>Farms Audited (square root of farms in group)</th>
<th>% of Farms Audited</th>
<th>Cost Savings (est. at $750/audit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>4</td>
<td>40.0%</td>
<td>$ 4,500</td>
</tr>
<tr>
<td>25</td>
<td>5</td>
<td>20.0%</td>
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<td>$31,500</td>
</tr>
<tr>
<td>100</td>
<td>10</td>
<td>10.0%</td>
<td>$67,500</td>
</tr>
</tbody>
</table>

Table 1: By working under a common Quality Management System GroupGAP farms save on audit costs. USDA only requires audits from a subset of the total number of farms in the group. Assuming an average cost of $750/audit, the savings of GroupGAP auditing compared to single farm audits can be substantial. All members of the group share these savings.

Objective 4: Expand new market access to GroupGAP farms

Traditionally, large food business enterprises represent the most attractive buyers for small farmer networks as their orders are typically consistent throughout the year. By coordinating production
within Regional Groups, small farmers have the potential to meet the demands of specific buyers. GroupGAP farmers can come to depend upon these regular orders allowing them to overcome the usual market barriers of quantity and consistency that have prevented sales to large food business enterprises.

In Hawaii the vast majority of farms are small farms that have the flexibility to rapidly respond to new market opportunities. North Shore EVP has been approached by a number of companies who are interested in knowing if any GroupGAP farms could provide products to their business (i.e. restaurants, value-added producers, food innovators, etc.). North Shore EVP wants to leverage food safety and Farm Performance data (Sect. III.4) that we already collect to identify novel market opportunities for our GroupGAP farmers.

We envision using buyer requirements to query our New Market Database (Figure 3) to identify the farms most likely to be able to satisfy the buyers needs. We will then introduce the parties and work with them to develop a sales agreement. As the number of farms in GroupGAP grows, the database will become a powerful resource that will save existing food businesses (and start-ups) time and money in their search to buy locally grown produce.

**Activities:**

- Work with group farms to improve data capture for the existing Farm Performance Database (Sect. III.4)
- Establish relationships with food industry organizations (Hawaii Food Industry Assoc., Hawaii Food Manufacturers’ Assoc., Hawaii Chamber of Commerce, etc.), wholesalers, and other buyers of fresh produce
- Develop protocols to link buyer requirements (products, safety standards, etc.) to GroupGAP farms.
- Work with Regional Groups and institutional buyers to investigate large volume supplier relationships (i.e. farm to school, hospitals, etc.)

The outcome is to provide Hawaii's farmers with the tools and strategies they need to operate safe and efficient farms and expand their access to markets in Hawaii that require food safety certification. Increasing the number of GAP-certified farms provides new economic opportunities for farmers and contributes to the sustainability of our rural communities and the health and well being of all of Hawaii's residents. The ability of small farms to participate in new markets can lead to increased production of locally produced agricultural goods, increased farm revenue, and the creation of new jobs both on the farm and along the supply chain (food hub, marketing, delivery, etc.).

![Figure 3: New Market Access Model](image)

North Shore EVP will leverage the sales and production data it collects from GroupGAP farms to help buyers identify what farms can provide the products they need. The database can match buyer requirements to the farms most likely to be able to fulfill that demand. Buyers save time and money sourcing produce for their businesses and farmers can spend more time farming instead of marketing.
3. The public purpose and need to be served;

The GroupGAP Food Safety Training for Small to Medium Farms: Statewide Expansion and Sustainability project aligns with state initiatives aimed at increasing Hawaii’s self-sufficiency and decreasing its dependency on imported foods. It synthesizes the needs of the agricultural industry with local consumer and retailer demands, thus creating market forces that work together to improve Hawaii’s self-sufficiency. Improving agricultural infrastructure and market access for local agriculture is a major aspect in every county strategic plan (Kauai General Plan4, General Plan for the City and County of Honolulu5, Maui Island Plan6, and the County of Hawaii General Plan7) and is prominent throughout the Hawaii Statewide Comprehensive Economic Development Strategy8 (CEDS).

The State of Hawaii has also initiated programs to reduce the State’s dependency on food imports by emphasizing the production and sale of local foods. National trends in organic food and the Hawaii Department of Agriculture’s “Buy Local, It Matters” campaign have contributed to increased consumer demand for locally grown fresh produce. The campaign includes farmers, ranchers, producers, manufacturers, distributors, retailers, and restaurants working together to provide consumers with goods that have been grown, made, and cooked in the state. In addition, Governor David Ige has been working towards stimulating Hawaii’s self-sufficiency through an initiative to double local food production by 2030. Although his proposal faces many criticisms, the ambitious goal is not far-fetched. According to the 2015 Agriculture Land Use Baseline study9, between 1980 and 2015 there was a 56 percent increase in acres of diversified crops in the State. Increasing local food production will ensure that Hawaii has food sources that will be more stable when faced with global supply disruptions, competitive global demand and shortages of commodities, or potential global food scarcities.

Each food product imported to Hawaii is a lost opportunity for local economic growth. The Increased Food Security and Food Self-Sufficiency Strategy10 published in 2012 by the Department of Business, Economic Development, & Tourism, in cooperation with the HDOA, reported that replacing just 10 percent of 85-90 percent of imported foods with locally produced goods would keep $313 million circulating in the State and will create a total of two thousand three hundred jobs. More specifically, the strategy states “An investment in programs and projects which support greater food self-sufficiency will result in economic, social and environmental benefits to the State of Hawaii.”

4. Describe the target population to be served; and

The target populations to be served are owners and employees of medium to small farms, the residents of rural communities, and all consumers of fresh, locally grown produce across the state.

Medium to small farms are defined as farms with gross sales of less than $500,000 per year and who sell the majority of their food to Qualified End Users as defined in CFR Section 112.3(c). A qualified end user is the consumer of the food (an individual, not a business), or a restaurant, or a retail food establishment that is located either in same State as the farm that produced the food, or

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4 https://www.kauai.gov/Government/Departments-Agencies/Planning-Department/Long-Range-Division/The-Kauai-General-Plan
5 http://www.honoluludpp.org/Portals/0/pdfs/planning/generalplan/GPReport.pdf
6 https://www.mauicounty.gov/1503/Maui-Island-Plan
not more than 275 miles from the farm. Ninety percent of Hawaii's 3,682 farms are small to very small farms.

The Hawaii GroupGAP model (Figure 2) is structured to implement food safety practices through Regional Groups of farms across the state. These organizations (e.g. Kauai CC, HIP Ag, Kamehameha Schools, etc.) will provide assistance on the ground in their communities to recruit farmers, setup classroom space, schedule farm visits, and serve as Regional Group leaders. North Shore EVP will collect and share best practices between Regional Groups across the state.

Agricultural organizations that already have a neighbor island presence (i.e. Hawaii Farm Bureau, Hawaii Farmers Union United) are especially attractive partners. We expect to recruit groups of farms from chapters of these organizations statewide that share not only location, but who also compliment each other in farming styles, community values, and crops grown. The growth of the total number of farms participating in GroupGAP will continue to lower the overall cost to individual farmers as the costs of training, maintenance, and administration of the program is spread across a larger number of participants. We believe this model is especially attractive to small farmers and rural communities across the state where there are informed concerns about the future of small agriculture. GroupGAP provides direct assistance to small farms to insure their future economic success and in turn, the long-term economic vitality of their rural communities.

In addition to the primary benefits of this project to farmers and the rural communities in which they live, a secondary, but notable benefit is to consumers of locally grown produce in Hawaii. GAP certification and FSMA compliance allow Hawaii's small to medium farmers to more fully participate in the local food chain and provides opportunities for increasing the availability of locally grown produce. It has been shown that local consumers are willing to pay incrementally more to purchase locally grown food. The benefits to Hawaii's tourism industry, from agritourism and value-added products to the global notoriety of Hawaii chefs and our culinary expertise in pan-Asian cuisine, should not be discounted.

5. Describe the geographic coverage.

The GroupGAP program is available to all medium to small farms in Hawaii.

North Shore EVP is the first organization in Hawaii to offer a GroupGAP program. In September 2017, North Shore EVP began GroupGAP training with ten (10) North Shore farms on Oahu in order to deliver an economically viable mechanism for small, local farmers to become GroupGAP certified and compliant with the FSMA's Produce Safety Rule.

Over the last year we have learned that small farm GAP certification is not just a North Shore (Oahu) challenge, but is a significant barrier for farmers and buyers across the state. There are currently about 50 certified farms in the state. The GroupGAP program directly addresses this shortfall by focusing farmers on obtaining certification. Instead of only providing information about GAP in a workshop setting, we provide hands-on training and assistance to insure that information is properly implemented on the farm and that the farm will attain its GAP certification.

As a USDA authorized GroupGAP North Shore EVP is focused on training more farms across the state. The work in this proposal will allow North Shore EVP to engage two cohorts of up to 15

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11 Local Food Market Demand Study of O’ahu Shoppers” Executive Summary, Ulupono Initiative, 2011. http://ulupono.com/media/W1siZiIsIjwMTIxMTAvMjUvMTRmTlBnNTVlOTE2X0svY2FsXz0vZvb2RfTWy2a2V0X0RbWFuZFR7dHVkeV9eGVjX3N1bW1hc3RmI1d/Local_Food_Market_Demand_Study_exec_summary.pdf?sha=c12185af
12 https://www.fda.gov/food/guidanceregulation/fsma/ucm334114.htm
13 Tish Uyehara, Armstrong Produce, Personal Communication, October 2018
Applicant: North Shore EVP

farms each year to work towards their certification in the GroupGAP program. The engagement of regional partners (Sect. II.4) and recruitment of new farms (Sect III.1) are discussed elsewhere in this proposal, but the GroupGAP program is available to all medium to small farms in Hawaii.

III. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant’s approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities

North Shore EVP currently delivers an economically viable GroupGAP training program that focuses on GAP implementation and subsequent USDA certification of all participating farms. North Shore EVP serves as the organizing entity of the GroupGAP group. Its professional staff provides hands-on GroupGAP training in a classroom setting. Staff visits to every farm assist farmers in implementing good agricultural practices learned in the classroom, developing individual Farm Food Safety Plans (FFSPs), and conducting biannual internal audits. North Shore EVP is constantly updating the training curriculum and adjusting our internal operations to increase efficiency, reduce costs, and drive innovation that will benefit the GroupGAP participants.

North Shore EVP will recruit and train up to 30 farmers per year in two cohorts of up to 15 farms each. Each cohort will consist of 2-3 regional groups of 4-10 farms each. Our preference for each cohort would be to have one group of 15 farms in a single region on any island in the state as this greatly simplifies logistics and creates strong group interactions that are extremely valuable to the GroupGAP participants. Alternately, a cohort could consist of up to 3 groups of 3+ farms each, located in different regions that would come together via videoconferencing for course work.

Farmer Recruitment: Recruitment has been challenging and we have learned that many small farmers are either unaware of the upcoming food safety rule deadlines or they do not believe that there will be any enforcement of FSMA regulations, or both. New farms will be recruited statewide through our existing network of partners and organizations (Figure 3). We send recruitment announcements to these partners to pass on to farmers in their networks who may be interested in GroupGAP. Some partners post our announcements to their websites and newsletters insuring broad distribution.

An extensive application process insures that we recruit farms that have a high probability of
Applicant: North Shore EVP

completing the training and subsequently attaining their GroupGAP certification. In addition to the application itself, the Food Safety Director or Specialist visits each applicant farm prior to acceptance into the program. The farm visit gives us an opportunity to examine the conditions on the farms and identify any situations that would preclude certification (i.e. insufficient toilet facilities). The selection committee reviews the applications and discusses the findings of the farm inspections before they score and rank the applicants. These rankings are used to guide the selection of the farms that will be accepted into the cohort.

In addition to working with our existing network of agricultural organizations we are establishing relationships with retail and wholesale buyers to identify farms that are already selling into the local food supply chain, but who may not yet have their GAP certification. Some buyers have indicated that they would be forced to import more produce to meet demand should local growers be unable to meet new federal requirements.13 With encouragement from buyers we hope to identify and recruit farms statewide that are critical to sustaining existing produce supply chains.

Regional Group Partnerships: North Shore EVP is already establishing partnerships with organizations on the neighbor islands that can assist North Shore EVP in establishing Regional Groups in their communities. We have strong relationships with Kamehameha Schools, Hawaii Farmers Union United, Kohala Center, and others who can either serve as Regional Group leaders or help recruit other community-based organizations to fill this role.

Regional Group partners provide logistical and administrative support to their GroupGAP group by identifying/reserving a training location, assisting with classroom setup, and distributing training material to the farmers. The partners also work with North Shore EVP to schedule farm visits by our staff and coordinate other training and auditing activities. This local-level support helps keep the cost of delivering training and management of the entire statewide group low by providing on-location staff support for each group and vastly increasing the efficiency of training staff when traveling to neighbor island sites. The budget provides for nominal salary support (1m @ $50k) and supplies ($400) for each partner organization.

GroupGAP Training: The USDA GroupGAP program is adopting the new USDA Harmonized GAP (H-GAP) standard H-GAP to move program participants closer to full FSMA compliance (See Sect III.3 below). Food Safety Director Lisa Rhoden recently completed her H-GAP auditor training and is updating the GroupGAP training materials to reflect the H-GAP standards. She is now qualified to conduct USDA-required internal audits under the Group-GAP program. Our ability to conduct in-house internal audits significantly lowers program costs compared to contracting with third party auditors.

Members of each new cohort will decide the best time for all members of the group to meet. Classes are generally held for 2 hours every other week for 4 months. North Shore EVP delivers the GroupGAP training remotely using freely available videoconferencing platforms (e.g. Bluejeans). Course materials are distributed to the trainees either by email, download from our website, or in hard copy at the class.

After classroom sessions begin, North Shore EVP staff begins working with farms to write their individual Farm Food Safety Plans (FFSPs). Our Food Safety Director will visit each new cohort farm at least twice during the project period to review Farm Food Safety Plans with each farmer and conduct internal audits. The overarching Quality Management System guides the development of the FFSPs and was written in such a way that it applies to the broad range of farming and harvesting practices of the various farms in the group. Each FFSP, while adhering to the overarching quality standards of the group's QMS, focuses on the procedures and protocols that specifically address the GAP and food safety concerns on each particular farm.
**Innovation:** North Shore EVP is continually looking to identify and implement new processes and procedures to continue to reduce the cost of compliance for small farms in Hawaii.

An example is the GAP App, a smartphone app being developed by Smart Yields and North Shore EVP under a USDA SBIR Phase I award. This app will allow farmers to electronically log all of their GAP data via their smartphones in real time, on the farm, as it happens. This will streamline the recordkeeping processes on the farm and result in more complete and accurate audit data. Larger cost savings come from the centralized data management provided by North Shore EVP. While we are currently managing paper-based records for 19 farms we recognize that our staff would soon be overwhelmed maintaining paperwork for 50 farms. Electronic data will allow us to monitor compliance (and re-train farmers as needed), reduce internal audit time, and reduce 3rd party audit expenses. The GAP App will be introduced for user feedback and beta testing during this project performance period.

We are also partners with HARC on their 2017 Hawaii Farm Bureau (HFB) award to establish low-cost water testing systems for Hawaii farmers. Our GroupGAP farmers have agreed to participate in this work and as a result, will have a head start on establishing their water quality baseline, an important (and somewhat costly) FSMA requirement.

Our engagement in R&D activities like the two mentioned above not only benefit the GroupGAP farmers, but also provides an easy way for researchers and buyers seeking access to locally grown produce to work with a large number of farms without having to recruit each farm individually.

2. **Provide a projected annual timeline for accomplishing the results or outcomes of the service**

Our current plans call for the creation of a new cohort of up to 15 farms two times per year in March and October each year. This schedule allows us to efficiently recruit new partner organizations and farms, conduct training, and manage required internal and annual USDA audits. During the first 4 months of a new cohort the Food Safety Director and Specialists dedicate significant time to one-on-one interactions with the new farmers as they work to develop their individual Farm Food Safety Plans (FFSPs). This is one of the most important outcomes of the training as it often gives the farmer new insights to the operation of their farm from a food safety perspective. The FFSP usually goes through several iterations before a final document is ready to be submitted to USDA for approval. Once the FFSPs are completed North Shore EVP personnel can direct effort to recruiting partner organizations and farms for the next cohort.

The timeline for FY19-20 shows recruitment of new partner organizations and farms in months 1-3 of the grant and the start of a new cohort in October 2019 (month 4). Similarly, recruitment for the 2nd cohort of this fiscal year will begin in January 2020 for another cohort to start in March. Farm visits by the Food Safety Director or Specialists are scheduled during the recruitment periods and during training. We will work with our neighbor island partners to schedule multi-day trips where
staff can work with multiple farms during a single trip, thereby dramatically reducing travel costs. Our annual USDA GroupGAP third party audit will be conducted in October each year.

Annual reporting on the progress and outcomes of this award will be prepared and delivered to the legislature in month 12.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

North Shore EVP is constantly updating the training curriculum and adjusting our internal operations to increase efficiency, reduce costs, and drive innovation that will benefit the GroupGAP participants.

New cohorts will be trained under the new USDA Harmonized GAP (H-GAP) standard. While the requirements of H-GAP and FSMA are not identical, the relevant technical components in the FDA Produce Safety Rule are covered in the USDA H-GAP Audit Program. It is important to note however that USDA audits are not a substitute for FDA or state regulatory inspections.14 The value of the H-GAP audit will only continue to increase as USDA further aligns the audit standard with the requirements of FSMA and pursues Global Food Safety Initiative (GFSI) recognition of the USDA standard.15

Farmers must be fully engaged and committed to attending class and attendance at class meetings is tracked to insure full participation by all trainees. More importantly, the biannual audits and visits to each farm by North Shore EVP technical staff provide direct validation that the good agricultural practices being taught in the classroom are actually being implemented on the farms. In the end, the number of farms successfully earning their GAP certification is the true measure of the success of the program.

In 2018 North Shore EVP instituted a GroupGAP farmer survey to help identify areas of improvement and assist the organization be more responsive to the needs of the participating farms. That survey is currently being completed by our current 19 farms and the results will be compiled and evaluated to determine what changes, if any, can be implemented to improve the Hawaii GroupGAP program.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

- Farm Performance Database
  - Crop Varieties Grown
  - Production Data (Harvested, discarded, sold)
  - Sales Data (Crop pricing, revenue, sales outlets)
  - Land under lease, land in production
  - Food safety expenses

14 https://content.govdelivery.com/accounts/USDAOC/bulletins/1fs1f70
15 https://www.ams.usda.gov/content/usda-harmonized-gap-audits-smart-and-efficient
Beginning with the first cohort in 2017 North Shore EVP has collected quarterly farm performance data in order to track key metrics that can be used to evaluate the effectiveness of GroupGAP training and the impact of a farm's participation in the program on the its business. Farms report what crop varieties were grown, how many pounds were harvested, how much of the harvest was discarded, how much and at what price products sold were sold, and to who they were sold (e.g. farmer’s market, retail, wholesale, etc.).

In addition to production data, we are collecting data on the costs of food safety certification; how much it costs the farms to implement certifiable standards and the cost to provide training and certification services. We are also interested in learning more about the amount of land under lease and land in production. The vast majority of small farmers have more land under lease than in production and changes in this number can indicate increasing production in response to buyer demand or new accounts acquired because of GAP certification.

In addition to the farm performance data discussed above, North Shore EVP will report on the following metrics as measures of program and organizational performance. Target goals are given in parentheses.

- **Partner Organization Engagement**
  - Number of organizations contacted (12)
  - Number of partner organizations engaged as Regional Group leaders (2)

- **Farmer Engagement**
  - Number of farms reached through farmer recruitment activities (75)
  - Number of applications received for each new cohort (20)
  - Number of farms accepted into each new cohort (15)

- **USDA GAP Certification**
  - Number of farms successfully completing GroupGAP training (13)
  - Number of farms receiving USDA 3rd party audits (6)
  - Number of farms passing USDA 3rd party audits (6)
  - Number of USDA GAP certified farms (50 at the end of FY 20-21)

### IV. Financial Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
   - a. Budget request by source of funds (Link)
   - b. Personnel salaries and wages (Link)
   - c. Equipment and motor vehicles (Link)
   - d. Capital project details (Link)
   - e. Government contracts, grants, and grants in aid (Link)

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2020.

<table>
<thead>
<tr>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>Total Grant</th>
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<td>$31,619</td>
<td>$31,618</td>
<td>$126,474</td>
</tr>
</tbody>
</table>

Rev 12/18/18
3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2020.

North Shore EVP will continue to compete for state and federal grants and contracts however to meet the FSMA compliance deadline of January 2020 for very small farms our expansion plans require seeking additional public and private grants such as this grant in aid. The following federal awards are highly competitive with a funding success rate of less than 15%.

   a. We are currently soliciting companies and organizations in Hawaii's agricultural supply chain for $150,000 or more in fulfillment of our sustainability plan that was launched in late 2018 (see Sect VII.4. Future Sustainability Plan).

   b. Federal Grants
      1. USDA Rural Economic Development Distance Learning Program: $50,000
      2. USDA Rural Business Development Grant: $35,000
      3. USDA 2501 Program (focused on socially disadvantaged farmers and veterans): $200,000

   c. State/Hawaii Grants:
      1. Hawaii Farm Bureau (if offered): $30-40,000
      2. HDOA Specialty Crop Block Grant: $30,000
      3. Hawaii Community Foundation FLEX Grant: $20,000

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

   a. North Shore EVP has not received any state or federal tax credits.

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2020 for program funding.

   b. August 2017: Awarded USDA Rural Business Development Grant: North Shore Regional Food Hub Feasibility Study & Expert Consultancy ($17,000)
   c. December 2017: Awarded Hawaii Department of Agriculture GAP18 Contract: Group Good Agricultural Practices (Group GAP) Certification Community Expansion Project ($25,000)
   d. February 2018: Awarded USDA SBIR funds as a subcontract from Smart Yields, Inc.; Development and deployment of the GAP-App: A compliance and safety tracking mobile app for farmers and food hubs ($25,875)

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2018.

   a. Unrestricted assets as of 12/31/2018 were cash on hand of $23,351.33
V. Experience and Capability
1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

North Shore EVP was initially formed as a 501(c)3 non-profit to implement projects that were identified by community business leaders in the 2013 Developing a Shared Agenda regional economic analysis. Research around our first project of building a food hub on the North Shore identified farm food safety as a critical gap in the success of that project. To overcome the lack of food safety certified farms in the region we initiated the Hawaii GroupGAP program.

We were a completely volunteer organization before GroupGAP however the time and expertise to successfully start and run the GroupGAP program required fundraising, grant writing and hiring key technical personnel. As a result, we have assembled a team of highly capable professional with backgrounds in proposal writing, grants administration, farming, food safety and farmer training. The capabilities of this expertise are illustrated by the accomplishments of our team. In less than 2 years we have started a GroupGAP program, successfully competed for over $100k in state, federal and private funds, developed a food safety training curriculum, authored and received approval of a Quality Management System, and trained two cohorts of farmers (19 farms) with 2 farms receiving their GAP certification and 2 others awaiting audit.

We will continue to hire highly qualified personnel as needed to expand the reach of the GroupGAP statewide. Please see our staff qualifications in Sect. IV.1 below.

2. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

North Shore EVP does not operate any facilities. Due to the nature of the services provided our limited resources are focused on delivering value to the participating farms. The management team meets in-person and via videoconferencing at least once per week and are in regular contact via email and text. Training classes are held at various partner locations depending on the location of farms in the group. In the past we have used donated meeting room space at Turtle Bay Resort, a nominally priced conference room at the Pineapple Crate AgriBusiness Center in Wahiawa, and at ‘Ai Love Nalo in Waimanalo. In an effort to keep costs low we have no plans for any permanent facilities and will use our resources to facilitate the formation and success of regional partner organizations and the groups they host.

VI. Personnel: Project Organization and Staffing
1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the
qualifications and experience of personnel for the request and shall describe its ability to
supervise, train and provide administrative direction relative to the request.

North Shore EVP has both the technical and administrative expertise to successfully fulfill the
objectives and goals of this request. Key personnel and project roles are described below.

Kevin Kelly, President & CEO: Kevin has managed large federal research awards for the
University of Hawaii for over 15 years. A scientist by training, he is an experienced grant
writer having participated in securing and managing over $100M in extramural funds at the
University of Hawaii. He earned an MBA in 1999 and has served on numerous community
organizations’ Boards. He was Chairperson of the 2013 Clusters of Opportunity project, a
community-driven, economic analysis of the North Shore region. Kevin will manage all
aspects of the project including fiscal administration and project reporting.

Melissa Rhoden, Director of Food Safety: Lisa previously managed the Hawaii Agricultural
Foundation’s Agricultural Park at Kunia where 18 of the 26 farmers were non-native English
speakers. Lisa has worked with small and medium sized farms to implement best
management practices through the Oahu Resource Conservation & Development Council and
Natural Resources Conservation Service programs. Lisa manages the North Shore EVP Group
GAP program, its Quality Management System, and has recently (December 2018) completed
her USDA Harmonized GAP auditor training. She will conduct all GroupGAP training and
internal audits.

Elisabeth Beagle, Food Safety Specialist: With years of farm management experience,
Elisabeth is extremely familiar with GAP, Good Manufacturing Practices (GMP) and Hazard
analysis and critical control points certification (HACCP). She has run diversified vegetable
farms in California and Hawaii and is currently the agronomy field manager for TerViva, an
orchard crop energy company. Elisabeth conducts farmer recruitment, curriculum
development, and on-farm food safety training for North Shore EVP.

Laycie Love, Creative Strategy Specialist: Laycie is the owner and operator of a marketing and
property management services consulting company. Her web development and social media work
involves delivery of imagery and video via the Internet. Laycie is responsible for developing all
online and print content, meeting planning and execution, and will lead our public dissemination
efforts.

To Be Determined, Food Safety Specialist: During the course of the performance period of this
award, North Shore will add a new Food Safety Specialist position in order to maintain the level of
services provided to a growing number of group farms. This position will require substantial farm
experience, strong interpersonal and writing skills, and the ability to obtain any required training
or certification. Desirable qualifications include foreign language literacy and any food safety
related certifications (i.e. H-GAP auditor certification, pesticide applicator, etc.).

To Be Determined, Administrative Assistant: In anticipation of the administrative burden of
managing a growing number of farms in the GroupGAP program North Shore EVP will hire a part-
time, hourly administrative assistant to support the work of the President and Food Safety Director.
2. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

North Shore EVP is currently a relatively small organization. The support requested in this grant-in-aid will allow us to hire additional personnel to service a growing number of GroupGAP farms. Our plans to recruit and train an additional 30 farms during FY 19-20 will require additional training and administrative staff. Additional personnel to be added during the performance period of this award are noted at To Be Determined in the organizational chart.

3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

North Shore EVP currently has only one paid employee.

- Food Safety Director (1.0 FTE) $60,000/year

During the performance period of this grant we will add two personnel to facilitate our planned neighbor island expansion, continue to provide our current level of service to a growing number of farms, and implement our sustainability plan including sponsor fundraising and partner organization recruitment.

- The President will reduce his commitment to his current full time job to focus more on business development and fundraising activities of the North Shore EVP GroupGAP program. He will be at 0.25 FTE at the start of the award period and will increase his time commitment to 0.5 FTE by the end of FY20. His salary is $80,000/year, a 30% reduction from his current position.
- We will add a 0.5 FTE Food Safety Specialist position starting in FY18-19 Quarter 4. This position will work under the direction of the Food Safety Director and will share responsibilities for classroom training and development of Farm Food Safety Plans. The Food Safety Specialist will become a full-time (1.0 FTE) in FY19-20 Quarter 2 just prior to the recruitment of the October 2019 cohort. Starting salary for a qualified Food Safety Specialist will be $47,000/year.
VII. Other

1. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

North Shore EVP is not a party to any current or pending litigation

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

- The USDA has approved North Shore EVP’s GroupGAP program. It is the only GroupGAP program in Hawaii and only the 15th in the nation.
- Lisa Rhoden is a certified USDA Harmonized GAP Auditor. She is the only private-sector auditor in Hawaii with these credentials.

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

No grant funds will be used to support or benefit a sectarian or non-sectarian private educational institution.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2019-20 the activity funded by the grant if the grant of this application is:

(a) Received by the applicant for fiscal year 2019-20, but

North Shore EVP successfully initiated the GroupGAP program using competitive grant funds and private support. Similar to any startup undergoing rapid expansion we anticipate cash flow challenges as the number of farms and our personnel requirements increase. We have already started implementing a sustainability plan that focuses on reaching self-sufficiency by 2022. This grant-in-aid is part of our sustainability strategy. The three primary components of this plan include:

1. Increase the Number of Farms in the GroupGAP Program: GroupGAP is not a one-time training program resulting in farm certification. It is an ongoing program that requires annual activities by both North Shore EVP and the participating farms. North Shore EVP is responsible for ongoing training of all farmers, managing the farm’s’ GAP audit data, annually conducting 2 internal audits of each farm, and scheduling and managing USDA 3rd party audits each year. A trained professional staff that is supported by grant funds carries out these services.

Currently farmers pay $500 to belong to the group and as more farms join the group annual participation revenue will increase. We expect that the current training expense for about 30 farms/year will remain about the same, however the cost of services to already certified farms
would decrease on a per-farm basis. As the program moves forward annual renewal fees will become the primary revenue source for the program compared to the training fees for new farms coming into the program.

**Gradually Increase the Annual Fee Charged to Farmers:** North Shore EVP has been able to offer grant-subsidized GroupGAP training to our initial cohorts to attract early adopters. Feedback from Cohort 1 farmers reveals a high perceived value at that price. A recent study from Michigan State University\(^2\) measured the cost of certification at over $25,000 during the first two years of implementation primarily due to personnel and administrative expenses associated with record keeping and auditing. The FDA estimates that compliance with new Food Safety Modernization Act (FSMA) regulations could cost small farmers from $5,000 to $13,000 each year\(^3\). We estimate that the current price per farm for participating the North Shore EVP's GroupGAP program is approximately $5,000-$6,000.

Over the next several years we expect that the increased number of farms in the program will reduce the per-farm cost as more farms are paying into the program and the expenses are spread across a larger number of farms. Data collected through our Farm Performance Database will be used to produce individual farm dashboards that present farmers with an analysis of their farm’s data in an easy to understand format and will provide farmers sufficient justification to gradually increase the annual fee for participation in GroupGAP. Assuming the addition of 25 farms per year (30 trained and 5 lost to attrition), our research indicates that within three years the program could reach sustainability with annual fees of less than $3,000, well below the estimates cited above.

**Execute a Private-sector Sponsorship/Government Support Program** for companies and organizations in the agriculture value chain including the State of Hawaii: North Shore EVP anticipates gaps in cash flow for the next 3-5 years until it can generate more revenue internally from increased GroupGAP fees from participating farms. Our goal is to lock in annual commitments totaling $150,000/y or more for the three years (2019-2021) that will provide base funding for additional staff salaries, matching funds for federal proposals, and administrative support for implementation of cost saving measures (i.e. data management hardware/software). Discussions are already underway with companies and organizations to make multi-year commitments to North Shore EVP to support the GroupGAP program. We have secured an initial donor at $25,000 for 2019-20 from Ulupono Initiative. Proposals to other key donors are currently outstanding. Other revenue sources include special projects and contracting for developing Farm Food Safety Plans or conducting 3rd-party Harmonized GAP audits for other non-GroupGAP farms.

(b) Not received by the applicant thereafter.

If funds are not received in FY20-21 expansion of the North Shore EVP GroupGAP program will be significantly slowed as we focus on securing funds for existing personnel and maintaining program services to the approximately 50+ farms that we expect to be participating in the program by that time. Additional grant-in-aid funds will allow North Shore EVP to continue its planned statewide expansion in an effort to minimize the impacts on local food production of full implementation of the Food Safety & Modernization Act (FSMA) in January 2020.