

AGRIBUSINESS DEVELOPMENT CORPORATION

**PROPOSAL FOR A MARKETING PLAN
FOR HAWAII AGRICULTURAL PRODUCTS**

In Response to:

Act 194, A Bill Relating to Agricultural Marketing

Prepared for the:

Twenty-Second Legislature
State of Hawaii

December 2002

Act 194, A Bill Relating to Agricultural Marketing

Annual Report Period: July 2002 through December 2002.

The Agribusiness Development Corporation (ADC), in response to Act 194, Session Laws Hawaii (SLH) 2002, submits its response below.

The Twenty-Second Legislature requested that the ADC assist existing agricultural cooperatives on the island of Maui to develop a marketing plan and strategy that fully represents all segments of the diversified agriculture sector on Maui. ADC shall provide its knowledge and resources, as well as solicit assistance from successful local agricultural entrepreneurs and other sources to develop a marketing plan and strategy.

ADC met with representatives of Maui's existing agricultural cooperatives and farming community. As a result of the meeting(s), ADC found that the solution to developing a marketing plan and strategy was neither simple nor identical for all the variable combinations of products, marketing channels, and customer target groups. Some of their concerns were related to regulatory issues.

ADC is seeking the expertise of the University of Hawaii's, College of Tropical Agriculture and Human Resources (CTAHR), an entity that is successful in developing plans and strategies for marketing Hawaii's agricultural products. CTAHR has submitted a proposal to the ADC Board of Directors for the marketing plan for Hawaii agricultural products. The ADC board has reviewed CTAHR's initial proposal and has requested clarification of some of the information, processes, and the subsequent steps provided and is awaiting CTAHR's revised proposal. Although the study has a statewide scope, it will also be applicable to Maui.

The CTAHR project, titled "Proposal for a Marketing Plan for Hawaii Agricultural Products", aims at developing ideal goals or targets for marketing agricultural products, identifying strategies and techniques for reaching those goals, then outlines the steps, and finally implement the strategies and techniques to progress from the current situation to the ideal goal. The fundamental concept is to teach firms to market rather than market for them, while providing a support network for services and information that individual firms could not independently acquire. The initial project proposal calls for implementation to occur in three phases:

Phase I. Conceptual Plan. The conceptual plan phase will identify goals or targets, identify strategies and techniques, and identify the support network.

Phase II. Baseline Information and Prototypes. Phase II will demonstrate selected marketing strategies identified in Phase I, and provide the market information required by those strategies. The intent is twofold: first, to nurture industry's ability to execute

the marketing strategy; and second, to plant the seed to provide the opportunity for industry to learn by example. A demonstration project will be put into action that requires establishing relationships with and close cooperation from industry partners.

Phase III. Implementation. The intent of the final phase is that the educational/training efforts and demonstration projects from earlier phases, coupled with the support network, will eventually result in industry-led adoption of new strategies. The situation and outlook analyses and market intelligence programs will be ongoing, and information attained through long term activities will periodically update industry and market information.