



Hawai'i Dairy Farms

MAHA'ULEPU, KAUA'I

Grass farmers with a passion for dairy.

FOR IMMEDIATE RELEASE

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Hawai'i Dairy Farms discontinues plans for pasture-based operation on Kaua'i

MAHA'ULEPU, Kaua'i – After approximately five years of earnestly attempting to navigate Hawai'i's regulatory environment, Hawai'i Dairy Farms (HDF) today formally announced its decision to discontinue plans for a pasture-based dairy farm on Kaua'i.

Having exhausted all reasonable options for the dairy concept, HDF is now working with landowner Grove Farm and other third parties to explore alternative proposals for food production in Maha'ulepu.

"One of our core mission objectives is to increase local food production, in any form, so that we are less reliant on imports," said Amy Hennessey, director of communications for investor Ulupono Initiative. "If our state is to achieve its ambitious goal of doubling local food production, more must be done to create an environment in which commercially viable agriculture can succeed. This is why we are working with Grove Farm and others to find an alternative path forward for local food production in Maha'ulepu Valley."

During discussions with various state agencies, it became clear to HDF there is no reasonable regulatory path forward for the dairy operation despite its best efforts to go above and beyond environmental compliance requirements.

"It is disappointing we were unable to find a path forward to help bring a more sustainable model of dairy farming to Hawai'i," Hennessey added. "Our proposal for the dairy farm was based on best management practices proven from around the world to create a more environmentally sustainable model of dairy farm that utilized active pasture management to minimize runoff and use grass as a low-cost source of feed. But rather than incentivizing local food production to meet our state's food goals, Hawai'i's environmental regulations seem to unfairly place dairies and other similar animal agriculture operations in the same category as wastewater treatment plants."

The vision for Hawai'i Dairy Farms was to create a pasture-based dairy operation that would provide fresh, nutritious milk produced in Hawai'i at prices residents could afford. The site of the proposed dairy farm, which had not yet begun operations nor imported animals, was approximately 557 acres of Important Agricultural Lands in Maha'ulepu on south Kaua'i, 2.5 miles from populated areas. Hawai'i Dairy Farms leased the land from Grove Farm and received investment funds from Ulupono Initiative.

The dairy farm had the potential to significantly reduce Hawai'i's reliance on imported milk from the U.S. Mainland, supporting Hawai'i's food security, economic diversity, and sustainability. As recently as 1984, Hawai'i produced 100 percent of its milk through local dairies. Today, the state is effectively importing 100 percent of its milk, most of which is weeks old and pasteurized twice by the time it reaches consumers.

All existing farm assets are being auctioned by Island Bid Auctions in hopes of providing valuable equipment to farmers who might be able to use the resources. The auction will close on Feb. 24, 2019. Interested parties may review and bid on items at: <http://bit.ly/HDFAUction>

About Hawai'i Dairy Farms

More than six years ago, Kaua'i landowner Grove Farm recognized the tremendous void in local milk production and began looking at how to restart the island's dairy industry. Grove Farm considered new dairy farming models (versus the traditional confinement dairies) and determined that New Zealand's grass-fed model would be the cleanest, most cost-effective and sustainable method for Hawai'i.

From 2010 to 2011, Grove Farm partnered with Finistere Ventures, Kamehameha Schools, Maui Land & Pineapple and Ulupono Initiative to conduct grass trials statewide to find the best site for a pasture-based dairy. Kaua'i was found to be the optimal location, and Maha'ulepu Valley was selected because of its long history of agriculture and ranching, Important Agricultural Land designation, availability, growing conditions and access to water for irrigation.

In late 2013, Ulupono Initiative made the investment to fund Hawai'i Dairy Farms.

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