

Value-Added Products

MASTER FARMER SERIES

Oahu Resource Conservation & Development Council

Value-added: raising the value of a farm product by either providing a service or creating a new marketable commodity, resulting in increased profits for the farmer.

Examples of Value-Added Services:

- Pre-cut produce
- Organic products
- Local
- Location (e.g. Kona coffee)
- Labeling/branding
- Packaging
- Third-party certifications
- Transportation
- Storage

Products:

- Baby greens
- Jellies/Jams
- Honey
- Salad dressings
- Herbal beauty products



A variety of Value-Added products are available from Nalo Farms. (photo courtesy of Nalo Farms)

Value can be added through many different means. There is almost no limit to the ways a creative farmer can add value to farm products by understanding the market and striving to meet the needs and interests of consumers.

Many farms find that developing value-added products and improving their marketing are the best ways to make their farming enterprise economically viable. Additionally, they can lead to a more sustainable farming operation since there is less pressure to over-exploit the farm's natural resources in order to profit.

The ability to charge more for a farm product often comes down to the ability to tell a story and convince the consumer that it is worth paying more for a product because it has a higher value.

Farmer Profile

Dean Okimoto, Nalo Farms

In 1990, Nalo Farms developed its signature "Nalo Greens" mix, and began providing fresh baby greens to Roy's restaurant and 20 other restaurants. Today, Nalo Greens are available at over 100 restaurants, and at farmers' markets and supermarkets around the islands.

Other value-added products available from Nalo Farms include Micro Greens (Tat Soi, Mizuna, Arugula, Red Mustard, Red Russian Kale, Burgundy Amaranth and Red Cabbage), Corn & Pea Sprouts, Fresh Herbs, and other newly developed products.



Dean Okimoto and Nalo Farms is a regular vendor at Farmers' Markets. (photo courtesy of Nalo Farms)

Another value-added venture is Nalo Farms' sister company, Nalo Fresh, Inc. whose mission is: "Food Safe, Quality, Locally Grown Produce." Nalo Fresh, Inc. is the processing entity and ensures the safest processed and packaged produce by Government Food Safety Standards. Produce is processed in a chilled environment that allows for the destruction of harmful bacteria and foreign items while preserving the "cold chain," which helps maintain the freshest produce and ensures longer shelf life.



Nalo Farms grows a variety of baby greens in Waimanalo.

Website: www.nalofarmfresh.com; Telephone: (808) 259-7698

RELATED PUBLICATIONS:

"Value-Added Strategies: Taking Agricultural Products to the Next Level":

<http://www.ctahr.hawaii.edu/oc/freepubs/pdf/AB-16.pdf>

"Government assistance in marketing and promoting Hawaii's agricultural products": http://www.ctahr.hawaii.edu/oc/freepubs/pdf/HITAGR_04-06-93_97-99.pdf

"Hawaii Agribusiness Guidebook" (produced by Oahu RC&D with UH CTAHR): www.oahurcd.org/uploads/HI%20Ag%20Guidebook%20Final.pdf

RESOURCES:

Agribusiness Incubator Program- University of Hawai'i (provides business consulting service to agriculture-related businesses):

<http://aip.hawaii.edu/default.aspx>

Value-Added Producer Grants- USDA:

www.rurdev.usda.gov/BCP_VAPG_Grants.html

The Kohala Center-Laulima Center (supporting cooperative ventures):

www.kohalacenter.org/laulima/home.html

Agricultural Marketing Resource Center (AgMRC) - A National Information Resource for Value-added Agriculture: www.agmrc.org/



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