



HAWAI'I  
AGRICULTURAL  
FOUNDATION

**Presentation to the  
Senate Special Committee  
on COVID-19  
April 22, 2020**

**By Denise Yamaguchi**

Hawai'i Agricultural Foundation, Executive Director



## **IMPACT ON FOOD SERVICE – WHOLESALERS, RESTAURANTS .... ULTIMATELY FARMERS, RANCHERS AND FISHERMEN**

- There are 2 food supply chains – one that supplies the retail markets (Costco, Foodland, Times, Safeway, etc. and the other that supplies food service side (Restaurants, food service management companies)
- Both chains under normal circumstances operate at 50-50. Under COVID-19, food service supply side has been severely impacted
- Dining-in operations on most islands were forced to close on 3/17
- Mandatory quarantine for visitors was ordered on 3/21 – arrivals plummeted and food service suppliers, restaurants, farmers, ranchers and fishermen were then scrambling to find markets and ways to sell or get rid of their food
- During this time, government advised the public to purchase 2 weeks of supplies which also resulted in people cooking and a drop in demand for restaurant takeout, creating a short-term overburdened food retail supply chain and almost no business for food service providers.

# LOSSES BY MAJOR LOCAL FOOD SERVICE SUPPLIERS

April 12 – 18, 2020 compared to same week last year

COMPANY	OAHU	HAWAI'I ISLAND	MAUI	KAUAI
Armstrong Produce	- 85%	- 95%	- 98%	
Y. Hata	- 62%	- 77%		- 85%

# National Restaurant Association COVID-19 Update: IMPACT SURVEY

The restaurant industry, **MORE THAN ANY OTHER INDUSTRY** in the nation, has suffered the **MOST SIGNIFICANT SALES & JOB LOSSES** since the COVID-19 outbreak began.

**8+ MILLION RESTAURANT EMPLOYEES**

have already been **LAI D OFF OR FURLOUGHED**

since the beginning of the coronavirus outbreak

 **2 OUT OF 3** restaurant employees have **LOST THEIR JOBS**

This survey measured **only the impact to restaurants and their employees**. The data **does not include other foodservice outlets** such as hotels, ballparks, and other venues.

  
The industry will sustain **\$240 BILLION IN LOSSES** BY THE END OF 2020

The restaurant & foodservice industry will **LOSE \$80+ BILLION IN SALES** by the end of April



This includes **\$30+ BILLION** lost in March

and **\$50+ BILLION** in April

**61%** of operators say

**Existing Federal Relief WON'T PREVENT MORE RESTAURANT LAYOFFS**



**4 IN 10** restaurants are **CLOSED**

## LOCAL IMPACT

The National Restaurant Association estimates that **more than 53,000** restaurant employees which is **75%** of the total number of restaurant employees in Hawai'i have been laid off or furloughed since the beginning of the coronavirus outbreak in March.

**88%**

of Hawaii operators have laid off or furloughed employees

**24%**

anticipate laying off or furloughing employees in the next 30 days

**60%**

have temporarily closed

**51%**

anticipate closing temporarily in the next 30 days

**79%**

decline in sales from April 1-10

**\$380**

**million**  
estimated losses



## LAUNCHED ON MARCH 23, 2020

A community service by HAF and HFWF with the support of **31 partners** to provide marketing support for restaurants open for takeout, delivery and/or curbside pickup

- HAF was already running a Localicious restaurant campaign to promote restaurants buying local and pivoted to support all restaurants
- **100K+ ACTIVE USERS ON FOODAGOGO.ORG** averaging 5 minutes per visit

## HOW WE HELP RESTAURANTS KEEP GO-GO-GOING

**FOODAGOGO.ORG**  
**100K+ ACTIVE USERS**



**5 MINUTES PER VISIT**



**1000+ RESTAURANTS AND LOCAL EATERIES LISTED ON FOODAGOGO.ORG**

**18 MEDIA PARTNERS RUNNING THE PSA ACROSS TV & RADIO**





## Partnership with



**Hawaiian Airlines®**  
**Bank of Hawaii**  
**World Elite Mastercard®**

### #EveryOrderCounts

30 Day Countdown Instagram Sweepstakes

- Mastercard funded \$40K worth of gift cards to be purchased by Food-A-Go-Go restaurants to promote the takeout service

### GO-GO! Get One, Give One.

Support local restaurants while also supporting our local farmers with funding to purchase local produce that will go to those in need.

- Barclays / Hawaiian Airlines® Bank of Hawaii World Elite Mastercard® (Card) will donate up to \$100,000 to support our local farmers, ranchers and fishermen.



## RESTAURANT RESCUE

- Backend volunteer group made up of employees from Zippy's, Chamber of Commerce, Tiki's Grill & Bar who are calling the small mom and pop restaurants to get them registered on Food-A-Go-Go
- Provide support in finding resources to assist with CARES Act funding, such as PPP, EIDL, etc.

## RESTAURANT SURVEY

- Find out what support restaurants need **NOW**:
  1. Marketing and traffic to their restaurants
  2. Rent Relief
  3. Innovative Ideas on how to operate (this topped help with loans, cash flow, etc.)

## RESTAURANT INSIDER

- Twice-weekly newsletter with relevant industry information, news and resources.





## Partnership with



**ELITE  
DELIVERY**

*DRIVEN BY* ELITE PARKING

A service by Elite Parking and Food-A-Go-Go

Pilot with 12 restaurants from Kaimuki to Hawai'i Kai

\$10 delivery fee charged **TO CUSTOMER** and  
**NO FEES TO RESTAURANTS**



## For businesses...

“While the amount differs slightly for each restaurant, it’s common for a food delivery app to have a commission fee of **20 to 30% of each order.**”

*Chicago Tribune  
April 13, 2020*

## For consumers...

The core components of pricing across all food delivery apps are:

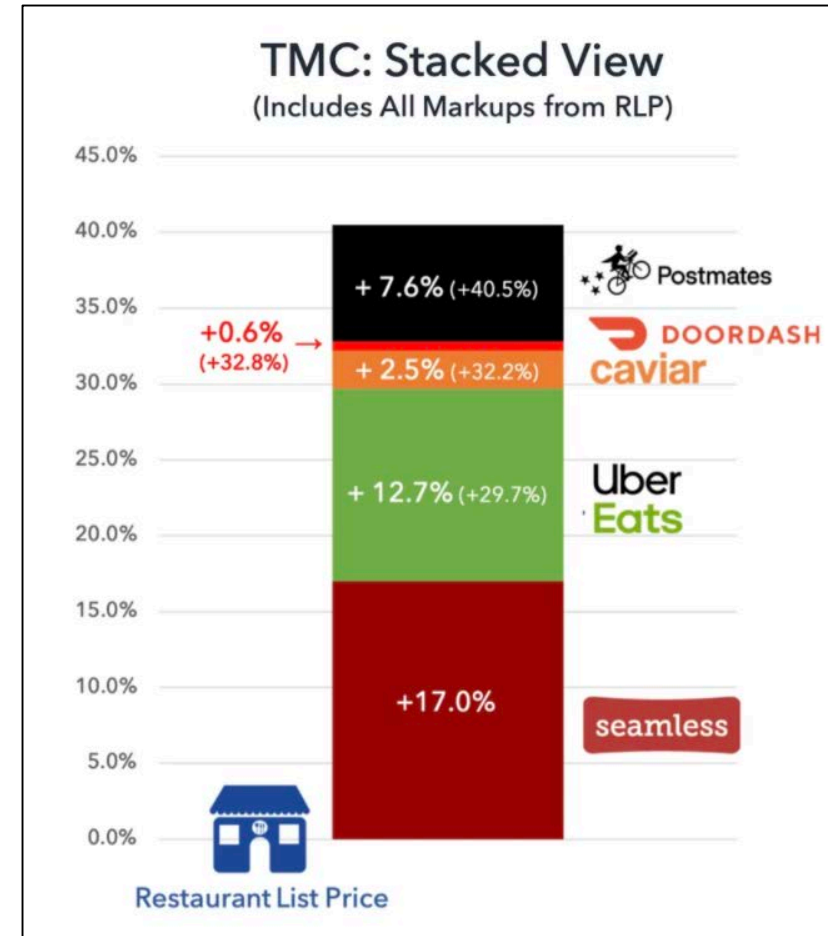
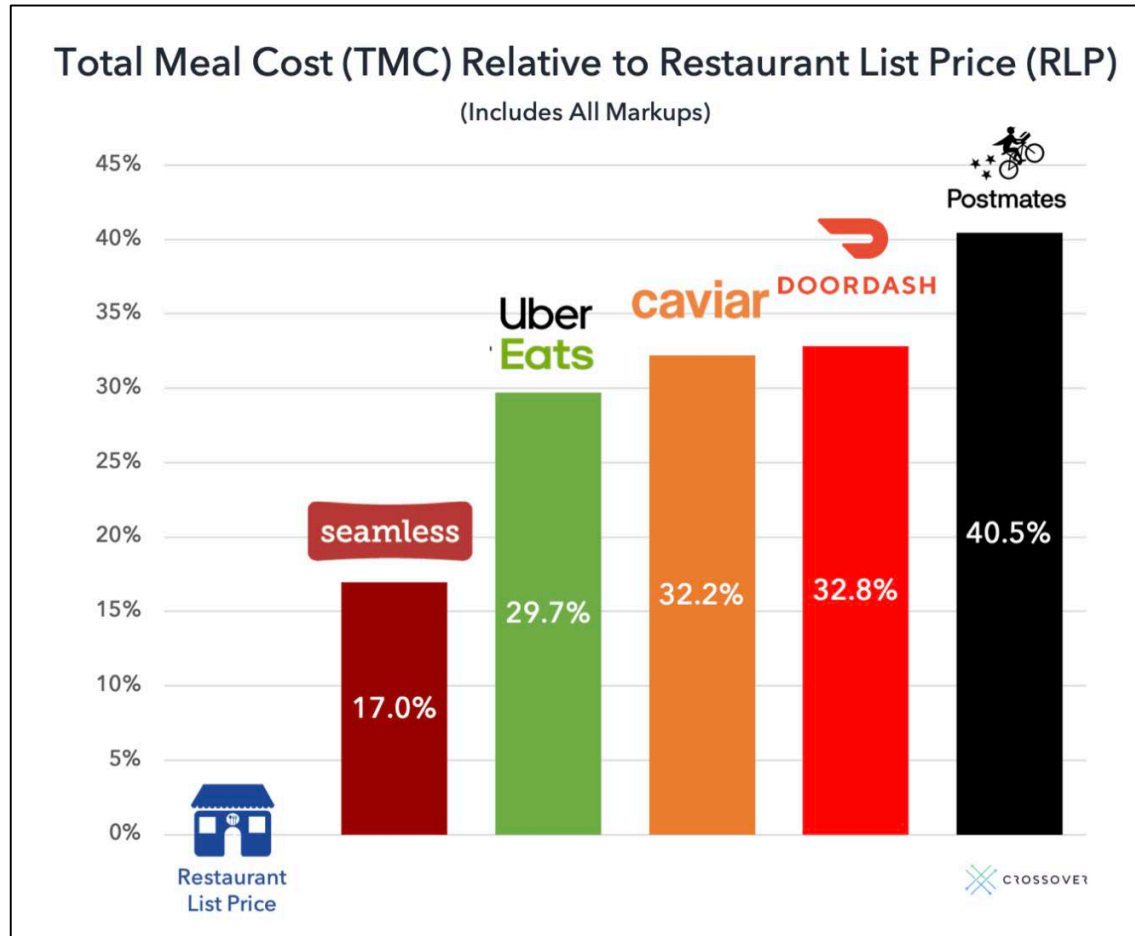
- Menu item: the actual food you are ordering
- Service fee: a fee charged by the delivery company for providing the service
- Taxes: sales tax on your order based on applicable local tax laws
- Delivery fee: the price for having the food delivered
- Gratuity (optional)

“there can be a very significant difference between both the price you would pay when ordering directly from a restaurant, as well as what each of the delivery apps charge for the exact same item.”

*Tech Crunch  
March 16, 2020*



Data from Tech Crunch, March 16, 2020



# What's next for Food-A-Go-Go?



## **Marketing of Business**

Listing of farmers markets open, farmers selling direct to consumer, value added products and local food products

## **Farm Rescue**

Backend volunteer group made up of employees from Zippy's, Chamber of Commerce, Tiki's Grill & Bar who are calling the small mom and pop restaurants to get them registered on Food-A-Go-Go

# FOOD-A-GO-GO

## Makalo To All Our Partners!

### Partners



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Bank of Hawaii  
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digital illustrations  
www.digital-idesigns.com



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### Media Partners





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## Episode 10 Food System Disruption - COVID-19

- NEW live, webinar format to launch in May
- Goal- 250 registered attendees statewide
- 6 – 10 restaurant partners



## HAF Ag Park at Kunia

### COVID-19 Response

- Renewed licenses for 17 farmers
- HAF immediately deferred rent for 3 months
- Currently working with farmers to see what more we can do to assist them



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Tropic Fish Hawaii  
Iichiko

- Launched by HFWF to provide immediate support to restaurant and bar workers impacted by the COVID-19 pandemic in Hawai'i.
- 100% of all funds generated from the campaign will be used to buy meals for restaurant workers. Help restaurant and bar workers with meals for their families, while also helping to keep our restaurants open during this pandemic.
- Eligible on a first come, first served basis to obtain a Visa Chip Card valued at \$250 to use at local restaurants throughout the state
- Restaurants that accept VISA will be able to accept this card as a form of payment.





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**Mahalo**