

"The INNOVATE Hawaii staff is extremely knowledgeable about the entire SBIR process. With the knowledge gained at workshops and seminars I was able to compete for and successfully obtain SBIR grants. The on-going support and access to local and federal resources continues to benefit Small Kine Farm and the local small business community." Fung Yang, President

Starting a New Business and Producing Locally

ABOUT. In 2006, Mr. Fung Yang began operating Oahu Community Recycling (OCR). Immediately he saw the need for a more efficient recycling program on Oahu. With his vision and determination, Mr. Yang turned OCR into the only private curbside recycling business on Oahu. From OCR, Small Kine Farm was developed in 2008. By using organic waste material (from OCR) and a high-tech pasteurization and growing process developed with the help of the U.S. Department of Agriculture, Small Kine Farm has become the only portabella mushroom farm in Hawaii. The farm is USDA Certified Organic and is continually working towards creating a self-sustaining local food system for Hawaii.

THE CHALLENGE. Mr. Yang was interested in expanding OCR and adding a new revenue stream to the business. He started to look through all of the material that his recycling facility was processing and noticed that most of the material was made of organic matter (i.e. paper, cardboard and food waste). He knew that if treated properly this material would breakdown and could be composted. Mr. Yang was soon composting and noticed that wild mushrooms were a bi-product of his composting efforts. He decided that he wanted to learn more about growing and harvesting organic mushrooms. He believed that the portabella mushrooms he was growing tasted better and had a better texture than those imported and found in grocery stores on Oahu. Though he had this great product, he was still unsure of how to increase his manufacturing production and distribution of his product to the local market.



RESULTS



SBIR grants launched new company



Started the production of portabella mushrooms in Hawaii



Hired a small staff



50% revenue growth forecasted

NEXT STEPS



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MEP'S ROLE. He connected with High Technology Development Corporation Manufacturing Extension Partnership (HTDC-MEP, now called INNOVATE Hawaii and a NIST MEP affiliate) and learned about the federal Small Business Innovation Research (SBIR) program. He knew that obtaining a grant would launch his small-scale farming business and so he set about applying for his first grant.

With the help of the INNOVATE Hawaii writing assistance he was able to submit a strong proposal and his business was awarded with a USDA Phase I SBIR grant in 2008. He then qualified for the Hawaii SBIR (HISBIR) matching funds. The purpose of the Matching Grant program is to help Hawaii Phase I awardees enhance their SBIR project development and compete for Phase II awards. This matching grant allowed him to successfully obtain a USDA Phase II SBIR grant in 2009.

These federal grants provided Mr. Yang the opportunity to launch Small Kine Farm and, in turn, the local organic portabella mushroom industry in Hawaii. Small Kine Farm is the only USDA certified organic mushroom farm in Hawaii. Mr. Yang has also been instrumental in helping other small-scale farmers experiment with growing organic Portabella mushrooms on their own farms.