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PARKER RANCH'S PANIOLO CATTLE COMPANY BEEF WILL NO LONGER BE AVAILABLE AT HAWAII SAFEWAY STORES

WAIMEA, HI (June 15, 2023) — Beginning this July Paniolo Cattle Company beef will no longer be available at Safeway stores throughout the state of Hawai'i. Paniolo Cattle Company Beef, a beloved local brand, has made significant contributions to Hawai'i's beef industry, revolutionizing the market and approach to sustainability, in several ways. As the largest statewide local beef brand, supplied by a single ranch, Paniolo Cattle Company competed for shelf space with other national and international brands at a national grocery retail chain. Showcasing the quality and appeal of locally raised, grass-fed beef from Hawai'i earned premium locations within this retail chain. While the partnership with Safeway will conclude in mid to late July, it's important to note the tremendous successes achieved by Paniolo Cattle Company in fulfilling its primary objectives.

The creation of the Paniolo Cattle Company (PCC) brand was in itself a groundbreaking move, aiming to demonstrate that Hawai'i's forage could support a large-scale beef program, while also improving market integrity, enhancing producer economics, and attracting new capital investment into meatpacking in Hawai'i. It's a notable accomplishment that, since its inception, PCC has been able to accomplish all of these established goals.

PCC's innovative approach involved a supplier arrangement directly with the grocer, transforming the packing plant into a valuable service provider. Additionally, PCC took charge of its own distribution, managing the logistics from the packing plant to each Safeway store in collaboration with its distributor. Notably, Parker Ranch, while creating its own brand, continued to sell cattle to the beef processor, thereby supporting the processor's programs and labels while maintaining their own market position. PCC never diverted cattle from other programs; instead, it focused on increasing volume to benefit as many market participants as possible and to enhance the overall economics of the system.

This direct contracting model between the rancher and grocer played a crucial role in ensuring that local producers received fair and reasonable prices for their cattle. In fact, over a span of ten years from 2010 to 2020, the price for grass-fed beef more than doubled in Hawai'i, rising from \$1.00 per pound to \$2.00 per pound. PCC significantly contributed to the market integrity, by requiring the packer to compete for supply, ultimately, driving prices higher due to the growing demand for grass-fed beef which outpaced the available supply. This increased competition improved information sharing and market transparency affecting the overall supply of local beef. Ultimately, all producers benefited from the rising prices, making the industry more sustainable.

Moreover, the increased supply greatly supported the economics of meatpacking, leading to a transformation from years of losses to eventual profitability. In 2019-2020, the packing plant was sold to a new owner who committed to making significant capital improvements to the facility, further strengthening the industry.

The PCC beef program owes its success to the collective efforts of numerous individuals and organizations. **Hawaii Foodservice Alliance** played a vital role in coordinating the logistics required to transport this exceptional product from Hilo to Lihue and everywhere in between, ensuring that Safeway's shelves were constantly stocked with premium, locally-sourced beef. Furthermore, the meat cutters and store managers at each of the Safeway locations demonstrated unwavering support for this initiative, making it possible for customers to access this unique offering.

"Paniolo Cattle Company would like to express our sincere gratitude to the Paniolo, the dedicated cowboys and cowgirls who meticulously raised and hand-selected only the finest cattle to provide their communities with superior beef. Additionally, we extend our heartfelt appreciation to the loyal customers who have supported this program over the years. The partnership between Safeway and Parker Ranch's Paniolo Cattle Company has achieved significant milestones, and while this chapter may be closing, locally raised Parker Ranch beef will still be available at KTA Superstores, the four Commissary locations, Tamura's Super Market, Waimea Butcher Shop, and various other retailers throughout Hawai'i" said Dutch Kuyper, President and CEO of Parker Ranch. "Paniolo Cattle Company looks forward to continuing to nourish Hawai'i's communities with their exceptional beef, while exploring new avenues for growth and future collaboration" continued Kuyper.

About Parker Ranch

Parker Ranch is one of the largest and oldest cattle ranches in the United States. Parker Ranch, Inc. is owned by Parker Ranch Foundation Trust whose beneficiaries are four non-profits: Queen's North Hawai'i Community Hospital, Hawai'i Preparatory Academy, Parker School and Hawai'i Community Foundation. To learn more, please visit www.parkerranch.com or www.prft.org.