

HAWAI'I SBDC SUCCESS STORY

Pa'ina Irradiation Facility

Our client had been working for several years towards building a commercial produce irradiation facility in order to treat produce for food borne pathogens and spoilage. Some countries that import Hawaiian papaya, sweet potatoes and basil require irradiation. The only other irradiator in the state is privately owned, and use is restricted to their customers.

The irradiation facility is financed in part by a USDA Rural Development Business and Industry Loan. One of the application requirements for this type of loan for a new or higher risk business is to submit a formal Feasibility Study as a critically important condition of approval. The Hawaii Small Business Development Center (SBDC) was asked to create the Feasibility Study wherein the SBDC analyzed the many existing documents, including the construction plans, USDA and Nuclear Regulatory Commission licenses, in addition to zoning and tax maps. Then we conducted primary research with key employees, with critical suppliers, and with regulatory agencies, among others. We created a full financial chapter, including projected financial statements, in depth analysis and conclusions, in the course of completing the comprehensive Feasibility Study.

The USDA and bank accepted and approved our Feasibility Study. The project was funded for approximately \$4.5 million, and is now in operation. Three new jobs were created so far. The client reported to us that he had received quotations in the range of \$15,000 to \$18,000 to complete the Feasibility Study, and the SBDC was gratified to know that the funds he saved were able to go into the business, serving the needs of local farmers and exporters, and making a positive impact on the economy.



Pa'ina Irradiator post-construction – completely built out former agricultural building with irradiator equipment installed and operational.