



Current Hawaii Business Issue

May 2005

December 2000

**Features
Big Island Report**

[Flavor Explosion](#)

[Cover Story](#)
[Black Book](#)

[Editor's Notebook](#)
[Starting Early](#)

[Education](#)
[School Ties](#)

[Employment](#)
[Largest Private-Sector Employers](#)

Departments

- [In Focus](#)
- [Road Ahead](#)
- [Dining With Dave](#)
- [Waves and Wires](#)
- [Hawaii Stocks](#)
- [Law Watch](#)
- [Real Estate Data Bank](#)
- [Room At The Top](#)

Search All Issues

Big Island Report

Flavor Explosion

With worldwide supplies of vanilla expected to decrease over the next few years, Big Island farmers can almost taste the big profits.

By **Jacy L. Youn**

Three years ago Jim Reddekopp was on the bullet train in Japan. Smacking his lips after devouring a dish of rather plain vanilla ice cream, he said to himself, "Someday they'll serve Hawaiian vanilla bean ice cream on the bullet train." If all goes accordingly, he may very well see that prediction ring true.

Upon returning home from Japan, a newly inspired Reddekopp purchased a withering 4,000-square-foot vanilla field in Kona in 1997. As owners of the Hawaiian Vanilla Co., Jim and his wife, Tracy, ("she's the thinker and I'm the doer," he says) are the only commercial vanilla bean growers in the nation. As it is, the United States purchases three million pounds of vanilla beans a year. However, the labor-intensive crop only grows 25 degrees north or south of the equator, making Hawaii the only state in the Union within those latitudes.

"It was only an idea and a prayer," says Reddekopp of his motivation behind purchasing the Kona-based field. He has since expanded his operation, purchasing an additional 34,000 square feet of land in Paauilo, on which he'll grow and produce the nation's second most expensive crop next to saffron. "Although it is labor-intensive, it's a high-density crop, which means it doesn't need a lot of land," says Reddekopp. "One-fourth acre of vanilla is valued to be the equivalent of about four acres of coffee." Reddekopp is currently in the process of planting his first crop in Paauilo, which he estimates will produce roughly 4.5 tons of vanilla in two to three years.



A \$75,000 federal grant slightly defrayed part of Reddekopp's investment costs, which have tallied upwards of \$300,000 thus far. "Still, it's a great time to be in the vanilla business," he says. "Madagascar, the world's biggest producer of vanilla, recently suffered a series of monsoons and typhoons, wiping out their supply. And Indonesia's the second largest grower and they're turning away and looking to tourism. Tahiti growers don't want to do it anymore ... so for the next three years the price of vanilla is just going to skyrocket." Reddekopp predicts that the market value will double over the next couple of years. Currently, a single green vanilla bean sells for about \$1. Dried, cured beans are valued at roughly \$2 each.

But for Reddekopp, it's not all about the numbers. Growing this high-end commodity has become a real labor of love. Which is exactly why he set up shop in the quaint, sleepy town of Paauilo. "We started this whole business to help out the community. The money was given to us to share with other people, and that's why people are drawn to us," says Reddekopp. "I think they're watching this young guy and they're seeing my honesty and integrity and that I've moved my whole family here forever, and I think they like it."

Even though he's just a rookie, Reddekopp emanates the same energy and passion for vanilla growing as his mentor, veteran orchid grower and researcher, Tom Kadooka. The two met in 1997, and Reddekopp has been researching and studying vanilla growth under Kadooka's direction ever since. "Jim is my student," says Kadooka. "He wants to know about vanilla, so I pass along my knowledge, free of charge."

Reddekopp works with the local community and encourages other farmers to produce vanilla, which he then purchases from them at market value. In addition, the beans are non-perishable, so if the market for vanilla isn't doing so hot, the beans can be frozen and sold when the market is more favorable.

"To compete in the market today you have to have a gourmet, high-end commodity. And the idea that it's grown in Hawaii almost markets itself," says vanilla bean grower Kevin McArdle. He and his wife, Jessica, are among six families currently working with the Reddekopps to produce high-quality vanilla beans. Growing vanilla is complex. Vanilla is actually the pod of an orchid plant and is one of the world's only remaining hand-pollinated plants. Once a day there is a small three-to four-hour window during which the pollen must be transferred by hand to the stigma. Once pollinated, the orchid flowers produce beans, which are hand picked and sent to Reddekopp's mill for drying. The dried, cured beans are then sent to the mainland for processing. The final product, Hawaiian vanilla bean extract, is then ready to market.

The Hawaiian Vanilla Co. is still in its earliest stages of production, yet has already managed to land its first high-profile client: Meadow Gold. The local company best known for its milk and ice cream products has established a licensing agreement with the Hawaiian Vanilla Co. to market Hawaiian Vanilla Ice Cream.

So far, Meadow Gold has purchased roughly 10 gallons of the extract for its initial batch. "I have about 100 gallons of extract for them to get going," says Reddekopp, "That'll probably last them for about eight months worth of sales, if it rips out of the stores."

Meadow Gold Vice President of Sales and Marketing, Ralph Hallquist, says it is still too early to speculate on sales of the product. "We think it will complement our other ice cream sales," he says, "However we are just in the early discussions with all of our customers. We do intend to place it in all of our accounts." In addition to the sales of the ice cream product, Reddekopp has plans to wholesale the dried vanilla beans to restaurants at \$75 per pound. He also hopes to market single dried vanilla beans, complete with a cooking recipe, for \$3.99 each. A Hawaiian vanilla cooking extract and Hawaiian vanilla perfume are also in the works.

Reddekopp hopes that his vanilla-growing endeavors will be embraced by the whole community. As he says, it takes a lot more than one man to move an industry. Kevin McArdle is clear on the concept. "Jim is a very dynamic individual. He's going to market the product, but he needs farmers to grow it," he says. "He's put a lot of energy, effort and resources into this and it gives me the confidence that he'll be able to sell it."

Jessica McArdle agrees. "We're sort of overwhelmed by their ability to get things done," she says of the Reddekopps. "They'll not only stimulate this whole community, but they'll stimulate this whole island."

Departments

In Focus

In the midst of a high-tech explosion, Viata Online's Karl Chang says it's not enough to develop technology, you have to find a compelling use for it.

Road Ahead

It's a big retail world out there and Liberty House's John Monahan and other local merchants are trying to figure out not only what consumers are buying but also the why's, how's and where's.

Dining With Dave

At Sushi Ogame the portions may be dainty, but the taste is big.

Waves and Wires

The brilliance of Peanuts is in the ageless lessons it teaches again and again.

Hawaii Stocks

The traditionally shaky month of October has come and gone, leaving carnage behind.

Law Watch

A recent court decision outlines a good faith interactive process to find a reasonable

Real Estate Data Bank

The Hawaii Business Real Estate Composite Index was up a sharp 23.2 percent from September from year-ago levels.

Room At The Top

CEO, St. Francis Healthcare System of Hawaii

Back Issues

- [April 2005](#)
- [March 2005](#)
- [February 2005](#)
- [January 2005](#)
- [December 2004](#)
- [November 2004](#)
- [October 2004](#)
- [September 2004](#)
- [August 2004](#)
- [July 2004](#)
- [June 2004](#)
- [May 2004](#)
- [April 2004](#)
- [March 2004](#)
- [February 2004](#)
- [January 2004](#)
- [December 2003](#)
- [November 2003](#)
- [October 2003](#)
- [September 2003](#)
- [August 2003](#)
- [July 2003](#)
- [June 2003](#)
- [May 2003](#)
- [April 2003](#)
- [March 2003](#)
- [February 2003](#)
- [January 2003](#)
- [December 2002](#)
- [November 2002](#)
- [October 2002](#)
- [September 2002](#)
- [August 2002](#)
- [July 2002](#)
- [June 2002](#)
- [May 2002](#)
- [April 2002](#)
- [March 2002](#)
- [February 2002](#)
- [January 2002](#)
- [December 2001](#)
- [November 2001](#)
- [October 2001](#)
- [September 2001](#)
- [August 2001](#)
- [July 2001](#)
- [June 2001](#)
- [May 2001](#)
- [April 2001](#)
- [March 2001](#)
- [February 2001](#)
- [January 2001](#)
- [December 2000](#)
- [November 2000](#)
- [October 2000](#)
- [September 2000](#)
- [August 2000](#)
- [July 2000](#)