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5 **Minutes of the Board of Agriculture**
6

7 CALL TO ORDER – The meeting of the Board of Agriculture was called to order on July
8 24, 2018 at 9:00 a.m. by Board of Agriculture Chairperson Scott Enright, at the Plant
9 Quarantine Conference Room, 1849 Auiki Street, Honolulu, Hawaii 96819.

10
11 **Members Present:**

12 Scott Enright, Chairperson, Board of Agriculture
13 Randy Cabral, Member-At-Large
14 Fred Cowell, Kauai Member
15 Vincent Mina, Maui Member
16 Diane Ley, Hawaii Member
17 Joe Tanaka, Member-At-Large
18 Mary Alice Evans, Deputy, Department of Business Economic Development, Ex
19 Officio Member
20 Dr. Nicholas Comerford, Dean of the College of Tropical Agriculture & Human
21 Resources University of Hawaii, Ex Officio Member
22

23 **Members Absent:**

24 Suzanne Case, Chairperson, Board of Land and Natural Resources
25 Glenn Hong, Member-At-Large
26

27 **Others Present:**

28 Jonathan Ho, HDOA/Plant Quarantine Branch (PQB)
29 Michael Iosua, Imanaka Asato
30 Morris Atta, HDOA/Agricultural Resource Management Division (ARM)
31 Ginny Tiu, Private Citizen
32 Stephanie Kendrick, Hawaiian Humane Society
33 Victoria Matsumura, HDOA/Pesticides Branch (PEST)
34 Scott Nishimoto, HDOA/PEST
35 Jeri Kahana, HDOA/Quality Assurance Division (QAD)
36 Inga Gibson, WHHS Pono Advocacy
37 Yong Pak, HDOA/Agricultural Loan Division (AGL)
38 Kevin Yokoyama, HDOA/AGL
39 Al Frenzel, USDA FSA
40 Leo Obaldo, HDOA/QAD
41 Cathy Goeggel, Animal Rights Hawaii
42 Sook Russell, Dolphin Quest
43 Trenton Yasui, HDOA/PQB
44 Isaac Maeda, HDOA/Animal Industry (AI)
45 Bryan Yee, Attorney General's Office

- 1 Janelle Saneishi, HDOA/Chairperson's Office (CHR)
- 2 Micah Munekata, HDOA/CHR
- 3 Phyllis Shimabukuro-Geiser, HDOA/Deputy to the Chairperson
- 4 Techie Lancaster, HDOA/PQB
- 5 Sean O'Keefe, A&B
- 6 Charles Hunter, Private Citizen
- 7 Dona Smith, E.K. Fernandez Shows
- 8 Chris Kishimoto, HDOA/PQB
- 9 Sandy Ma, DBEDT
- 10 Karen Hiroshige, HDOA/PQB
- 11 Craig Smith, Kona Coffee Direct LLC

12
13 II. APPROVAL OF MINUTES FROM 5/29/18 and 6/26/18 MEETING

14
15 Chairperson Enright introduced new Board members Fred Cowell and Joe Tanaka.

16
17 Motion to accept the 5/29/18 minutes: Mina/Comerford.

18
19 Vote: Approved, 8-0.

20
21 Motion to accept the 6/26/18 minutes: Mina/Comerford.

22
23 Vote: Approved, 8-0.

24
25 III. INTRODUCTIONS

26
27 IV. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

28
29 Board member Case arrived.

30
31 A. AGRICULTURAL LOAN DIVISION

- 32
33 1. Request for Approval of One (1) Direct Emergency Loan to Holbrook W.
34 Beck.

35
36 Yong Pak, DOA/AGL, presented testimony as submitted. Staff recommends approval.

37
38 Motion to accept: Evans/Cabral.

39
40 Board member Cabral asked about the equipment value and how it is determined. Mr.
41 Pak said that staff gets a list with the value stated from borrower and that gets cross-
42 checked with market value. There is a blanket value when putting this together and an
43 overall assessed value. Board member Cabral confirmed with staff that the submittal
44 was for 80 bags. Chairperson Enright confirmed that the value is determined this way.

45

1 Vote: Approved, 8-0.

2 2. Request for Approval of One (1) Direct New Farmer Loan to Kulana
3 Kokoleka Farm, Inc.

4
5 Yong Pak, HDOA/AGL, presented testimony as submitted. Staff recommends
6 approval.

7
8 Motion to accept: Mina/Ley.

9
10 Board member Mina asked about the applicant being incorporated or an LLC. Mr.
11 Pak said it is an LLC.

12
13 Board member Cowell commented on the cacao industry and the potential of the
14 industry.

15
16 Vote: Approved, 8-0.

17
18 3. Request for Approval of One (1) Direct Farm Ownership Loan to Kona
19 Farm Direct, LLC.

20
21 Kevin Yokoyama, HDOA/AGL, presented testimony as submitted. Staff recommends
22 approval.

23
24 Motion to accept: Mina/Cabral.

25
26 Board member Evans asked about the 4% interest rate. Mr. Yokoyama said the rate is
27 4% due to the date. It resets every January 1st or July 1st. Board member Evans asked
28 if this is below market. Mr. Yokoyama said that it is 1% below prime market rate.

29
30 Board member Mina said he appreciates the work the applicant was doing.

31
32 Board member Cowell asked about the marketplace. Craig Smith, Kona Coffee Direct
33 LLC, said he has greater demand than supply currently. Board member Cowell asked if
34 he was producing their own root stock. Mr. Smith said yes.

35
36 Board member Ley said that there are 2 dwellings on property. Mr. Smith said that one
37 is a 2 bedroom and 1 is 1 bedroom attached to each other where father in law resides.

38
39 Vote: Approved, 8-0.

40
41 B. AGRICULTURAL RESOURCE MANAGEMENT DIVISION

42
43 1. Request for Approval of Boundary Fence; General Lease No.
44 S -3768; Kevin and Susan Mulkern, Lessee; TMK: 1st Div/4-1-027:027,

1 Lot 28; Waimanalo Farm Lots, Koolaupoko, Waimanalo, Island of Oahu,
2 Hawaii

3
4 Morris Atta, DOA/ARM, presented testimony as submitted. Staff recommends approval.

5
6 Motion to accept: Evans/Ley

7
8 Board member Evans said if this is an issue we can delegate to the Office of the Chair.
9 Chairperson Enright said that this hasn't come forward yet. Mr. Atta said that this
10 authority hasn't moved just yet. Prior improvements may have needed public process.
11 Chairperson Enright said that staff was coming on at the time and that could have been
12 the issue.

13
14 Chairperson Enright asked about the property and fire ant issues. Mr. Atta said that the
15 3-year period has expired and there is no sign of fire ants.

16
17 Vote: Approved, 8-0.

18
19 Recess at 925

20
21 Back to order at 930

22
23 C. ANIMAL INDUSTRY DIVISION

24
25 1. Request for Approval of an Application for a Satellite Animal
26 Quarantine Permit for the Kauai Police Department

27
28 Isaac Maeda, HDOA/AI, presented testimony as submitted. Staff recommends
29 approval.

30
31 Motion to accept: Mina/Comerford.

32
33 Board member Comerford asked what the legal problems were with transporting
34 training needs. Mr. Maeda said explosives and drugs. Board member Cowelll asked if
35 they had animals on premise now. Mr. Maeda said no.

36
37 Board member Mina confirmed there is only 1 dog at a time. Mr. Maeda said yes, and it
38 is coordinated with quarantine staff.

39
40 Vote: Approved, 8-0.

41
42 D. QUALITY ASSURANCE DIVISION

43

- 1 1. Request for (1) Acceptance of the Minutes of the Public Hearings on
2 Proposed Rules, Chapter 4-162, Hawaii Administrative Rules, entitled
3 "Food Safety Certification Costs Grant Program"; and (2) Adoption of
4 Chapter 4-162, Hawaii Administrative Rules, entitled "Food Safety
5 Certification Costs Grant Program."
6

7 (See attached summary of proposed rules)
8

9 Jeri Kahana, HDOA/QAD, presented testimony as submitted. Staff recommends
10 approval.
11

12 Motion to accept: Mina/Ley.
13

14 Board member Mina asked if funding is used for HASAP certification. Ms. Kahana said
15 yes. Board member Mina said that corporations and lawyers are trumping the federal
16 law at times and that he has lost an account because of that. He said he was
17 wondering what can be put in place for federal law to challenge these companies.
18 Chairperson Enright said that FDA and FSMA sets the bar. If an entity, like Whole
19 Foods and Costco, ask for something they want and it goes beyond federal law, that is
20 their business. There is little that can be done. Board member Mina said that federal
21 law considers his product a sprout and not a microgreen and asked if that would be
22 considered a higher standard. Chairperson Enright said that this would be their
23 standard and we would have a hard time changing that.
24

25 Board member Ley asked if this went before the Small Business Review Board. Ms.
26 Kahana said yes. Board member Ley asked if the \$500,000 is a one-time appropriation.
27 Ms. Kahana said yes and that staff would try to spend this down and ask for this in the
28 State budget. Board member Ley asked if there is a planned marketing strategy. Ms.
29 Kahana said once rules are passed staff will pursue this.
30

31 Board member Comerford asked about the testimony of Kevin Kelly regarding Group
32 GAP and what was the response to the concern raised. Ms. Kahana said they follow
33 GAP GIP. They want to do away with the GAP GIP and go into harmonized. The
34 record keeping is a little different. Board member Comerford asked if they would have
35 to adjust. Ms. Kahana said yes.
36

37 Vote: Approved, 8-0.
38

39 E. PLANT INDUSTRY DIVISION 40

- 41 1. Request for: (1) Approval of Additional Partial Amendments to Chapter 4-
42 66, *Hawai'i Administrative Rules* that received Board Approval on
43 February 27, 2018 in Order to Comply with the Passage of Act 045,
44 Signed into Law June 13, 2018; and (2) Appoint John McHugh, PhD. as

1 the Hearings Officer in Connection with the Proposed Amendments to
2 Chapter 4-66, *Hawai'i Administrative Rules*.

3
4 (See attached amendments)

5
6 Chairperson Enright said that he would be deferring this item.

7
8 V. OLD BUSINESS

9
10 1. Updates on disaster relief for Kauai and Hawaii Island.

11
12 Phyllis Shimabukuro-Geiser, HDOA/Deputy to the Chairperson, presented testimony as
13 submitted. She provided update on money for the flood damage on Kauai and Oahu
14 which is moving along with accounting in the fiscal office. Department also put in
15 request with HI-EMA asking the National Guard to scope out and do cost analysis of
16 Shipman land on the Big Island for land clearing to assist displaced farmers in Puna.
17 This process is moving along and will require 3 days of scoping land in the area.

18
19 Board member Cabral asked for more money on emergency loans. Chairperson
20 Enright said that this would require additional sources through a special session.
21 Leadership said that a special session consideration would be after the primary election
22 this year. They would ask the County to weigh in on the housing issue. For Ag, DOA
23 could come up with that number. Until that special session, staff is pulling the loan
24 portfolio down quickly, potentially before the end of the year. A special session would
25 be helpful. It was under the Governor's request to work with National Guard to work on
26 clearing the Shipman lands. The papaya industry lost 50% of crop land production due
27 to lava flow. The industry ask was for 400-500 acres of land in Shipman to be cleared.
28 National Guard work to assess is still pending but anticipate happening soon. The
29 Governor will work with Department to get that resources. The nurseries are also
30 working with us. They need water in order to operate. He thanked Diane Ley for her
31 work on the Big Island. The Department of Agriculture is in a diminished capacity to
32 help here due to minimal resources allotted through the Legislature. Governor Ige is
33 working on this with his Administration. Board member Cabral said that he was in DC
34 and met with Congressional delegation. He mentioned an amendment for the farm bill
35 to retroactively pursue NAP. Whether it gets passed or not is questionable. American
36 Farm Bureau is supportive. Board member Cabral said that they are working with
37 private guys to try and help the papaya guys.

38
39 Al Frenzel, Director of the USDA Farm Service Agency, came forward to provide
40 information of support services. They have interviewed over 220 producers, and there
41 are 189 producers with real loss. Damage is roughly under \$30 million. Current
42 programs are not designed for lava, only theoretical, but because these lands are not
43 recoverable it makes it difficult. The USDA FSA system doesn't allow for relocation and
44 they are waiting to hear back if that can be done. The most that can be paid under
45 current programs is \$1-2 million. With an ask from Senator Hirono, it could go up to \$5

1 million. Senator Schatz is floating some language as well. They will need secondary
2 legislation to allow more programs with more enhancement than they already have.

3
4 Board member Ley stated that the County of Hawaii is actively engaged in a broader
5 recovery and the ag sector is obviously a big side of this. There is a large segment of
6 the County cabinet trying to address this. On the ag side, we appreciate the information
7 on the congressional issues. County can help with this through different means. This is
8 a long process to move forward. The County will work with DOA and USDA FSA on the
9 loan piece. Board member Ley asked about clearing of new lands and the SHPD issue.
10 Chairperson Enright said he had a discussion with Chairperson Case on this and that
11 the Governor supports this. He said that this was old sugar cane lands. SHPD could
12 move forward expeditiously with this one.

13
14 Board member Mina clarified that there is \$34 million in crop or livestock loss. Mr.
15 Frenzel said that there was some loss from equipment as well. Board member Mina
16 said that the Hirono legislation would only allow for \$5 million. Mr. Frenzel said this was
17 based on the language presented and it deals with the parameters provided.

18
19 Board member Cabral said that this would be pursued similar to Puerto Rico's situation.
20 Mr. Frenzel said that there is a lot of flexibility at that level and that this would be a long
21 process. They are still paying claims from vog in 2008 and \$6.3 million to ranchers to
22 help with fencing issues affected in 2008. FSA loans will not qualify if they do not have
23 assets. They have received approval at about \$450,000 for flood recovery, and
24 Honolulu has \$52,000.

25
26 Board member Evans left the meeting.

27
28 Board member Mina asked about Shipman land and if there is thought about another
29 process to chip the trees on the land. Chairperson Enright said that papaya needs this
30 as soon as possible as the time of seeding to production is 1 year. The National Guard
31 getting involved speeds up the process. The specialty equipment needed would be
32 expensive.

33
34 Board member Cabral thanked all those who have helped.

35
36 Chairperson Enright said that he will be meeting with Mayor Carvalho in Kauai. He said
37 that they are still working with the taro growers.

38
39 Chairperson Enright called a recess at 10:10 AM.

40
41 Chairperson Enright called the meeting back to order at 10:15 AM.

42
43 2. Updates provided by Staff on Proposed Amendments to Chapter 4-71, Hawaii
44 Administrative Rules (HAR), Entitled "Plant and Non-Domestic Animal
45 Quarantine, Non-Domestic Animal Import Rules", Including Amendment

1 Banning Import of Dangerous, Wild Non-Domestic Animals for Performance
2 or Exhibition in Circuses or Carnivals;

3
4 Jonathan Ho, HDOA/PQB, provided summary and status update of this submittal.

5
6 Chairperson Enright opened the floor to public testimony on the issue.

7
8 Donna Smith, EK Fernandez, presented testimony opposing the ban. She said that the
9 current rules are adequate and address these concerns. She asked that the Board vote
10 no on this should it come back for vote.

11
12 Stephanie Kendrick, Hawaiian Humane Society, presented testimony in support of this
13 ban. The issue is the track record of the mainland companies that would bring these
14 animals into the state. Animal welfare and safety are the issues of these companies. It
15 is not about a local company.

16
17 Ginny Tiu, private citizen, presented testimony in support of this ban. She said that
18 personal experience shows that the animals are not treated well. Business needs to
19 adapt in order to educate the people. A fearful animal can be an aggressive animal.

20
21 Inga Gibson, West Hawaii Humane Society, presented testimony in support of the ban.
22 It is an extremely long, strenuous journey for these animals to get to Hawaii making
23 them more susceptible to disease outbreaks due to stress. Research of these
24 exhibitors shows a long history of USDA violations. Unlike the mainland, there is no
25 USDA inspector on site to address an animal escape or emergency. This rule is
26 targeting wild animals and does not limit other animals to be used.

27
28 Cathy Goeggel, Animal Rights Hawaii, presented testimony in support of the ban. She
29 urged new members to read old materials on this submittal.

30
31 Board member Mina asked where the animals come from in the South. Ms. Gibson
32 said they come from a variety of private operations. Animals are sent around the states.
33 There are a number of states that still allow for the private possessions of these
34 animals.

35
36 Donna Smith said that EK Fernandez would not bring an act to Hawaii that would harm
37 anyone. These animals are inspected and approved by USDA before coming to Hawaii.
38 When they come across the country, they are in USDA approved travel quarters. When
39 on a ship, they are in the same quarters and well taken care of. Owners have 24-hour
40 access to these animals. When here, they are not forced to perform, there is a time
41 period for USDA enclosure to be set up. The animals are all controlled by USDA.
42 Everything they bring in has a USDA license. This is an important part of their history
43 and their company.

44

1 Board member Tanaka said back in the day that EK brought in trainers. Ms. Smith said
2 that the legislature has taken up this issue and the County has taken up the issue
3 several times and they did not find it necessary to ban this practice.
4

5 Board member Cowell asked about the size of the industry locally. Ms. Gibson said
6 there haven't been any animal exhibits on neighbor islands for a while. The bulk is
7 through EK through its State Fair. They are the only business that continues to do this.
8 She said that the trend nationally is that some of the operations have closed down.
9

10 Board member Mina asked about the film industry. Ms. Gibson said that they are
11 exempted. Film industry is moving away from that with new technologies.
12

13 Board member Comerford asked where the zoo fits in. Ms. Gibson said that they are
14 not impacted. Board member Comerford said that there are no health or safety issues
15 with the zoos. Ms. Gibson said they hoped for the zoo to regain their accreditation. Ms.
16 Kendrick said that Hawaiian Humane Society supports zoos as long as they meet
17 accreditation and welfare standards. Ms. Kendrick said the violations in questions have
18 come before the Board in the past.
19

20 Chairperson Enright called a recess at 10:47 AM.
21

22 Chairperson Enright called the meeting back to order at 10:55AM.
23

24 VI. NEW BUSINESS

- 25 1. Presentation from Vincent Mina, Hawaii Farmers Union United (HFUU)
26 regarding farmer share prices and cover crop program to be implemented
27 state wide.
28
29

30 Board member Mina presented on the agenda item. The long term goal is to institute
31 proactive programs and demonstrations utilizing cover crops in promoting soil health on
32 private and public lands. He would like to see a cover crop industry here in Hawaii and
33 to promote the Farmer's Share program.
34

35 Board member Comerford said that he is familiar with this field and supports this. Cover
36 crops need to be looked at in relation to the cover crop system. State requires far more
37 research for the vast soils in Hawaii. The benefits of having livestock is important as
38 well. Board member Mina asked if the lower level soil can support a healthy crop.
39 Board member Comerford said it can be managed to do that. He mentioned the ideal
40 situation for carbon sequestration is through soils. Board member Cabral agreed with
41 Board member Comerford on the need for building up the DOA and CTAHR.
42

43 Board member Cowell talked about the economics of farming. The dilemma is how can
44 we show successful demonstrations to lower input costs without the use of CTAHR and
45 DOA.

1
2 Board member Tanaka talked about compost through human waste and benefits.
3
4 Chairperson Enright said that the foundation piece is DOA putting the statistics branch
5 back in place. The Economist position to lead this branch has been tough to get in
6 place due to recruitment and legislative priorities. Farmer's share is different for various
7 operations.


8
9 VII. ADJOURNMENT OF REGULAR MEETING

10
11 Motion to adjourn meeting: Tanaka/Cabral.

12
13 Vote: Approved, 7-0.

14
15 Meeting adjourned at 11:33 AM.

16
17
18 Respectfully submitted,

19
20 

21
22 Micah Munekata
23 Board Secretary