Minutes of the Board of Agriculture

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

Members Present:
Scott Enright, Chairperson, Board of Agriculture
Randy Cabral, Member-At-Large
Fred Cowell, Kauai Member
Vincent Mina, Maui Member
Diane Ley, Hawaii Member
Joe Tanaka, Member-At-Large
Mary Alice Evans, Deputy, Department of Business Economic Development, Ex Officio Member
Dr. Nicholas Comerford, Dean of the College of Tropical Agriculture & Human Resources University of Hawaii, Ex Officio Member

Members Absent:
Suzanne Case, Chairperson, Board of Land and Natural Resources
Glenn Hong, Member-At-Large

Others Present:
Jonathan Ho, HDOA/Plant Quarantine Branch (PQB)
Michael Iosua, Imanaka Asato
Morris Atta, HDOA/Agricultural Resource Management Division (ARM)
Ginny Tiu, Private Citizen
Stephanie Kendrick, Hawaiian Humane Society
Victoria Matsumura, HDOA/Pesticides Branch (PEST)
Scott Nishimoto, HDOA/PEST
Jeri Kahana, HDOA/Quality Assurance Division (QAD)
Inga Gibson, WHHS Pono Advocacy
Yong Pak, HDOA/Agricultural Loan Division (AGL)
Kevin Yokoyama, HDOA/AGL
Al Frenzel, USDA FSA
Leo Obaldo, HDOA/QAD
Cathy Goeggel, Animal Rights Hawaii
Sook Russell, Dolphin Quest
Trenton Yasui, HDOA/PQB
Isaac Maeda, HDOA/Animal Industry (AI)
Bryan Yee, Attorney General’s Office
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Janelle Saneishi, HDOA/Chairperson’s Office (CHR)
Micah Munekata, HDOA/CHR
Phyllis Shimabukuro-Geiser, HDOA/Deputy to the Chairperson
Techie Lancaster, HDOA/PQB
Sean O’Keefe, A&B
Charles Hunter, Private Citizen
Dona Smith, E.K. Fernandez Shows
Chris Kishimoto, HDOA/PQB
Sandy Ma, DBEDT
Karen Hiroshige, HDOA/PQB
Craig Smith, Kona Coffee Direct LLC

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

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

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

Vote: Approved, 8-0.

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

Vote: Approved, 8-0.

III. INTRODUCTIONS

IV. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

Board member Case arrived.

A. AGRICULTURAL LOAN DIVISION

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

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

Motion to accept: Evans/Cabral.

Board member Cabral asked about the equipment value and how it is determined. Mr. Pak said that staff gets a list with the value stated from borrower and that gets cross-checked with market value. There is a blanket value when putting this together and an overall assessed value. Board member Cabral confirmed with staff that the submittal was for 80 bags. Chairperson Enright confirmed that the value is determined this way.
Vote: Approved, 8-0.

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

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

Motion to accept: Mina/Ley.

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

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

Vote: Approved, 8-0.

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

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

Motion to accept: Mina/Cabrai.

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

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

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

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

Vote: Approved, 8-0.

B. AGRICULTURAL RESOURCE MANAGEMENT DIVISION

1. Request for Approval of Boundary Fence; General Lease No. S-3768; Kevin and Susan Mulkern, Lessee; TMK: 1st Div/4-1-027:027,
Lot 28; Waimanalo Farm Lots, Koolaupoko, Waimanalo, Island of Oahu, Hawaii

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

Motion to accept: Evans/Ley

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

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

Vote: Approved, 8-0.

Recess at 925

Back to order at 930

C. ANIMAL INDUSTRY DIVISION

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

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

Motion to accept: Mina/Comerford.

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

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

Vote: Approved, 8-0.

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

   (See attached summary of proposed rules)

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

   Motion to accept: Mina/Ley.

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

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

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

   Vote: Approved, 8-0.

   E. PLANT INDUSTRY DIVISION

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

(See attached amendments)

Chairperson Enright said that he would be deferring this item.

V. OLD BUSINESS

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

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

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

Al Frenzel, Director of the USDA Farm Service Agency, came forward to provide
information of support services. They have interviewed over 220 producers, and there
are 189 producers with real loss. Damage is roughly under $30 million. Current
programs are not designed for lava, only theoretical, but because these lands are not
recoverable it makes it difficult. The USDA FSA system doesn’t allow for relocation and
they are waiting to hear back if that can be done. The most that can be paid under
current programs is $1-2 million. With an ask from Senator Hirono, it could go up to $5
million. Senator Schatz is floating some language as well. They will need secondary legislation to allow more programs with more enhancement than they already have.

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

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

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

Board member Evans left the meeting.

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

Board member Cabral thanked all those who have helped.

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

Chairperson Enright called a recess at 10:10 AM.

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

2. Updates provided by Staff on Proposed Amendments to Chapter 4-71, Hawaii Administrative Rules (HAR), Entitled “Plant and Non-Domestic Animal Quarantine, Non-Domestic Animal Import Rules”, Including Amendment
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Banning Import of Dangerous, Wild Non-Domestic Animals for Performance  
or Exhibition in Circuses or Carnivals;

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

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

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

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

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

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

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

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

Donna Smith said that EK Fernandez would not bring an act to Hawaii that would harm  
anyone. These animals are inspected and approved by USDA before coming to Hawaii.  
When they come across the country, they are in USDA approved travel quarters. When  
on a ship, they are in the same quarters and well taken care of. Owners have 24-hour  
access to these animals. When here, they are not forced to perform, there is a time  
period for USDA enclosure to be set up. The animals are all controlled by USDA.  
Everything they bring in has a USDA license. This is an important part of their history  
and their company.
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Board member Tanaka said back in the day that EK brought in trainers. Ms. Smith said that the legislature has taken up this issue and the County has taken up the issue several times and they did not find it necessary to ban this practice.

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

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

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

Chairperson Enright called a recess at 10:47 AM.

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

VI. NEW BUSINESS

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

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

Board member Comerford said that he is familiar with this field and supports this. Cover crops need to be looked at in relation to the cover crop system. State requires far more research for the vast soils in Hawaii. The benefits of having livestock is important as well. Board member Mina asked if the lower level soil can support a healthy crop.

Board member Comerford said it can be managed to do that. He mentioned the ideal situation for carbon sequestration is through soils. Board member Cabral agreed with Board member Comerford on the need for building up the DOA and CTAHR.

Board member Cowell talked about the economics of farming. The dilemma is how can we show successful demonstrations to lower input costs without the use of CTAHR and DOA.
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Board member Tanaka talked about compost through human waste and benefits.

Chairperson Enright said that the foundation piece is DOA putting the statistics branch back in place. The Economist position to lead this branch has been tough to get in place due to recruitment and legislative priorities. Farmer's share is different for various operations.

VII. ADJOURNMENT OF REGULAR MEETING

Motion to adjourn meeting: Tanaka/Cabral.

Vote: Approved, 7-0.

Meeting adjourned at 11:33 AM.

Respectfully submitted,

[Signature]

Micah Munekata
Board Secretary