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5 **Minutes of the Board of Agriculture**
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7 CALL TO ORDER – The meeting of the Board of Agriculture was called to order on
8 August 22, 2017 at 9:00 a.m. by Board of Agriculture Chairperson Scott Enright, at the
9 Plant Quarantine Conference Room, 1849 Auiki Street, Honolulu, Hawaii 96819.

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11 **Members Present:**

12 Scott Enright, Chairperson, Board of Agriculture
13 Suzanne Case, Chairperson, Board of Land and Natural Resources
14 Randy Cabral, Member-At-Large
15 Jerry Ornellas, Kauai Member
16 Glenn Hong, Member-At-Large
17 Vincent Mina, Maui Member
18 Michelle Galimba, Member-At-Large
19 Dr. Rachel Novotny, Interim Dean of the College of Tropical Agriculture & Human
20 Resources University of Hawaii, Ex Officio Member
21 Richard Ha, Hawaii Member
22

23 **Members Absent:**

24 Mary Alice Evans, Deputy, Department of Business Economic Development, Ex
25 Officio Member
26

27 **Others Present:**

28 Randy Teruya, HDOA/Agricultural Resource Management (ARM)
29 Linda Murai, HDOA/ARM
30 Roy Hasegawa, HDOA/ARM
31 Joyce Wong, HDOA/ARM
32 Brian Kau, HDOA/ ARM Administrator
33 Kevin Yokoyama, HDOA/State Agricultural Loan Division (SALD)
34 Jeri Kahana, HDOA/Quality Assurance Division Administrator
35 Bryan Yee, Attorney General's Office
36 Phyllis Shimabukuro-Geiser, HDOA/Deputy to the Chairperson
37 Micah Munekata, HDOA/Chairperson's Office (CHR)
38 Shelley Choy, HDOA/CHR
39 Demont Conner, Ho'omana Pono, LLC
40 Rachel Kailianu, Ho'omana Pono, LLC
41 Nick Denzer, Alakea Construction
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43 **II. APPROVAL OF MINUTES FROM 6/20/17 MEETING**
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45 Chairperson Enright requested a motion to approve the June 20, 2017 meeting minutes.

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Motion for approval: Mina/Galimba

Vote: Approved, 9/0.

III. COMMENTS FROM THE GENERAL PUBLIC ON AGENDA ITEMS (ORAL OR WRITTEN)

Chairperson Enright said that the Board will be taking public comments on agenda items as they come up during the meeting.

IV. INTRODUCTIONS

Chairperson Enright introduced the newest Board member Randy Cabral.

V. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

A. AGRICULTURAL LOAN DIVISION

1. Request for Approval of One (1) New Farmer Loan to Roy Sendele and Hong Xian.

Presentation by Kevin Yokoyama, HDOA/SALD, as submitted. Staff recommends approval.

Motion to accept: Ornellas/Cabral.

Board member Mina asked if the acreage was for coffee. Mr. Yokoyama said yes.

Vote: Approved, 9/0.

B. AGRICULTURAL RESOURCE MANAGEMENT DIVISION

1. Request to (1) Rescind Prior Board Action Approving Sublease of General Lease No. S-7013, Hamakua Agricultural Cooperative, Sublessor, to Jianguo Wang, Sublessee, TMK: 3rd Div/4-3-005:020 (por), Lot 02, Kaunamanu Homesteads, Hamakua, Island of Hawaii; and (2) Approve Sublease Between Hamakua Agricultural Cooperative, Sublessor, to Jianguo Wang, Sublessee; General Lease No. S-5553, TMK: 3rd Div/4-3-004 (por), Lot 02, Kaunamanu Homesteads and Opihala & Hauola, Hamakua, Island of Hawaii

Presentation by Joyce Wong, HDOA/ARM, as submitted. Staff recommends approval.

Motion to accept: Galimba/Hong.

1 Board member Galimba asked if both were under the co-op under the Agricultural Park.
2 Ms. Wong said one was in Paauilo. The applicant want to cancel and put both in
3 Paauilo. Chairperson Enright asked how the applicant was doing. Ms. Wong said that
4 he is doing well and expanded his operation quite a bit. The move is for extra space.
5 He has been cropping green onion, ginger, and some bananas. Chairperson Enright
6 said he was supposed to do tropical fruit at some point. Ms. Wong said he should be
7 doing it and with additional lease he has a good operation. Board member Mina asked
8 how old the applicant was. Ms. Wong said he was in his 40s.

9
10 Vote: Approved, 9/0.

11
12 2. Request for Approval to Sublease Between the Hamakua Agricultural
13 Cooperative and Wray Kim; General Lease No. S-7008, TMK: 3rd Div/4-3-
14 005:002 (por), Lot W06A, Hamakua Pohakuhaku and Kemau 1st,
15 Hamakua, Island of Hawaii

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17 Presentation by Joyce Wong, HDOA/ARM, as submitted. Staff recommends approval.

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19 Motion to accept: Galimba/Ha.

20
21 Board member Mina asked if the lot is the red section on the map's submittal.
22 Chairperson Enright said yes. He said that the co-op in Hamakua is unique and that
23 there is nothing else like it in HDOA inventory. There are master leases given out and
24 subdivided within. There are smaller pieces imbedded in the larger tax map keys.

25
26 Board member Ornellas asked if these leases that are executed are for profit
27 operations. Ms. Wong said yes.

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29 Vote: Approved, 9/0.

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31 3. Request for Approval to Sublease between the Hamakua Agricultural
32 Cooperative and Stanley Cypriano; General Lease No. S-5551, TMK: 3rd
33 Div/4-6-003:003 (por), Lot 2D, Honokaia Makai Tract, Hamakua, Island of
34 Hawaii

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36 Presentation by Joyce Wong, HDOA/ARM, as submitted. Staff recommends approval.

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38 Motion to accept: Cabral/Galimba.

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40 Vote: Approved, 9/0.

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42 4. Request for Consent to 1) Assignment of General Lease Nos. S-3128, S-
43 5659 and S-5660; William J. Sanchez, Sr., Assignor, to William Sanchez.
44 Trustee, Assignee; and (2) Extension of General Lease No. S-5659;

1 TMKs: 4th Div/4-4-004:005, 4-3-004:001, 014 & 017, 4-1-002:012 & 018
2 and 4-4-004:004 & 051, Kawaihau (Puna), Island of Kauai, Hawaii

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4 Presentation by Roy Hasegawa, HDOA/ARM, as submitted. Staff recommends
5 approval.

6
7 Motion to accept: Mina/Ornellas.

8
9 Board member Galimba asked if he is putting his lease into a trust and if he has a
10 person in mind for trust control. Mr. Hasegawa said he has the trust and has his son
11 and daughters in mind for the control.

12
13 Board member Ornellas said that you can't take age into consideration when making
14 decisions. Board member Galimba asked if the Board can consider age when dealing
15 with trusts. Chairperson Enright said that the applicant's daughter is actively involved.
16 He said that he is an excellent steward and takes care of his pastures, and his daughter
17 is always at his side. Bryan Yee, Deputy Attorney General, said that HDOA rules treat
18 changes in ownership through wills the same as through trusts.

19
20 Board member Hong said if the trust were revoked whether the applicant would have to
21 come back here. If the trust were to pass, it would still have to come in for approval.
22 He said that there are a lot of steps to go through if the applicant were to pass away and
23 the trust became effective. Randy Teruya, HDOA/ARM, said that this is a revocable
24 living trust. Board member Hong said that there may be no assets in the trust other
25 than the leases. He asked how they would continue to pay the lease rents unless the
26 applicant is transferring the monies into the trust. Board member Case said that in her
27 experience the individual would be making payments on behalf of the trust. She said
28 that the question is should there be a need for an approval for the transfer of the trust in
29 the event of a passing. Mr. Yee stated that it would have to come before the Board.
30 Board member Hong said that he would like to make sure that the applicant will have
31 requests to move leases into various trusts thereby protecting the applicant from future
32 liability and responsibility. Mr. Yee said he could research whether DOA may file an
33 action against the individual rather than against the trust for failure to pay rent.

34
35 Chairperson Enright deferred this agenda item until further information is provided.

- 36
37 5. Request for Permission to Submit a Request to the Board of Land and
38 Natural Resources (BLNR) to Cancel Governor's Executive Order No.
39 3415, TMK 2nd Div/2-3-003:118, Omaopia, Makawao (Kula), Island of
40 Maui, Hawaii

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42 Presentation by Linda Murai, HDOA/ARM, as submitted. Staff recommends approval.

43
44 Motion to accept: Mina/Galimba.

45

1 Chairperson Enright said that the Department is working to assist DLNR. Board
2 member Case expressed appreciation on this. She said that this may be for DOFAW
3 use as well. She said that there is great cooperation.

4
5 Board member Mina said that he was a part of the process and is sad to see it scaling
6 back. He said that it is bitter sweet because of the restoration to occur.

7
8 Board member Novotny asked where the property is regarding CTAHR Haleakala
9 station and if the Maui County office was a part of the partnership group. Ms. Murai
10 provided a list of the members of the partnership group and the County is on the list.
11 Board member Novotny said that RCUH is involved as the funding arm and would like
12 to explore CTAHR's involvement.

13
14 Board member Cabral said that if HC&S lands were available would there be a future
15 need for a vacuum cooling plant. Ms. Murai did speak to Mr. Yamamura who is in
16 contact with the folks over there. There were no future plans for expansion onto the
17 adjacent lot.

18
19 Board member Mina said mainland food hubs not only serve farmers but also include
20 permanent farmers' markets. He said that maybe a plan to support the economic vitality
21 of a facility like that would be helpful. He said that maybe that is the reason this parcel
22 didn't succeed.

23
24 Chairperson Enright asked how large the vacuum cooling site was. Ms. Murai wasn't
25 sure. Board member Mina said the parcel was about half acre. Chairperson said there
26 is a vacuum cooling plant on the Big Island. That plant sits on a bigger parcel. He said
27 that according to the Climate Change Model by UH, this is one of the viable areas for
28 agriculture. He said that there is no demand at the current time unfortunately. Board
29 member Mina said he believes there is some drop off and is not sure how much more
30 land is available.

31
32 Vote: Approved, 8/0, 1 abstention (Case).

33
34 Chairperson Enright called for a recess at 9:40 am.

35
36 Chairperson Enright called the meeting back to order at 9:50 am.

37
38 VI. OLD BUSINESS

39
40 "Corrections to Proposed Administrative Rules, Chapter 4-161, Hawaii-Grown Industrial
41 Hemp"

- 42
43 1. §4-161-2(a)(5)(A), "If seed importation assistance from the department is
44 *requested* . . . "was changed to "If seed importation assistance from the
45 department is *authorized* . . ."

- 1
- 2 2. §4-161-2(a)(8) added, "A statement that the applicant is the fee simple owner,
- 3 *lessee, or occupier* of the licensed land area to be used for cultivation . . . "This
- 4 change reflects a statutory amendment made in the 2017 legislative session.
- 5
- 6 3. §4-161-2(c) deleted the provision that applications received after April 1 of any
- 7 year shall be denied. This change reflects a statutory amendment made in the
- 8 2017 legislative session.
- 9
- 10 4. §4-161-2(e) was amended to make it consistent with subsection (i), which
- 11 provides that renewal applications shall be due 60 days prior to the expiration of
- 12 the previous license.
- 13

14 Presentation by Jeri Kahana, HDOA/QAD Administrator, and Shelley Choy,
15 HDOA/CHR, as submitted. Staff recommends approval.

16
17 Motion to accept: Mina/Ha.

18
19 Board member Galimba asked what is the documentation for an occupier. Ms. Choy
20 said this was something identified in the legislation that passed. The Attorney General
21 said that the rule reflects the statutory change and that the rules are just complying with
22 the statute. The logistical questions and practical issues will be addressed as we move
23 along.

24
25 Demonte Conner, Ho'omana Pono LLC, presented testimony in support for these rule
26 changes. He said that the Native Hawaiian community is most impoverished in the
27 State and that they want to grow homes to address the waitlist at DHHL.

28
29 Chairperson Enright asked Ms. Choy to come forward and provide the Board with an
30 update on the Hemp Program.

31
32 Ms. Choy provided a brief update on the program. She said that there have been seed
33 development shortfalls due to other issues on the side of the seed's origin. She said
34 that licensees would be dependent on seed development. Ms. Choy said that they are
35 looking to have a 2018 spring planting season.

36
37 Board member Mina asked if interstate shipment was a DEA issue. Ms. Choy said that
38 DEA's stance is to not approve its movement interstate.

39
40 Board member Cabral said that the Wisconsin Farm Bureau is looking to take hemp off
41 the Federal Schedule 1 list via legislation. Chairperson Enright said that the
42 Department would still have to do the testing if the Federal government does this.

43
44 Board member Ornellas said research has been done by CTAHR and asked if the
45 process is different. Ms. Choy said that the process is the same but the source is

1 different. She said that the Australian company UH used imposed restrictions
2 preventing the future use of the seeds produced. Unlike the UH, the Department is
3 growing hemp for the purpose of producing seeds to be used. So, the Department
4 needed to go to another source for seed.

5
6 Board member Mina said that there are some hemp houses on Maui made from
7 hempcrete. He said that the medicinal and protein aspects from the seed can be a
8 great opportunity.

9
10 Mr. Connor said that the seed from the US mainland is tough. He recommended the
11 seed from southern China and said that Dr. Ako was able to demonstrate
12 phytoremediation with hemp. Chairperson Enright said there are three primary uses for
13 hemp: fiber, protein for seed and nutritional uses, and CBD oils for medicinal use. He
14 said that the seed is going to be different and the Department needs to make sure it is
15 legal.

16
17 Vote: 9-0, approved.

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19 VII. NEW BUSINESS

20
21 None.

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23 VIII. ADJOURNMENT OF REGULAR MEETING

24
25 Board member Mina asked if the next Board meeting could include discussion on the
26 use Tango on organic farms to control Little Fire Ant.

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28 Motion to adjourn meeting: Mina/Hong.

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30 Vote: 9-0, Approved.

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32 Meeting adjourned at 10:10 AM.

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34 Respectfully submitted,

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37 Micah Munekata
38 Board Secretary