Minutes of the Board of Agriculture

CALL TO ORDER – The meeting of the Board of Agriculture was called to order on August 27, 2019 at 9:00 a.m. by Board of Agriculture Chairperson Phyllis Shimabukuro-Geiser, at the Plant Quarantine Conference Room, 1849 Auiki Street, Honolulu, Hawaii 96819.

Members Present:
- Phyllis Shimabukuro-Geiser, Chairperson, Board of Agriculture
- Randy Cabral, Member-At-Large
- Fred Cowell, Kauai Member
- Glenn Hong, Member-At-Large
- Vincent Mina, Maui Member
- Diane Ley, Hawaii Member
- 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 (via interactive conference)
- Joe Tanaka, Member-At-Large
- Joshua Atwood, on behalf of Chairperson Suzanne Case, Board of Land and Natural Resources

Others Present:
- Lara Reynolds, CGAPS
- Ambyr Mokia-Lee, UH CTAHR
- Jodi Yi, Attorney General’s Office
- Jonathan Ho, HDOA/Plant Quarantine Branch (PQB)
- Myra Kaichi, Agribusiness Development Corporation
- Chelsea Arnott, HISC
- Milton Coleman, Waimanalo Kumuhau Farm Lot
- Shadrach Coleman, Waimanalo Kumuhau Farm Lot
- Pahonu Coleman, Waimanalo Kumuhau Farm Lot
- Chris Kishimoto, HDOA/PQB
- Dean Matsukawa, HDOA/Agricultural Loan Division (AGL)
- Kevin Yokoyama, HDOA/AGL
- Gary Strawn, Kona Earth
- Christine Asing, HDOA/AGL
- Patti Miyashiro, DLNR/Land Division
- Nicole Galase, Hawaii Cattlemen’s Council (HCC)
- Al Frenzel, USDA FSA
II. APPROVAL OF MINUTES FROM 4/23/19 MEETING

Motion to accept: Tanaka/Evans.

Vote: Approved, 9-0 (Ley not present).

III. INTRODUCTIONS

IV. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

A. AGRICULTURAL LOAN DIVISION

1. Request for Approval of One (1) Direct Real Estate Loan to Gary and Valerie Strawn.

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

Motion: Evans/Tanaka

Board member Evans asked if bishop estate leasehold expires in October 2025. Mr. Yokoyama said yes. Board member Evans asked if 25 years is enough to pay off their loan. Mr. Yokoyama said there is enough time.

Mr. Strawn came forward.

Board member Evans asked about the lease issue. Mr. Strawn said that staff went through it quickly.

Board member Hong asked about the LTV calculation. Mr. Yokoyama said that the first mortgage was used to make the calculation.
Board member Cabral asked about the leasehold collateral and how it should work if there was a default on the loan. Mr. Yokoyama said you can work to get the lease sold to someone else. You can also make the loan term less than the land lease term. Mr. Strawn said that the loan process required an intense appraisal. He said that Kamehameha Schools owns the land and that he owns everything else.

Board member Ley arrived.

Board member Cabral asked about projections. Mr. Yokoyama said it’s based on the loan acceptance. Mr. Strawn explained his numbers and how he worked with staff. He said that his farm is 13.5 acres in total with roughly 7 acres planted with coffee. Board member Cowell commented that coffee math is never easy.

Vote: Approved, 10-0.

2. Request for Approval of One (1) Emergency Loan to W.T. Haraguchi Farm, Inc.

Christine Asing, HDOA/AGL, presented testimony as submitted. Staff recommends approval.

Board member Comerford clarified with the AG that there is no conflict of interest.

Motion: Cowell/Mina.

Board member Hong asked about UCC1 covering the new structure. Staff said yes. Board member Hong asked about elevating a structure. Ms. Asing said they plan to lift the house according to FEMA flood regulations.

Board member Mina asked if there is a succession plan. Ms. Asing said that the daughter is currently working on the farm.

Board member Ley asked about the elevation of the home and if they are able to secure commitment from FEMA insurance. Ms. Asing said they would get the insurance and have a better premium because they lifted the house. Board member Ley asked about any issue with the loan with relation to US Fish and Wildlife. Ms. Asing said that they took collateral on a second property. Board member Mina asked about the fee simple property location in the Hanalei valley. Ms. Asing said that property is in Kilauea.

Vote: Approved, 10-0.

B. AGRICULTURAL RESOURCE MANAGEMENT DIVISION
1. Request for Consent to Assignment of General Lease No. S-3129; Ladybug Plants, LLC, Lessee/Assignor, to Hui Ku Maoli Ola, LLC, Assignee; Lot No. 12, TMK: 1st Div/4-1-010:043; Koolaupoko, Waimanalo, Island of Oahu, Hawaii

Linda Murai, ARM/HDOA, presented testimony as submitted. Staff recommends approval.

Motion: Cabral/Evans

Vote: Approved, 10-0.

2. Request for Approval: 1) To Rescind Approval of Consent to Assignment of General Lease No. S-9001, Jerome J. Kennedy Aka Joe Kennedy, Lessee/Assignor; to Volcano Island Honey Company, LLC, Assignee; And 2) of Consent to Assignment of General Lease No. S-9001, Jerome J. Kennedy Aka Joe Kennedy, Lessee/Assignor; to Jane Kelly Lavoie, Assignee; TMK: 2nd Div/ 5-2-001:011, Lot No. 2, Molokai Agricultural Park, Hoolehua-Apama, Island of Molokai, County of Maui, Hawaii

Linda Murai, ARM/HDOA, presented testimony as submitted. Staff recommends approval.

Motion to rescind approval: Mina/Evans.

Board member Ley asked whether there was a cash exchange between the parties. Ms. Murai said not until after the actual assignment, which has not occurred.

Board member Hong asked why the initial approval didn’t happen. Ms. Murai said that the parties couldn’t agree with Mr. Kennedy and there were some issues with health and the property status. The buyer got disinterested. Board member Hong asked if the lessee is current with lease payments. Ms. Murai said that the proceeds from assignment will be used to cover any remaining rents.

Board member Cowell asked about seeing any problems with the new lessee. Ms. Murai said that the new buyer has a lot of support, including the community. They are aware of the property.

Vote: 10-0, approved.

Motion to consent assignment: Evans/Cowell

Vote: 10-0, approved.

Chairperson Shimabukuro-Geiser recommended deferral on this issue but opened the floor to the lessee.

Mr. Coleman came forward and spoke to Board on his plan to move forward.

Board member Mina made suggestion to make a strong turnover crop. Mr. Coleman said they are growing Laupele. It is being placed into the ground and gaining super food like status. They are working with Oahu RC&D on what other crops they may be able to utilize. Board member Mina asked about the water in the area. Mr. Coleman said that they needed water to be installed with three-quarter-inch pipe through the Board of Water Supply.

Board member Evans asked about how close the parcel is to the Waimanalo Reservoir. Mr. Coleman said that it is far away. Ms. Murai said that they may look into that possibility.

Board member Comerford asked about the lessee’s contact with the Cooperative Extension. Mr. Coleman said he wasn’t very aware of them. Board member Comerford said that Cooperative Extension is there for support and recommended visiting the site in Waimanalo for help.

Mr. Coleman introduced his children and showed the Board some of the secondary products they are making out of the invasive species plants on property.

Board member Comerford asked about the timeframe it may take to get back in good standing. Mr. Coleman said that in a few months they should be able to repay roughly half of the remaining balance.

Board member Hong asked about the high rent of the parcel. Ms. Murai said it was through the bidding process.

C. PLANT INDUSTRY DIVISION

Plant Quarantine Branch

Plants:
1. Subject: (1) Submission of Hearing Officer’s Report on the Proposed Amendments to Chapter 4-70, Hawaii Administrative Rules (HAR), entitled “Plant and Non-Domestic Animal Quarantine, Plant Import Rules,” to Add a New Subchapter to Restrict the Importation of Myrtaceae (Myrtle Family) Plants and Plant Parts to Prevent the
Introduction of New Strains of Ohi’a Rust, *Puccinia psidii*, a Plant Pathogen; (2) Request for Acceptance of Minutes of Public Hearings; and (3) Request for Adoption of the Proposed Amendments to Chapter 4-70, Hawaii Administrative Rules. (Preliminarily approved by the Board of Agriculture at its 12/16/2014 and 2/24/2015 Board Meetings)

(See Attachment for summary of amendments)

Lance Sakaino, PQB/HDOA, presented testimony as submitted. Staff recommends approval.

Motion: Hong/Mina

Board member Cabral commented saying that there was a request by the Maui County Farm Bureau to disregard the late submitted testimony.

Board member Evans asked if the Myrtle plant family has a commercial use. Mr. Sakaino said eucalyptus was a potential and was thought to be a potential back in the day. Board member Evans asked about the rust on this species and if that exists. Mr. Sakaino said they would like to prevent any new types of potential rust.

Board member Atwood commended the staff for this work. He asked about the drying method. Jonathan Ho, HDOA/PQB, came forward. He said that it must be dried.

Board member Atwood asked about the permit process and if it is useful. Mr. Ho said that permit conditions will require a one-year quarantine. It would restrict importation or propagation and define what safeguards are needed.

Board member Hong asked why this took four and a half years with unanimous support. Chairperson Shimabukuro-Geiser said that Board gave preliminary approval in 2014. There were big changes in leadership at Plant Industry and the introduction of ROD, which became a priority for the branch. There were also other priorities that popped up along the way. There were some issues with federal and state restrictions aligning.

Board member Hong said that being cautious is important when you have such an environment as we do in Hawaii.

Board member Comerford asked about seed treatment and the potential for virus introduction. Mr. Ho said he wasn’t aware of any seed borne viruses. Mr. Sakaino said a one-year quarantine would be sufficient time to see any viruses prior to introduction. Mr. Ho said that the seeds will be sterilized and are subject to general inspection. The rule could be amended should something come up later.

Mark Fox, Nature Conservancy, presented testimony in support.

Board member Mina asked if there are any species that have the rust but are still considered healthy. Any beneficial fungi. Mr. Ho said that the strain that is here
currently does not affect fruits such as guava. There are strains that exist out there that are bad. Board member Comerford said that this is a significant topic being studied across the world.

Chairperson Shimabukuro-Geiser asked about a testimony that says the taxum name was incorrect. Mr. Ho said that it has been reclassified and the board can make that change as part of their adoption. Chairperson Shimabukuro-Geiser said that they would like to make that change.

Mr. Yee clarified with staff that section 4-70-55 will have the change.

Board member Atwood clarified with staff that in state rules when a certain species name is changed the regulation is still in effect.

Motion will be to accept that change as part of the original motion.

Board member Mina mentioned testimony that referenced extraction through Moringa species relating to the fungi associated with ROD. He asked if staff is familiar with that work. Mr. Ho said they are not aware of it.

Vote: Approved, 10-0.

Chairperson Shimabukuro-Geiser called a recess 10:30am.

Chairperson Shimabukuro-Geiser called the meeting back to order at 10:35am.

Invertebrate and Aquatic Biota:

2. Request to: (1) Allow the Importation of the Copepod, *Apocyclops panamensis*, an Unlisted Crustacean, by Special Permit, for Scientific Research, by Kampachi Farms, LLC.; and (2) Establish Permit Conditions for the Importation of the Copepod, *Apocyclops panamensis*, an Unlisted Crustacean, by Special Permit, for Scientific Research, by Kampachi Farms, LLC.

Jonathan Kam, PQB/HDOA, presented testimony as submitted. Staff recommends approval.

Motion: Evans/Cabral

Evans/Ley disclosed roles in relation to NELHA. Deputy AG Bryan Yee said there is no conflict.

Mr. Kam called Dr. Sarver from Kampachi Farms.
Board member Comerford asked if the research purpose is for feed or aquarium use. He said that the chances of being released are a lot higher if for aquarium use. Dr. Sarver said he would like to see how well the species being worked on become feed. There are a lot of steps after that. Would then begin new projects after testing the larval period. Board member Comerford asked if continuing research be done at their facility. Mr. Sarver said yes. Board member Comerford asked what would happen after successful research is done. Dr. Sarver said that could be used for development of a farm. Board member Comerford asked about aquariums. Dr. Sarver said that coco pods are being used for other species. Mr. Ho explained the import process for research. Applicant could then place on the list and depending on which list, you would then establish permit conditions. Because this is unlisted it is only for research purposes.

Board member Ley asked about feed source for commercial use outside of Hawaii. Dr. Sarver say possibly yes. There is nothing in mind about that just yet. They want to start this portion first.

Board member Mina asked about the effluent. Dr. Sarver said injection wells or a sump are interchangeable. Board member Mina said that injection wells do make it to the ocean. Board member Mina said this is not found here in state. Dr. Sarver said he doesn’t think so.

Board member Ley asked about the conditions with the sump, numbers 8 and 9, disinfecting the water, and if that includes the effluent. Mr. Ho said numbers 8 and 9 cover the water transported. If there is a reason to require additional treatment, we could then enforce it.

Board member Mina asked about the screened coco pods and what would be done with them.

Trenton Yasui, PQB/HDOA, said that screening wasn’t practical at that size. Board member Comerford asked if they would already be in violation of number 9.

Board member Evans asked about UV ray treatment for effluent be used to take care of any live organisms. Dr. Sarver said yes.

Board member Mina said there was conflicting issues in the written material. Dr. Sarver said that no one has done any research on this animal. He said the chances to seep into ocean are minimal at best. There are local coco pods to feed larvae. The problem is they need algae to survive. That is an extreme cost to producers. The whole advantage is that this one can thrive out of powdered algae that you can buy in a package.

Board member Comerford asked if PQB has decided that sufficient screening is no screening regarding number 9. Mr. Ho said that the conditions can be changed via the
Board of Agriculture Meeting  
August 27, 2019  
Page 9

Board. there is microscopic work with algae being done in NELHA that use the same sumps and those organisms are not established. Board member Comerford asked if the material is being used as a filter. Board member Comerford expressed concerns with water moving through porous material as channeling effects are huge. He expressed concerns with not assuring movement of the material as it goes through. Dr. Sarver said we do have alternative to sterilizing the exiting water.

Board member Ley asked about filtering with UV or other alternatives for this project. Dr. Sarver said that UV must be filtered even more before you can expect it to work. If you use UV, you must make sure water is filtered.

Board member Cowell asked about other assurances that exist to make sure no live organisms are released. Dr. Sarver said the 2 options are filtration and sterilization.

Board member Atwood asked about holding the water for a day in order to let the coco pod die without food. Dr. Sarver said that there could still be food in the water feeding the coco pod.

Board member Comerford asked about a bleach holding tank with injection. Dr. Sarver said it could work but it is not an easy solution.

Board member Tanaka left at 11:30am.

Board member Mina asked about survival in salt water. Dr. Sarver said he assumes the species can survive in salt water.

Chairperson Shimabukuro-Geiser deferred the motion until the next meeting to meet the Board’s raised concerns.

Board member Mina asked if staff can research the Columbian River issue. Mr. Ho said that they could look into the issues raised and be able to provide answers to them via work with NELHA who has been doing that work for quite some time.

Board member Josh Atwood left meeting at 11:35am.

Chairperson Shimabukuro-Geiser asked PQB to check with Pesticides Branch. Board member Hong said why not look into heat treatment as an alternative.

V. OLD BUSINESS

None.

VI. NEW BUSINESS
1. Status Update for Act 90, Session Laws of Hawaii 2003, Land Transfers from the Department of Land and Natural Resources (DLNR) to the Department of Agriculture (DOA), presented by the Agricultural Resource Management.

Board member Comerford left meeting at 11:40am.

Morris Atta, Deputy/HDOA, presented update to the Board. He gave a brief history of the Act. He said there has been 34 executive orders, 137 transferred leases, 18 revocable permits, 20 vacant lots, consisting of 16,542 acres.

Board member Hong left meeting at 11:45am.

Board member Cabral mentioned the issue of DOA vs DLNR with reference to pasture leases. He asked if DOA believes that ag land should come to DOA. Atta said that some pasture leases do come over, but it is something that is continuing to be discussed. Board member Cabral said that they haven’t done anything to use some of their lands. Food security is an issue and ranchers need this to move the needle.

Alan Gottlieb, Hawaii Cattlemen’s Council, came forward and presented comments. He mentioned the law states how Act 90 includes pasture leases. The definition in the bill talks about care and production of livestock. DLNR has stated that this was not part of the Act. They have taken the most complicated pasture lease at the front end rather than the simple small leases.

Mr. Atta stated that there are a mix of leases that are out there.

Board member Cabral said that we need to get ag activity leases transferred to DOA and the Board needs to push that issue.

Alan Gottlieb said that Ponoholo Ranch was the test case and he stated that it is a breath of fresh air and such a different process that is a lot nicer. Chairperson said that the Deputy will continue to meet on this issue.

2. Agribusiness Development Corporation’s (ADC) Request for Assistance from the Department of Agriculture to Implement Title VI, Civil Rights Act of 1964, Compliance Programs.

Myra Kaichi, ADC, presented comments. She mentioned the complaint of violations of Title VI of the Civil Rights Act. ADC is negotiating currently with the EPA. ADC will pattern its program after the Department. ADC is asking the Board for support with the ADC grievance process and compliance officer process upon hitting the 15-employee threshold.

Mr. Yee explained the process to the Board. He said that ADC is run through its own Board. Chairperson Shimabukuro-Geiser stated the efforts of the Department in supporting these efforts.
Board member Cowell asked about the nature of the complaint. Mr. Yee said original complaint was something else but brought in the lack of a grievance process.

Board member Cabral asked when that 15 number will be met. Ms. Kaichi could meet that number soon.

Motion to approve: Cabral/Ley

Board member Ley asked how many of the complaints come in at ADC and DOA. Mr. Yee said that this is something new. Board member Ley said that she would like to learn more about the capacity that would be needed at DOA, training of the policies necessary, and making people who interact with the public more aware of their responsibilities.

Chairperson Shimabukuro-Geiser said that the administrative level is making strides to move forward. Mr. Yee confirmed that it is a work in process and a focus for DOA and ADC.

Board member Mina asked about the path being more specific and the potential to lay out the specifics around funding.

Chairperson Shimabukuro-Geiser said it can always come back to the Board if needed.

Vote: Approved, 6-0 (Comerford, Case, Hong, Tanaka absent).

VII. ADJOURNMENT OF REGULAR MEETING

Motion to adjourn meeting: Ley/Cabral.

Vote: Approved, 6-0 (Comerford, Case, Hong, Tanaka absent).

Meeting adjourned at 12:20 PM.

Respectfully submitted,

Micah Munekata
Board Secretary