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2 **Minutes of the Board of Agriculture**
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5 CALL TO ORDER – The meeting of the Board of Agriculture was called to order on August 12,
6 2020 at 9:01 a.m. by Board of Agriculture Chairperson, Phyllis Shimabukuro-Geiser. The
7 meeting was conducted virtually via Zoom due to the current risk of exposure to COVID-19.
8

9 Chair announced that item C-1 would be removed from the agenda. HB 1819, was passed
10 by the legislature and if signed by the Governor, would authorize the department to develop
11 interim rules on hemp. As Governor Ige has not signed the bill, the Board currently does
12 not have the authority to approve item C-1.
13

14 **Members Virtually Present:**

15 Phyllis Shimabukuro-Geiser, Chairperson, Board of Agriculture
16 Robert Masuda, Deputy to the Chairperson, Board of Land and Natural Resources,
17 representing Chair Suzanne Case, Ex Officio Member
18 Dr. Nicholas Comerford, Dean of the College of Tropical Agriculture & Human
19 Resources University of Hawaii, Ex Officio Member
20 Mary Alice Evans, Ex Officio Member
21 Vincent Mina, Maui Member
22 Diane Ley, Hawaii Member
23 Fred Cowell, Kauai Member
24 Randy Cabral, Member-at-Large
25 En Young, Member-at-Large
26

27 **Others Virtually Present:¹**

28 Dean Matsukawa, HDOA/ALD
29 Jillian Scheibe, HDOA/ALD
30 Wayne Takamine, HDOA/ALD
31 Brian Kau, HDOA/ARMD
32 Roy Hasegawa, HDOA/ ARMD
33 Linda Murai, HDOA/ARMD
34 Joyce Wong, HDOA/ARMD
35 Brandi Ah Yo, HDOA/ARMD
36 Morris Atta, HDOA/CHR
37 Janelle Saneishi, HDOA/CHR
38 Heath Williams, HDOA/CHR
39 Bryan Yee, Attorney General's Office
40 Duston Barton, Hawaii Land & Livestock, LLC
41 Robert Butlar, Mongoose Mountain Farm
42 Scott E. Enright, Hawaii Land & Livestock, LLC
43 Bobby Farias, Hawaii Land & Livestock, LLC
44 Cathy Goeggel
45 Gordon Inouye, Puna Flower Power
46 Cindy Sousa

¹ The identification of the public members is based on their sign-in name, but are not verified.

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II. APPROVAL OF MINUTES FROM 6/23/20 and 6/30/20 MEETINGS

Motion on 6/23/20 and 6/30/20 Minutes: Evans/Cowell

Vote: Approved, 7-2 (Abstained: Young, Cabral)

III. INTRODUCTIONS

Chair introduced new Board Member, Mr. En Young.

IV. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

A. AGRICULTURAL LOAN DIVISION

1. Request for Approval of One (1) Emergency Loan to Robert David Butlar and Lori Ann Butlar, co-borrowers.

Jillian Scheibe, HDOA/ALD, presented testimony as submitted. Staff recommends approval.

Public Testimony: None

Motion to approve: Mina/Cowell

Discussion:

Board Member Cabral questioned if once a loan was approved, the borrower would be able to obtain additional loans without the department's approval. Mr. Matsukawa replied that the Term Loan Agreement requires written approval for any additional borrowing.

Board Member Cowell complimented the Butlars' innovative ways of offering coffee and their hard work over the years.

Vote: Approved, 9-0

2. Request for Approval of One (1) Emergency Loan to Puna Flower Power.

Dean Matsukawa, HDOA/ALD presented testimony as submitted. Staff recommends approval.

Public testimony:

Gordon Inouye, President of Puna Flower Power, testified that the cooperative has been working for two years since the eruption. In addition to the loan, they have also submitted grant requests but have not received any response to their applications yet.

Motion to approve: Masuda/Comerford

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Discussion:

Board Member Masuda said that DLNR worked closely with the group to provide planting material, etc. He confirmed that they are very knowledgeable about what they are doing. On behalf of DLNR, he urged approval of loan and to support East Hawaii redevelopment.

Board Member Mina was in support of the loan. He noted that the floriculture industry took a hit due to COVID and questioned how much the co-op was relying on tourism and their strategy for marketing. Mr. Inouye replied that timing played heavily in their hands. As potted orchids are a 2-year crop, it would give the co-op members enough grow out time to reestablish contacts and develop rapport. By consolidating, the members would have a common marketing effort which he feels is effective to meet needs of market of landscapers, garden centers, mass marketers.

Board Member Ley said that she has been following the co-op since their initial meetings. She commended the members for their resiliency, determination and skill. She added that the group was hit hard but they are bouncing forward with tenacity.

Vote: Approved, 9-0

- 3. Request for Approval of One Direct Farm Ownership Loan to Kula Country Farms, LLC, Chauncy Hiroshi Monden, and Teena Marie Monden, co-borrowers.

Wayne Takamine, HDOA/ALD presented testimony as submitted. Staff recommends approval.

Public Testimony: None

Motion: Evans/Mina

Board Member Evans questioned the elevation of the farm. Board Member Mina answered 3000+ feet. He added that the Mondens represent a wonderful mark for agriculture on Maui and their expansion speaks volumes to a generational farm and gives agriculture a good name in Hawaii.

Board Member Young commented that he would like to learn more about Ag Loan's due diligence process. Chair asked Mr. Matsukawa to provide Board Member Young with an orientation on the Ag Loan Program.

Chair questioned and Board Member Mina confirmed that the farm supplied strawberries to Costco on Maui. Board Member Mina added that the Mondens also do a lot of community outreach.

Mr. Takamine added that the purchase of the 18-acre parcel will give the farm long-term security as the would not have to rely on leasehold parcels.

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2 Vote: Approved, 9-0
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5 B. AGRICULTURAL RESOURCE MANAGEMENT DIVISION
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- 7 1. Request for Approval for Conversion of Revocable Permit No. S-7496;
8 Lot 33, to a New General Lease for Ponoholo Ranch, Limited; TMK: 3rd
9 Div/5-8- 002:002; Kala Mauka Government Remainder, North Kohala,
10 Island of Hawaii, Hawaii
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12 Brandi Ah Yo, HDOA/ARMD restated conditions of the EO: 1) The State of Hawaii, through its
13 Board of Land and Natural Resources, reserves all rights to prehistoric and historic remains
14 found on the Premises and 2) The continuation of the Kahua/Ponoholo Cooperative Hunting
15 Area agreement and other future agreements with future lessees, to be maintained as a public
16 hunting area for game birds, pursuant to Hawaii Administrative Rules, Section 13-122-11. She
17 noted that the conditions would be included under special conditions of the new general lease.
18

19 Testimony that followed was as submitted. Staff recommends approval.
20

21 Written testimony was received from the Department of Land and Natural Resources.
22

23 Motion to Approve: Ley/Cowell
24

25 Referencing the attached map, Board Member Mina questioned the ranch's acreage. Ms. Ah
26 Yo explained that the ranch currently has a revocable permit and this request is to convert the
27 permit to a long-term lease. The adjoining property is personal property.
28

29 Board Member Masuda reiterated that all the conditions for forest access and game
30 management should be contained in DOA's legal documents.
31

32 Vote: Approved, 9-0
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- 35 2. Request for Approval to Install Fencing, Livestock Pipelines, and
36 Watering Facilities; General Lease No. S-5599; Ponoholo Ranch,
37 Limited; TMKs: 3rd Div/5-9-001:004, 5-9-003:002 & 004, and 5-9-
38 004:001 & 008; Kalala Mauka Government Remainder, North Kohala,
39 Island of Hawaii, Hawaii
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C.

41 Brandi Ah Yo, HDOA/ARMD restated conditions of the EO: 1) The State of Hawaii,
42 through its Board of Land and Natural Resources, reserves all rights to prehistoric and
43 historic remains found on the Premises and 2) The continuation of the Kahua/Ponoholo
44 Cooperative Hunting Area agreement and other future agreements with future lessees, to
45 be maintained as a public hunting area for game birds, pursuant to Hawaii Administrative

1 Rules, Section 13-122-11. She noted that the conditions 1 and 2 of the EO are included in
2 extensions of GL S-5599 and GL-5655 as items #3 and #4.

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4 Public Testimony: None

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6 Motion to Approve: Masuda/Ley

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8 Board Member Evans said that she supported the motion but would like to add that a
9 motion be made to delegate approval of matters relating to fencing and water to the
10 Chairperson. She questioned whether there was a statute or rule requiring board
11 approval. Mr. Yee said that it is the board's authority to delegate approval to the Chair.
12 However, in the absence of delegation the matter would go to the board. Mr. Yee stated
13 that the item is not on the agenda and would be better addressed at another meeting. He
14 added that staff would have time to craft a comprehensive motion. Chair asked staff to
15 work on the language for the next meeting. Board Member Masuda also indicated that he
16 supports Board Member Evans' suggestion of delegation to the Chair to approve.

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18 Vote: Approved, 9-0

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21 1. Request for Approval to Install Photovoltaic System, General Lease No.
22 S-3003; Kona Producers Cooperative, Lessee; TMK: 3rd Div/7-9-016:018
23 and 019, Lot Nos. 18 and 19, Honalo, North Kona, Island of Hawaii, Hawaii

24
25 Brandi Ah Yo presented testimony as submitted. Staff recommends approval.

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27 Public testimony: None

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29 Motion to approve: Mina/Evans

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31 Board Member Young voiced enthusiastic support of the Kona Producers Co-op. (KPC). He
32 noted that KPC had explored PV in the past. When the Ulu Producers came in, it reenergized
33 the farming community. The PV system will support the Ulu Producers and others in the area
34 including avocados and honey. Board Member Mina also supported the resurgence of ulu.

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36 Vote: Approved, 9-0

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39 2. Request for Approval to Sublease Between the Hamakua
40 Agricultural Cooperative, Lessee/Sublessor, and Kamuela Kids
41 Farm & Garden, LLC, Sublessee; General Lease No. S-5554, TMK:
42 3rd Div/4-6-001:007, 008, 018(por), Lot Nos. 3 & 5, Lauka-Kulihai,
43 Hamakua, Island of Hawaii

1 Joyce Wong, HDOA/ARMD, presented testimony as submitted. Staff recommends
2 approval.

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4 Public testimony: None

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6 Motion to approve: Ley/Evans

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8 Discussion: None

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10 Vote: Approved, 9-0

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3. Request for Approval for Farm Dwelling; General Lease No. S-9001; Jane
Lavoie, Lessee: TMK: 2nd Div/5-2-001:001. Lot No. 2, Molokai Agricultural
Park, Hoolehua-Apana, Island of Molokai, County of Maui, Hawaii

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Linda Murai, HDOA/ARMD, presented testimony as submitted.

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Public testimony: None

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Motion to approve: Evans/Cabral

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Discussion:

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Board Member Comerford questioned how the dwelling was built in 2012 without the
permission of DOA on DOA land. Ms. Murai said she was not sure. She noted that all permits
are in file as well as correspondence from the Property Manager to the lessee and with the
Department of Planning and Permitting on Maui. She said that everything was done but there
was no board approval. Now that the new lessee wants to use the dwelling, approval is
required. Board Member Comerford also asked if there was communication between the
department and the county. Ms. Murai stated that usually the county will ask for the lessor's
approval but she was not sure what happened in this case. Chair asked if Brian Kau had
anything to add. Mr. Kau said that he did not have any specific information and it was an
oversight. Generally, building departments do require permission from the landlord and he
was not sure where the breakdown happened.

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Board Member Masuda commented that the dwelling was built during the previous lessees
control. Subsequently, the BOA assigned the lease. Documentation, communication and
permitting are in file. Now, the current lessee would like permission to use the dwelling. He
stated since all of permitting and planning was already done, and part of the record, it seems
like it deserves an ok. Board Member Young added that on the Big Island there are a lot of
requests for approvals for "as-builts", but not in this case. He also wanted to make sure that
the lines of communication are open between departments.

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1 Board Member Ley questioned whether the addition of the house would impact the assessed
2 value for the base rental price. Ms. Murai answered that appraisals are based on vacant land
3 value and does not affect the lease rent.

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5 Vote: Approved, 9-0
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8 4. Request for Approval for Extension of Lease Term, General Lease No. S-
9 8500; Hawaii Land & Livestock, LLC, Lessee; TMK: 1st Div/9-1-031:025;
10 Kalaeloa Agricultural Park, Honouliuli, Ewa, Island of Oahu, Hawaii
11

12 Linda Murai, HDOA/ARMD presented testimony as submitted.
13

14 Public testimony:

15 Mr. Scott Enright said that he along with Bob Farias and Duston Barton of Hawaii Land &
16 Livestock were present at the meeting and could answer any questions.
17

18 Ms. Cathy Goeggel opposed the extension of lease at \$6,000/year.
19

20 Email testimony was received from Michiyo Sato-Young opposing the extension
21 .

22 Motion to approve: Evans/Cowell
23

24 Discussion:

25 Board Member Mina commented on Ms. Goeggel's testimony regarding the lease payment
26 being inadequate. He asked for an explanation of how lease rents are determined. Ms.
27 Murai answered that the lease rents are determined by an independent appraisal of the raw
28 land and added that \$6,000 for the acreage is consistent with other lease rents in Waimanalo
29 on Oahu. Board Member Mina said he was happy that they want to put in infrastructure and
30 provide services.
31

32 Board Member Young commented that FSMA upgrades and HACCP are expensive because
33 every time you switch animals there is a different process. He questioned whether there was
34 a policy regarding reopener clauses. Ms. Murai replied that there would be a reopening on
35 June 30, 2022 and June 30, 2032.
36

37 Board Member Young also added that improvements are expensive, and questioned whether
38 15 years is enough time for the business to recover on the investment being made in the
39 middle of the lease term? Are there policies to help the business?
40

41 Ms. Murai commented that the slaughterhouse pays lease rent and also must pay county
42 property taxes including improvements.
43

44 Board Member Evans said that the facility is critical for food security for Oahu and Neighbor
45 Island ranchers and she was strongly in favor.
46

1 Board Member Comerford added that ag is incentivized through the tax system. He said
2 having a tax system is peanuts but it's still an incentive. He was in favor of DOA in looking at
3 baseline and noted that was not the only taxes they take.

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5 Chair stated that struggles were related to previous management and current management is
6 investing private funds into a state facility.

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8 Ms. Murai added that Hawaii Land & Livestock also leases an adjacent feed lot (100 acres)
9 with lease rent in excess of \$19,000/year, must also pay real property taxes \$30,000+, and
10 Campbell has been charging fees slaughterhouse/Ewa feed lot \$50,000+/year.

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12 Vote: Approved, 9-0

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15 C. QUALITY ASSURANCE DIVISION

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17 1. Request for Approval of Proposed Chapter 4-161, Hawaii Administrative
18 Rules, entitled "Commercial Hemp Production Interim Rules." The
19 proposed new chapter 4-161 includes: §4-161-A Definitions; §4-161-B
20 Transportation (regulating the inter-state transportation and exportation of
21 hemp); §4-161-C Nuisance (addressing nuisance issues related to the
22 production of hemp); and §4-161-D Violations.

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24 Chair repeated that the item was be withdrawn and would not be decided for discussion.

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26 Public Testimony: None

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29 V. OLD BUSINESS

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31 None

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33 VI. NEW BUSINESS

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35 None

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37 VII. ADJOURNMENT OF REGULAR MEETING

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39 Meeting adjourned at 10:50 a.m.

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41 Respectfully submitted,

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45 Jan Ferrer
46 Board Secretary