

Nakamura, Gayle M

From: Frank VanderSloot <FVandersloot@Melaleuca.com>
Sent: Monday, October 25, 2021 12:45 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony in Support of Extension of Leases S-7000, S-7014, S-7015, and S-7106
Attachments: Oahu Processing Expantion.pdf; Pledge to Hawaii Ranching Community.docx

State of Hawaii
Department of Agriculture
Hdoa.board.testimony@hawaii.gov

My name is Frank VanderSloot. I am the majority owner of Hawaii Sustainable Beef, which operates the state-owned processing plants on Oahu and the Big Island. In the fall of 2019, Kunoa Cattle Company, which operated the processing plant on Oahu, was on the verge of bankruptcy. Despite raising millions of dollars from numerous investors, Kunoa owed more than \$1 million to vendors (including money owed to the state and several hundred thousand dollars owed to ranchers for cattle they had purchased and slaughtered) with no way to make these payments. In fact, Kunoa did not even have enough funds to make their next payroll. I immediately stepped in, provided funds to meet payroll, purchased Kunoa's assets, and ensured that every rancher was paid for the cattle they had sold to Kunoa. To date, I have spent more than \$15.1 million on the Oahu plant, excluding the purchase price. I have not asked for or received a single dollar from the state or county; I have provided the entirety of the more than \$15 million from my own funds.

I mention this because in March 2020, Hawaii Land & Livestock petitioned the Board of Agriculture and requested a 20-year extension on its state lease from January 31, 2035 to January 31, 2055. Hawaii Meats (which operates the Oahu plant) needed the additional term on the lease in order to invest the capital required to substantially improve the Oahu plant and increase its slaughter and processing capacity. The Board approved the extension (without renegotiating any of the terms of the lease or requiring specific capital improvements). And, it was because of this extension, that I was able and willing to invest more than \$15 million in improving that plant. Since that time, we have completely updated and repurposed the plant, installing a state-of-the-art processing facility at the plant (the first of its kind in Hawaii). Attached to this email is a layout of the old plant with the expansion area and a CAD layout and photos of the newly installed processing line. The new line is fully operational, and

I am happy to report that we hosted the Hawaii Cattlemen's Council on a tour of the facility last week.

The Paauilo plant needs a similar capital infusion as that required by the Oahu plant. As noted in our extension request, we have already identified more than \$7 million in capital improvements and maintenance expenses that the Paauilo plant could benefit from, and I have approved an \$8 million line of credit that Hawaii Beef Producers can draw on to properly maintain and update the plant. However, we need to be able to operate the plant for more than nine years to have any hope of recouping this investment. As such, as the application makes clear, the \$8 million in funds is explicitly conditioned on an extension. Just like with the Oahu plant, I am happy to spend my own funds to update the Paauilo plant (knowing that the assets purchased will revert to the state at the end of the lease) – I just need more time to be able to operate the plant before making such an enormous financial commitment. In fact, the extension is even more critical here because the remaining term is only nine years (as opposed to 15 years left on the Oahu lease at the time of the request for extension).

The upgrades and deferred maintenance at the Paauilo plant are urgently needed. To continue to limp along with the current capacity limitations month-after-month, with continued delays does not serve the ranching community. Forcing us to continue to add band-aids for day-to-day maintenance, while the real solution is major surgery, would cause additional unnecessary and wasted expense. In addition, costs of construction are increasing rapidly, and any further delays will only increase the cost of these improvements.

We appreciate how diligent the Department of Agriculture has been in responding to our extension request. In fact, as recent as August 19, shortly after our extension application, the DOA sent qualified personnel to inspect the Paauilo plant to make sure we were compliant with all aspects of the lease.

Attached to this email, I have included a PowerPoint presentation that we showed to the board members of HCC on October 6, 2021. A few key points from that presentation:

History:

- 90% of all cattle born in Hawaii are exported to the mainland at substantial discounts.
- There is a large demand for local grass grown beef in Hawaii.
- Ranchers have not been able to secure "slots" to process even cull cattle let alone their market cattle.

- For the past several years just two ranches, Parker Ranch and Kuahiwi, have consumed 70% of Paauiilo's capacity.
- Prior to purchasing the Paauiilo facility, Parker Ranch had the option to purchase the facility. They chose not to.
- Only after Parker Ranch decided not to purchase the facility did we agree to purchase it.
- We promised the industry to not cut back on any of our current customers. That includes Parker Ranch And Kuahiwi.
- We promised to continue processing facilities on the Big Island to serve Big Island customers.
- We also promised to use the synergy between the Big Island plant and the Oahu plant to greatly increase slaughter and processing capacity for the ranching community.
- We have already increased the number of cattle harvested in the Paauiilo facility this last year by 19% since we took over the operation. Even with Covid. However, without substantial upgrades, we will not be able to increase this capacity further.
- We have invested over 15 million dollars in the Oahu plant and have vastly increased the processing capacity of that facility. (At least 5 to 7 times its former capacity)

Striving to increase capacity:

- By increasing the harvest capacity on the Big Island, and using the synergies between these two plants, we can increase the total number of cattle harvested in Hawaii by approximately fourfold.
- Our limitation to increasing harvesting capacity on the Big Island is the "hotbox" which is the room that we used to cool carcasses down to 38° the first 24 hours. This facility is now stretched to the max.
- The cost of increasing the hotbox is approximately \$2 million.

The current lease:

- Our current lease of the Paauiilo facility expires in just nine years. At the expiration of our lease, ownership of the plant, plus any improvements that we have made to the plant, transfer back to the State of Hawaii.
- This means, that upon the lease's expiration, we will lose any investment that we make in the plant.
- We simply cannot afford to invest millions of dollars into a facility that we will no longer own in just nine years.
- Therefore, we need a lease extension prior to investing in the expansion.
- In the same manner that we did on the Oahu facility, we applied for a very simple, non-complicated lease extension on the Big Island.
- We plan to complete the improvements on the Big Island as quickly as we can receive the extension and then get permits and secure contractors.

Additionally, last February, we made a pledge to the ranching community. I have attached that pledge to this communication. We remain committed to that pledge! We also remain committed to continue providing services to ranches on the Big Island, including toll processing services.

Finally, I note that no other operator has made any measurable investment into either the Oahu or Pauuilo facilities for decades. We are willing to make the investments required to maintain and increase processing on these islands, but we cannot make the investment on the Big Island if we have only nine years remaining on the lease. Accordingly, we respectfully request that the Board grant our request for a lease extension.

Sincerely,

Frank L. VanderSloot



Hawai'i Sustainable Beef

Companies Affiliated with HSB

- Hawai'i Sustainable Beef – Parent Company
 - Hawai'i Beef Producers – Paauilo Plant
 - Hawai'i Meats – Oahu (Kapolei) Plant
- Honolulu Meat Company – Sales Company
- Riverbend Ranch – Purebred Angus Seed Stock

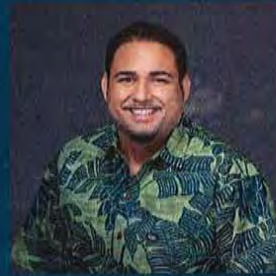
Our Team



Bobby Farias –
Business Partner
/ President of
Hawai'i Meats



Jehu Fuller –
President of
Honolulu Meat
Company



Kamuela Barr –
Business
Manager,
Hawai'i Meats

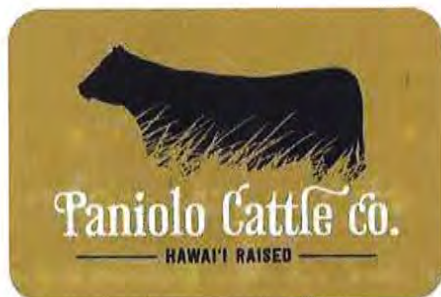







Matt Fornoff –
General
Manager over
Hawai'i Beef
Operations,
Hawai'i
Sustainable Beef



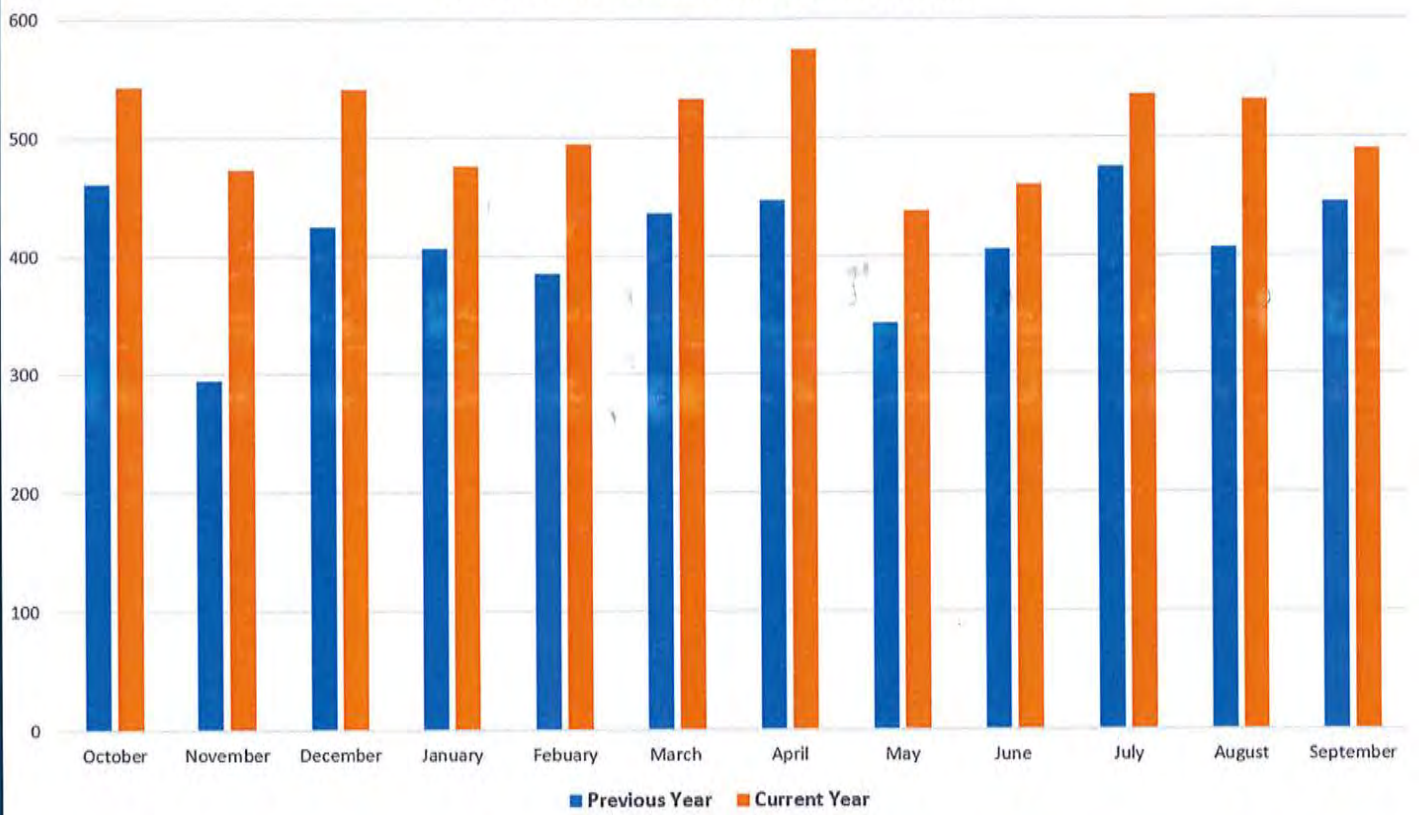
Jay Rawlings –
Vice President
Beef Operations,
Hawai'i
Sustainable Beef

Major Local Brands

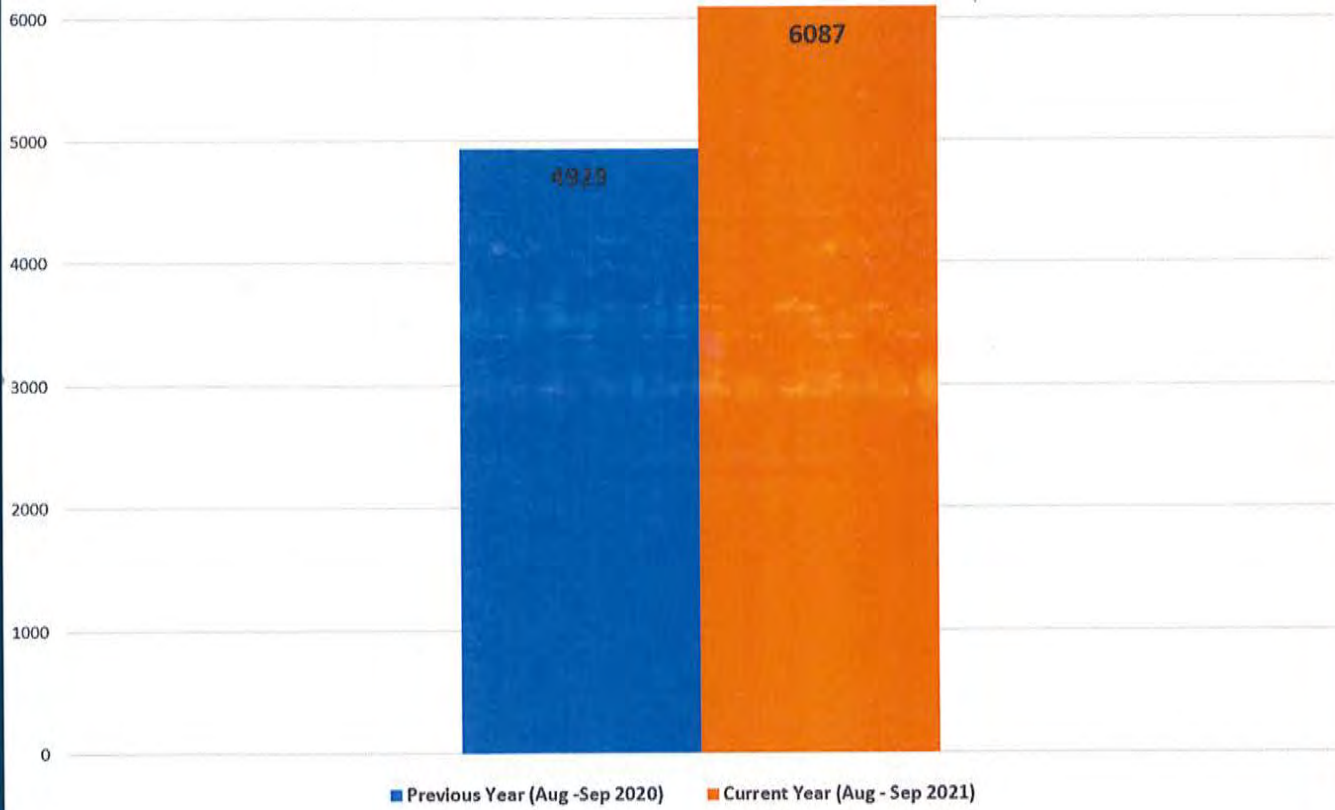


Brand	Owned By	Cattle Source	Sold At
	Parker Ranch	Parker Ranch	Whole Foods & Restaurants
	Parker Ranch/ Ulupono Initiative	Parker Ranch	Safeway
	Michelle Galimba	Kuahiwi Ranch	Foodland & Whole Foods
	Hawaii Sustainable Beef	Small Ranchers	Various Stores & Restaurants
	Hawaii Sustainable Beef	Small Ranchers	Times

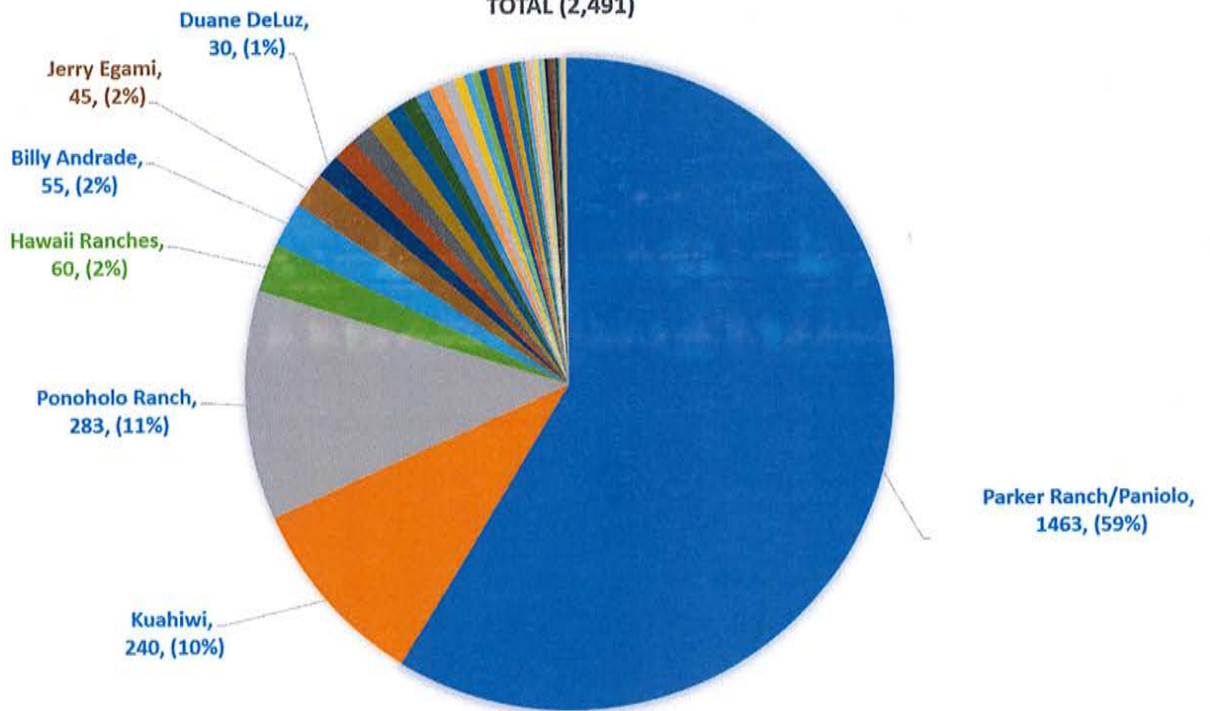
Hawaii Beef Producers Monthly Comparison



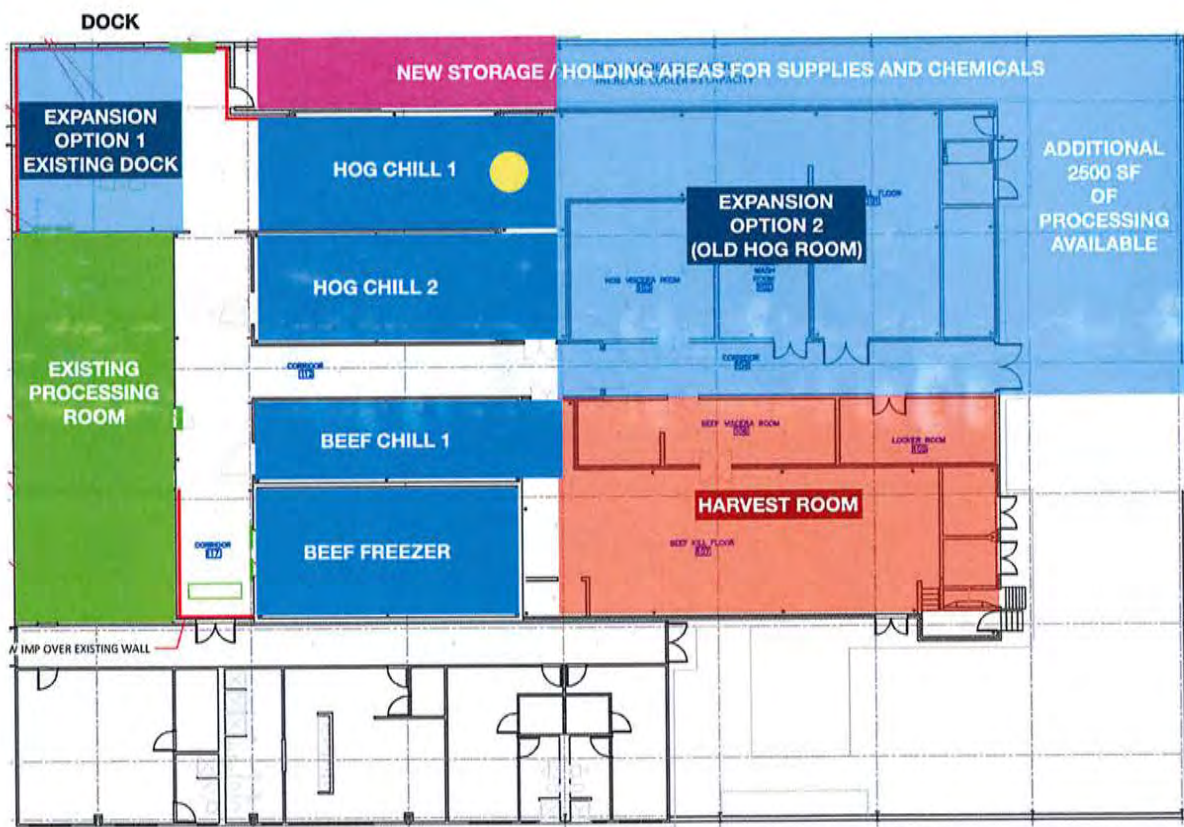
Hawaii Beef Producers Year over Year Comparison

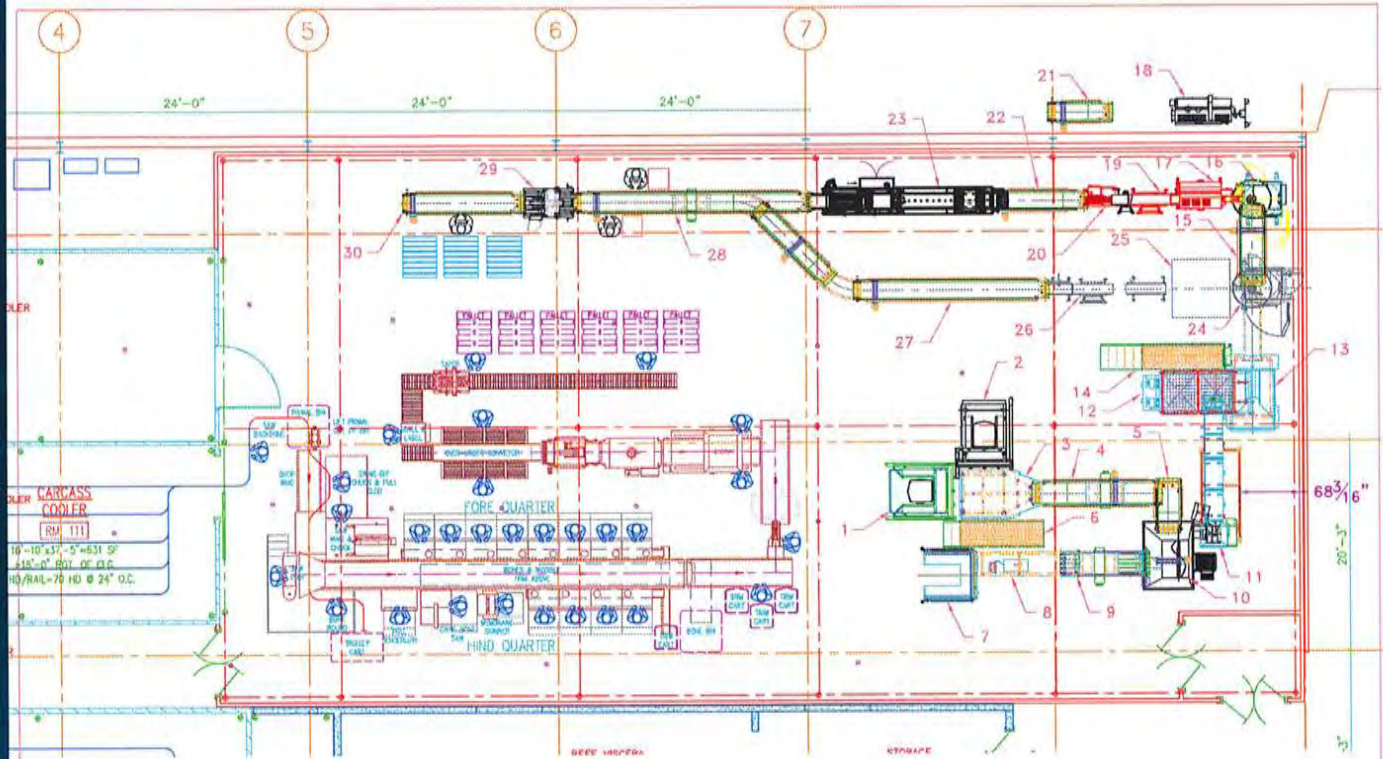


HBP (PAAUILO) CATTLE HARVESTED,
JAN 2021- JUN 2021
TOTAL (2,491)









NOTES:

1. All dimensions are in feet and inches.
2. All equipment shall be new unless otherwise noted.
3. All equipment shall be in accordance with the specifications listed on the drawings.
4. All equipment shall be in accordance with the specifications listed on the drawings.
5. All equipment shall be in accordance with the specifications listed on the drawings.
6. All equipment shall be in accordance with the specifications listed on the drawings.
7. All equipment shall be in accordance with the specifications listed on the drawings.
8. All equipment shall be in accordance with the specifications listed on the drawings.
9. All equipment shall be in accordance with the specifications listed on the drawings.
10. All equipment shall be in accordance with the specifications listed on the drawings.

AMFEC EQUIPMENT PROPOSAL FOR HAWAII MEAT			
DATE	BY	CHKD BY	APP. BY
1/8-11-97	11/15/20	19	182
DM	DM	DM	DM















BUILDING

\$	2,100,000	1	Freezer/ Cooler and dock expansion
\$	250,000	2	I beam replacement throughout the building (supporting)
\$	80,000	3	Storage Building for Dry Goods, Boxes and Bags and other dry goods supplies
\$	25,000	4	Repair Floor of old freezer. (Ceiling already addressed above)
\$	24,000	5	Freezer exterior unit/condenser... several issues and needs to be replaced
\$	11,900	6	Discharge auger and housing on the kill floor loading dock replaced rusted out.
\$	10,000	7	Overhead leaks.
\$	5,000	8	Additional drainage around the facility to support heavy rainfall, away from foundation
\$	5,000	9	Improve handicap accessibility
\$	4,000	10	Air curtains over doors to outside.
\$	2,500	11	Replace Carcass Cooler
\$	2,500	12	Repair Men's and Women's bathrooms/locker rooms
\$	2,200	13	Floor drain repairs kill/fab.
\$	1,200	14	Repair walls throughout the processing areas.
\$	1,200	15	Overhead cleaning/oiling of kill floor beams.
\$	2,524,500		

EQUIPMENT

\$	3,500,000	1	Rendering system restore including boiler, controllers, safety devices.
\$	300,000	2	Tallow tank clean up, left from the plantation ownership
\$	100,000	3	Repair and expand cattle pens
\$	60,000	4	Computer system for Inventory tracking and label printing.
\$	30,000	5	Replace Propane Forklift
\$	25,000	6	Replace landing table for bull saw
\$	10,300	7	Split Saw ordered to replace the existing butcher boy.
\$	9,800	8	Commercial Washing Machine for plant laundry
\$	9,000	9	Kill Floor Trolley Hooks
\$	7,000	10	Winch for cattle (after Knock Box) replacement.
\$	5,600	11	Hide Puller Motor/Gear Box assembly.
\$	3,000	12	Final Rinse Station on the kill floor. Increase to a higher-pressure rinse cabinet
\$	2,500	13	Replace Time Clock system
\$	2,500	14	Small refrigerated box trucks. Refer unit down.
\$	4,064,700		

OTHER/GROUNDS

\$	295,000	1	Repair the onsite Well for Water
\$	65,000	2	Repair fence around the facility
\$	12,000	3	Replace fuel tanks
\$	50,000	4	Asphalt repair
\$	3,000	5	Bridge along the entrance road to the facility
\$	425,000		

TOTAL

\$ 7,015,240

Our Mission:

To do our part to help Hawaii become more self-sufficient in beef products and to lift the income of Hawaii ranchers by building beef-processing capacity on the islands and supporting a free-market system where the demand, value, and supply of local, grass-fed beef is optimized.

Our Commitment to Hawaii Ranchers:

- To do our utmost to build a thriving ranching industry in Hawaii serving all ranchers, large and small.
- To significantly expand slaughter and processing capacity so that all ranchers have access to slaughter facilities.
- To make substantial upgrades in both facilities to facilitate efficiencies and optimize meat quality.
- To endeavor to induce a measurable increase in overall ranch income for Hawaii Ranchers.
- To endeavor to create a level playing field where all Hawaii Ranchers are treated fairly in cattle pricing and processing availability.
- To endeavor to be fair in pricing, slot availability, and services.
- To not play favorites.
- To listen to the concerns of all stakeholders, including ranchers, suppliers, distributors, retailers, restaurants, and consumers.
- To endeavor to use our unique position in the marketplace to bring unity to the cattle industry and to foster great lifelong relationships.
- To protect and nurture the current successful branded programs and help them grow their brands.
- To support and nurture current rancher/consumer relationships
- To encourage and support the development of new programs and new markets.
- To allow for numerous successful brands in the marketplace.
- To endeavor to increase food quality in grade, flavor, and tenderness.
- To support improvements in pasture management, animal husbandry, herd health, genetics, and humane treatment of animals.
- To provide the utmost in friendly and fair customer service.
- To try to become a valued and trusted member of the ranching community.
- To live worthy of people's trust.

Nakamura, Gayle M

From: Shyra Smith <sshyra@hotmail.com>
Sent: Monday, October 25, 2021 12:54 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Paauilo Slaughterhouse Testimony

Oct 25, 2021

State of Hawaii
Department of Agriculture
Agricultural Resource Management Division
1428 S. King Street
Honolulu HI 96814

RE: Resubmittal Request for Approval of Extension of Lease Term, General Lease Nos. S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK:3rd Div/4-3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003; 3rd Div/4-3-005-002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemau 1st, Hamakua District, Island of Hawaii, Hawaii.

My name is Shyra Pili and I am a small rancher on Hawaii Island. I have been ranching for 5 years. I strongly support the approval of extension of lease term for general lease nos. S-7000, S-7014, S-7015 and S-7016.

I have processed livestock at the Paauilo slaughterhouse for the past 5 years. It is becoming increasingly difficult to afford the transfer costs to slaughterhouses as there are so few left. In the Hawaii Ranching community we cannot afford to lose anymore viable processing centers. The processing facility is in need of renovations. I support Hawaii Sustainable Beef Enterprises efforts to provide the resources to renovate the aging facility.

SHYRA V. PILI

Nakamura, Gayle M

From: BOBBY FERREIRA <olumauangus@msn.com>
Sent: Monday, October 25, 2021 1:00 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony - Resubmittal Request for Approval of Extension of Lease Term, Hawaii Beef Lease, LLC

To: Hawaii Dept, of Agricultural Board

My name is Robert Ferreira but everyone calls me Bobby. I worked for Hamakua Sugar Co. as its Irrigation Department Crew Chief for a number of years and was involved in the building of at that time known as Big Island Meat's slaughter, processing and rendering facility along with its feed yard. I transferred from the plantation side to the cattle operation side in 1985 as a Cattle Handler and in 1987 became manager of that feed yard. I was the one responsible for the delivery of 65 to 80 head of fat cattle a day, five and sometimes six days a week. I managed that feed yard for six years until the operation was shut down due to Hamakua Sugar filing for bankruptcy. We ran 22,500 head a year not counting the outside slaughter cattle through that slaughter facility and I hauled the last load of fat cattle to be slaughtered and proceed myself, which was one of the saddest days of my life.

Now to my point, that facility was always bottlenecked between the kill floor, carcass cooler, processing floor and finish product storage. This meant whatever I took down on Monday needed to be out by Friday. The floor plan never did match the output needs. I've been told that improvement investment over the years have been made since my time, but still not enough to make it work right. Now you have someone who is willing to put in the investment to make it work right but is expected to invest millions in a such a short-term lease. I ask, is there other players willing to lease and put in millions to make this plant work right within such a short lease term? If not, I ask that the board approve this request for approval of extension of lease term to Hawaii Beef Lease, LLC as this is a very important part to the success of the cattle industry within not only Hawaii Island but as a whole for the State.

Thank you for your time in reading this,

Robert (Bobby) Ferreira
Consult-Manager

Kaupo Ranch, Ltd.

October 23, 2021

State of Hawaii
Department of Agriculture
Agricultural Resource Management Division
1428 S. King Street
Honolulu, HI 96814

RE: Resubmittal Request for Approval of Extension of Lease
Term, General Lease Nos.
S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC,
Lessee; TMK: 3rd Div/4-
3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-
5003 and 3rd Div/4- 3-005-
002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemau
1st, Hamakua District,
Island of Hawaii, Hawaii

My name is Tevyn S. K. Rita. I am a small rancher on Kauai
island. I have been ranching/farming for 10 plus years. I
strongly support the approval of extension of lease term for
general lease nos. S-7000, S-7014, S-7015, and S-7016.

I am familiar with the Paauilo facility and no one to date has put
money in to bring
about improvements. I support Hawaii Sustainable Beef
Enterprises' efforts to
provide the resources to renovate the aging facility. This is a
much needed facility for Hawaii.

Thank you for the opportunity to give testimony on this matter.
Sincerely,



Nakamura, Gayle M

From: Sarah Caldwell <sarahcaldwellrvt@gmail.com>
Sent: Monday, October 25, 2021 1:16 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] SDash 7000, – 7014, S – 7015 and S – 7016

My name is Sarah Caldwell I'm a rancher on Kawai and I have been ranching and farming for several years I strongly support and approve the extension of the lease term for general lease nos.

S – 7000, S – 7014 , S7015 and S-7016.

I have processed livestock at the Paauilo slaughter house for greater than seven years. The processing facility is old and in dire need of renovation. This lease extension will allow those renovations to take place.

Please allow the request for a lease extension. I have on many occasions send the poor condition of the Paauilo facility. I am not aware of anyone Else that has put in abundant money, time and energy to this project.

Hawaii sustainable meat Enterprises is providing every resource available to renovate this old facility.

Thank you for the opportunity to give testimony on this matter.

Sincerely Sarah Caldwell.

Nakamura, Gayle M

From: Tom Lappe <tlappe@hawaiiranches.com>
Sent: Monday, October 25, 2021 1:31 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] testimony

Oct 25,2021

Stateof Hawaii
dept of ag
Ag resource Management Division
1428 S. King Street
Honolulu, Hawaii 96814

RE;resubmittal request for approval of extension of lease term, general lease nos.S-7000,S-7015 and s-7016;hawaii beef lease.
agricultural park, Pohakukhaku and Kemau 1st
Hamakua District,Island of Hawaii,Hawaii

My name is Tom Lappe.
I have been in the cattle business for over 40 years .
I strongly agree and fully support the the approval of
extension of lease term for general lease nos. s-7000
S-7014,S-7015 S-7016

I am familiar with the Paauilo facility and no one to date has put any financial resources to help bring about improvements.i believe in hawaii sustainable beef Enterprises efforts to provide the resources to renovate this aging facility.

Thank you for the opportunity to giv testimony on thi matter.
Sincerely,
Tom Lappe

I have been in the cattle business for over 35 years

Nakamura, Gayle M

From: rockerg@hawaii.rr.com
Sent: Monday, October 25, 2021 1:32 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony for Paauilo Plant

October 25, 2021

State of Hawaii

Department of Agriculture

Agricultural Resource Management Division

1428 S. King Street

Honolulu, HI 96814

RE: Resubmittal Request for Approval of Extension of Lease Term, General Lease Nos. S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK: 3rd Div/4-3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003 and 3rd Div/4- 3-005-002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemau 1st, Hamakua District, Island of Hawaii, Hawaii

We are Bud and Katy Gibson of Rocker G Livestock and have been in the cattle business on the island of Oahu for over 50 years. Along with my extended family we have been involved with ranching, dairies, and feedlots for over 70 years and we strongly **support** the approval of extension of lease term for general lease nos. S-7000, S-7014, S-7015, and S-7016.

We are familiar with the Paauilo facility and that no one to date has stepped up to put in the needed money to bring about the very much needed improvements. We support Hawaii Sustainable Beef Enterprises' efforts to provide the resources to renovate this essential and aging facility. This lease extension will allow for those renovations to take place which in turn will benefit every small and large rancher that will ultimately directly benefit the people of Hawaii. We very strongly support the request for a lease extension.

If this pandemic has taught us nothing else it has taught us that we need to be sustainable and not rely on shipping in everything we need. The delays in shipping and the less availability of many

products that we have taken for granted should emphasize the need to have this facility up and running.

Thank you for the opportunity to give testimony on this matter.

Sincerely,

Bud and Katy Gibson

J. M. Gressard, D.V.M.
H. M. Richards III, D.V.M.
L. B. Wood, D.V.M.
E. C. Hamilton, D.V.M.

VETERINARY ASSOCIATES, INC.
P.O. BOX 839 • KAMUELA, HAWAII 96743

PHONE (808) 885-7941
FAX (808) 885-3418



**Board of Agriculture Meeting
October 26, 2021, 9:00am**

Agenda Item IV.A.5: Request for Approval of Extension of Lease Term, Hawaii Beef Lease

Chair Shimabukuro-Geiser and Members of the Board of Agriculture,

My name is Lisa Wood and I have worked with Hawaii's livestock industry as a practicing veterinarian for over 30 years. I am a past president of the Hawaii Cattlemen's Council and currently serve as the chair of the Animal Health and Well-being Committee.

I am writing in support of the lease extension for the Hawaii Beef Lease operating under Hawaii Sustainable Beef.

The operation of the Pa'auilo harvest and processing facility is critical to Hawaii's ranching industry. The vast majority of cattle are located on the Big Island and services provided by this facility are essential to the livelihood of our producers.

Our producers require access to harvest and processing not only to provide food for our community but also to allow appropriate culling of older animals to maintain reproductive efficiency and as a tool for drought mitigation. These practices are important in providing for the health and well-being of our herds.

As Hawaii strives to be food secure, it is critical that we advocate for food production, harvest, and processing on each island. The pandemic has exposed our vulnerability to supply chain and transportation disruptions in a stark way. While we can appreciate the efficiencies gained by centralization, it must be balanced with the impacts this would have on diversifying our economy and labor force as well as the animal welfare concerns. The Pa'auilo facility provides skilled jobs for our community and supports animal welfare by limiting the number of live animals that must be shipped off-island.

It is no secret that tension currently exists in our industry over processing and marketing. However, without the lease extension, we cannot attract the private capital investment vital to making improvements to the Pa'auilo plant.

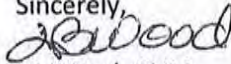
We are grateful to Hawaii Sustainable Beef for their stated commitment to our beef industry and their desire to meet the unique needs of our island beef producers.

We are equally grateful for the foresight and courage of our producers to raise concerns about the risks associated with consolidation of our meat industry

It will be incumbent upon HSB, producers, industry leaders and the community in general to facilitate open, sincere dialogue and work towards resolution of these issues.

We need all segments of our industry to be successful so Hawaii's agriculture doesn't just survive but thrive.

Thank you for the opportunity to comment on this matter.

Sincerely,

LB Wood, DVM

Nakamura, Gayle M

From: Joycelyn Abreu <joycelynabreu@yahoo.com>
Sent: Monday, October 25, 2021 2:04 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Support Letter

State of Hawaii

Department of Agriculture

Agricultural Resource Management Division

1428 S. King Street

Honolulu, HI 96814

RE: Resubmittal Request for Approval of Extension of Lease Term, General Lease Nos. S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK: 3rd Div/4-3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003, and 3rd Div/4- 3-005-002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemau 1st, Hamakua District, Island of Hawaii, Hawaii

My name is Joycelyn Vasconcelles. I am a small rancher on Kauai island. I have been ranching/farming for 30 years. I strongly **support** the approval of extension of lease term for general lease nos. S-7000, S-7014, S-7015, and S-7016.

1. I am familiar with the Paauilo facility and no one to date has put money in to bring about improvements. I support Hawaii Sustainable Beef Enterprises' efforts to provide the resources to renovate the aging facility.

Thank you for the opportunity to give testimony on this matter.

Sincerely,

Joycelyn Vasconcelles
Kauai Cattleman's Association Board Member

Kuahiwi Ranch

Kuahiwi Contractors, Inc./Kuahiwi Ranch
PO Box 24
95-5520 Mamalahoa Highway
Nā'ālehu Hawaii 96772

October 25, 2021

Chair & Board of Agriculture/Hawaii Department of Agriculture

Re: BOA Agenda Item A-5, October 26, 2021

Request for Approval of Extension of Lease Term, General Lease Nos. S-7000, S- 7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee

Aloha Chair Shimabukuro-Geiser & Board of Agriculture,

Kuahiwi Ranch has provided locally-grown natural and grass-fed beef to local markets since 2008, and has worked collaboratively with the subject slaughter and processing plant in Pa'auilo to provide beef to local supermarkets since 2013. Building a local ranch-to-table beef supply chain has benefited every part of that supply chain. Producers get better prices, packers are more profitable, supermarkets can provide more options, and consumers get access to healthy, flavorful local grass-fed beef.

Hawai'i Beef Lease LLC has requested a 20 year extension to their lease so as to qualify for a line of credit to make improvements on the subject property. We appreciate the intent to invest in the facility, which is much in need of investment.

However, it is important that Board of Agriculture ensure that this processing plant, which has received considerable public investment, continue to serve the public good for Hawai'i island and the State of Hawai'i. Some key conditions that will ensure that the proposed investment and the interests of Hawai'i island producers and the general public remain aligned are:

1. Full processing capacity remain on Hawai'i island (not just slaughter) to support food security and resiliency on island
2. Provide producer access to toll-processing to maintain a vibrant and competitive marketplace for local beef that is supportive of producers
3. Proposed private investment timeline is codified, so that the value of public investment that this lease extension represents is matched in a timely fashion.

Given these conditions that ensure the public interest is protected, we are supportive of this lease extension.

Thank you for the opportunity to comment on this important matter.

Sincerely yours,

Michelle Galimba, VP

Nakamura, Gayle M

From: waylon brun <waylonbrun@gmail.com>
Sent: Monday, October 25, 2021 2:17 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony

My name is Waylon Brun. I am a small rancher on Kauai island. I have been ranching/farming for 5 years, I strongly **support** the approval of extension of lease term for general lease nos. S-7000, S-7014, S-7015, and S-7016.

1. The processing facility is old and in dire need of renovations. This lease extension will allow for those renovations to be taken care of. I support the request for a lease extension.
2. I am familiar with the Paauilo facility and no one to date has put money in to bring about improvements. I support Hawaii Sustainable Beef Enterprises' efforts to provide the resources to renovate the aging facility.

Thank you for the opportunity to give testimony on this matter.

Sincerely,

Kauai cattleman's association president

Waylon Brun

Nakamura, Gayle M

From: Keith <kaimiunger@gmail.com>
Sent: Monday, October 25, 2021 2:25 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] McCandless Ranch Testimony

Board of Agriculture Meeting
October 26, 2021, 9:00am

Agenda Item IV.A.5: Request for Approval of Extension of Lease Term, Hawaii Beef Lease

Chair Shimabukuro-Geiser and Members of the Board of Agriculture,

McCandless Ranch supports the extension of the Pa'auilo lease to Hawaii Sustainable Beef (HSB).

The Hawaii Cattle industry has long identified the lack of harvesting and processing facilities state wide as a critical bottleneck in the growth of the industry.

Specifically, the Pa'auilo facility for years has been operating at full capacity, and yet was still unable to service many of the Hawaii Island producers.

HSB has already demonstrated their commitment to the Hawaii cattle industry by investing approximately \$6M in the Kapolei Plant. Once this extension is signed, HSB has pledged another approximately \$7M in much needed deferred maintenance and improvements to the Pa'auilo facility that will greatly increase capacity.

We therefore are requesting that you approve the extension of this lease so that HSB can move forward immediately with these plans.

Keith K. Unger
McCandless Ranch

Nakamura, Gayle M

From: Stephen DeLuz <pcchauling@gmail.com>
Sent: Monday, October 25, 2021 2:52 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony

October 25, 2021

State of Hawaii
Department of Agricultural
Agricultural Resource Management Div.
1428 South King St.
Honolulu, HI 96814

RE: Resubmittal request for approval of extension of lease term, general lease# S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK: 3rd Div/4-3-005;002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003 and 3rd Div/4-3-005-002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemua 1st, Hamakua District, Island of Hawaii, Hawaii

My name is Stephen De Luz, I am a second generation rancher on the island of Hawaii. I have been ranching here on the Big Island for 40+ years. I am in support of a lease extension as long as the lessee continues to support ALL ranchers in marketing their cattle and offering fair prices to all.

Since Hawaii Beef Producers came to the Big Island, it opened up the facility to be used by the small ranchers, such as myself. On a positive note, the Lessee is not seeking State monies to make improvements to this facility. Instead, investing their own monies to improve the business.

Thank you for this opportunity to give testimony on this matter.

Mahalo,

Stephen A. De Luz, Managing Member
Ernest De Luz Ranch, LLC
Puu Waa Waa Cattle Co, LLC
(808) 936-4507



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

Submitted via email to: HDOA.BOARD.TESTIMONY@HAWAII.GOV

October 26, 2021

Phyllis Shimabukuro-Geiser
Chairperson
Hawaii State Department of Agriculture
Agricultural Resource Management Division
1428 S. King Street
Honolulu, HI 96814-2512

**RE: Board of Agriculture Meeting October 26, 2021, 9:00 a.m.
Testimony on Item IV (A)(5) Resubmittal Request for Approval of Extension of Lease Term,
General Lease Nos. S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK: 3rd
Div/4-3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003 and 3rd Div/4- 3-005-002-
5004, Hamakua Agricultural Park, Pohakuhaku and Kemau 1st, Hamakua District, Island of
Hawaii, Hawaii**

Dear Chair Shimabukuro-Geiser and Members of the Board:

The Hawai'i Farm Bureau (HFB) is the state's largest nonprofit general farm organization representing the interests of thousands of farm families throughout the Hawai'ian Islands. Our farmer and rancher members range from the smallest to the largest producers in the State and include all types of farming, including conventional, organic, and high technology, among many others.

We are writing to support the request by Hawaii Beef Lease, LLC to extend the lease term of General Lease Nos. S-7000, S-7014, S-7015, and S-7016. HFB supports efforts to promote agricultural viability in Hawai'i and to increase our self-sufficiency, especially with regard to food production through diversified agriculture on each island. However, this is not a simple mission, since among other challenges, significant capital expenditures are often required that just aren't available.

We are hopeful that the Hawaii Beef Lease, LLC promised investments in increased slaughter and processing capacity, and other improvements will increase sales of Hawaii grass-grown beef and benefit both the cattle industry and the local community. Extension of the current lease appears to be a reasonable request, given the commitment of this significant investment.

We recognize that not all ranchers trust that their businesses will be fairly accommodated. We believe that Hawaii Island should continue to have the capability to process meat from on-island producers. We also agree that options should be available to access toll processing for those who want to develop their own branded product and sell directly.

Sincerely,

A handwritten signature in black ink that reads "Brian Miyamoto". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian Miyamoto
Executive Director

Nakamura, Gayle M

From: David DeLuz Jr <DJR@teamdeluz.com>
Sent: Monday, October 25, 2021 3:19 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] RE: Testimony in support of the extension of HBP DOA lease extensions in Paauiilo, Big Island of Hawaii

Importance: High

October 25, 2021

State of Hawaii
Department of Agriculture
Agricultural Resource Management Division
1428 S. King Street
Honolulu, HI 96814

RE: Resubmittal Request for Approval of Extension of Lease Term, General Lease Nos. S-7000, S-7014, S-7015 and S-7016; Hawaii Beef Lease, LLC, Lessee; TMK: 3rd Div/4-3-005:002; 3rd Div/4-3-005-002-5002; 3rd Div/4-3-005-002-5003 and 3rd Div/4- 3-005-002-5004, Hamakua Agricultural Park, Pohakuhaku and Kemau 1st, Hamakua District, Island of Hawaii, Hawaii

My name is David S. De Luz, Jr. and I sincerely apologize to the HDOA Board for submitting this testimony late and would greatly appreciate their consideration of

With this understanding and having the opportunity to have met and know Mr. Frank VanderSloot, who I believe is committed to making this happen, the realization of my Father's dream/legacy, I strongly **support** the approval of extension of lease term for general lease nos. S-7000, S-7014, S-7015, and S-7016.

My father invested considerable private resources when no one else would and now this processing facility is in additional dire need of renovations and additional capital improvements to get this plant to the "next level" in processing capacity and potentially offer additional value added products/items that will benefit the cattle industry, inclusive of the small ranchers that has been a HUGE part of getting the plant to this point and will continue to be a VERY important asset now and in the future of the success of this plan. This lease extension will allow for those renovations to be taken care of. I support the request for a lease extension.

I support Hawaii Sustainable Beef Enterprises' efforts to provide the resources to renovate the aging facility.

Mahalo for the opportunity to give testimony on this vital and important matter, that has and will continue to have