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3 **Minutes of the Board of Agriculture**
4 **December 5, 2023**
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6 A video recording of this meeting can be found online by visiting this website:
7 <https://hdoa.hawaii.gov/meetings-reports/>
8

9 CALL TO ORDER – The meeting of the Board of Agriculture was called to order on
10 December 5, 2023, at 9:10 am by Board of Agriculture Chairperson, Sharon Hurd. The
11 meeting was conducted virtually via Zoom and in-person from:
12

13 *State of Hawaii, Department of Agriculture*
14 *Plant Quarantine Branch*
15 *1849 Auiki Street*
16

17 Members Present In-Person:

18 Sharon Hurd, Chairperson, Board of Agriculture
19 Fred Cowell, Kauai Member
20 Mary Alice Evans, Ex-Officio Member
21

22 Members Virtually Present: Roll call/alone

23 Russell Tsuji, Board of Land and Natural Resources, Ex Officio Member
24 Diane Ley, Hawaii Member
25 Randy Cabral, Member-at-Large
26 En Young, Member-at-Large
27 James Gomes, Member-at-Large
28

29 Excused:

30 Dr. Ania Wieczorek, Interim Dean CTAHR, Ex Officio Member
31 Vincent Mina, Maui Member
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33 Deputy Attorney General Present In-Person: DAG Bryan Yee
34

35 Others Present In-Person:

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37 Allen Hoe, Attorney
38 Alice Brogton, Rock Hill Farm
39 Leon Brogton, Rock Hill Farm
40 Marci Clingan, HDOA Chair's Office
41 Janelle Saneishi, HDOA Chair's Office
42 Stephen Dalton, HDOA IT

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2 Todd Low, HDOA Aquaculture
3 Jonathan Ho, HDOA PQ
4 Chris Kishimoto, HDOA PQ
5 Wayne Takamine, HDOA Ag Loan
6 Roy Hasegawa, HDOA Ag Resource Management
7 Linda Murai, HDOA Ag Resource Management
8 Bryan Yee, Attorney General's Office
9

10 Others Virtually Present:¹

11 Jillian Scheibe, HDOA Ag Loan
12 Stephanie Easley
13 AGR Matsukawa Dean
14 Kelcie Nagata, Esq.
15 Rae Gee
16 Jess Cole
17 Janet
18 Darcy Oishi
19 Leandra
20 ChunKB
21 AGR-Maeda, Isaac
22 Phil's XR
23 KITV4 News
24 Iphone (2) sunny hsu
25 Sunny hsu
26 Janis Matsunaga
27 Todd
28 Brandi Ah Yo
29 Mark Ladao
30 Vanessa
31 Jonathan Ho
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33

34 II. APPROVAL OF MINUTES FROM 10/24/23 MEETING
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36 Motion to Approve: Gomes/Alice
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38 Vote: Not approved; Cabral, Cowell and Young abstained. Request for approval will be
39 during a future meeting.
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41 III. INTRODUCTIONS

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

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IV. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

A. AGRICULTURAL LOAN DIVISION

1. Request for Approval of One (1) Emergency Loan for Diamond B Ranch, LLC and Brendan L. Balthazar, Co-Borrowers.

Wayne Takamine, Business Loan Officer, presented testimony as submitted.

Motion to Approve: Evans/Gomes

Discussion:

Board Member Tsuji asked Mr. Takamine if he can articulate the current problem of the Axis Deer. Mr. Takamine responded that this is a newly acquired parcel and this was transferred over to the Agricultural Resource Management from the DLNR. These two parcels were just completed a few months back. In the meantime, before the land was acquired by Diamond B Ranch, there were a lot of evasive species and plants, and forestry has taken over. Mr. Balthazar originally used the land for ranching previously with DLNR. DLNR took the land back and the land has become overgrown and plants that were there previously have been destroyed. The land must be improved, and this is where a lot of deer infestation comes in. The fencing needs to be put in place for the land to be usable for ranching. He added that the deer has affected the terrain. If the land is not prepared to a certain level, it limits the amount of cattle he can put on the land.

Board Member Tsuji asked what is the current problem with the Axis Deer? Mr. Takamine said that he puts up fencing for the grazing land.

Board Member Gomes added that there are a ton of deer in that area. He asked if Diamond B submitted a conservation plan, and will the two parcels be completely fenced with deer fencing? Mr. Takamine responded that he does have a plan with the NRCS, but they need to get the lease signed before they go ahead with the plan and grant. Mr. Takamine said he does believe that he's going to take the deer fencing to the perimeter of the property.

Board Member Gomes said when you have an ag park lease or ag lease for farming, why can't the pastoral be 45 years rather than 35 years? Board Member Tsuji said he thinks it's statutory. Board Member Gomes asked if we could keep it the same at 40.

Board Member Ley said she wants to support the loan. She added that she noted in the purpose of the loan that a portion of the funds was also going to be used to provide

1 operating funds to clear land and install water infrastructure. She asked if this is an
2 allowable use under the emergency loan program specifically for the Axis Deer. Mr.
3 Takamine responded that Mr. Balthazar has the equipment and experience to create
4 the fences on his own. He added that in order to keep the land going and to have it
5 successful, he needs some help from us as far as operational needs to put in the
6 infrastructure and to clear the land.

7
8 Board Member Ley asked, as it was framed by the legislature, does it allow for that type
9 of additional use? She added that she understands that he may need to improve this
10 property because he's just acquired the leases and the property needs improvement,
11 but wouldn't this come under a standard operating loan application? Mr. Takamine
12 replied that a lot of this is on a case-to-case basis. The experience that Mr. Balthazar
13 brings to the Ag Loan Division is incomparable on Maui and there is no one more
14 experience. His record with Ag Loan Division is very solid. He needs the money to clear
15 and put up the fence to make it ready for grazing.

16
17 Board Member Young added that he wants to be sure that the money is being used for
18 permissible uses.

19
20 Board Member Evans said she thinks we can feel comfortable that the money will
21 accomplish the goal of the emergency loan which is to get access to deer fencing.

22
23 Board Member Tsuji said staff should justify in the loan documents on how they are
24 articulating that the proceeds will be directed or is used for the emergency loan
25 purposes for the Axis Deer purposes in the event there is an audit.

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27 Vote: Approved; 8-0

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30 2. Request for Approval of One (1) Class A Loan for Daniel Sheen and Kona
31 Controls Inc., Co-Borrowers.

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33 Jillian Scheibe, Ag Loan Division, presented testimony as submitted.

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35 Motion to Approve: Gomes/Cowell

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37 Discussion:

38 Board Member Cabral asked if the appraisal is appraised on the land value or lease
39 hold value? Ms. Scheibe replied that it is on the lease hold value.

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41 Board Member Young asked if there is a conflict of interest since he is working for
42 Kamehameha Schools. Deputy AG Yee replied that he does not think Kamehameha
43 Schools has an interest in this matter so he is OK to participate.

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2 Vote: Approved; 8-0
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6 B. ANIMAL INDUSTRY DIVISION
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- 8 1. Request for Approval of Proposed Memorandum of Agreement (“MOA”)
9 Between the Department of Agriculture (“HDOA”) and the Department of
10 Land and Natural Resources (“DLNR”) Regarding the Transfer of
11 Revenues, Less Management Expenses, to the Aquaculture Development
12 Special Fund, Managed by Department of Agriculture.
13

14 Todd Low, Aquaculture Dev Program Manager presented testimony as submitted.
15

16 Motion to Approve: Evans/Gomes
17

18 Discussion:

19 Board Member Ley asked why this agreement would end in approximately one year?
20 Deputy AG Yee said in paragraph 5, there is an automatic renewal provision.
21

22 Board Member Gomes asked how many more leases are you looking at and can you
23 justify the monies that you will have for the aquaculture? Mr. Low replied that for open
24 ocean leases, there is one pending that is going through permitting due diligence. One
25 of the challenges we have with open ocean leases is that it is capital intensive to set up
26 one of these programs. There are numerous reasons why some people can make it
27 though and others can't. He added that they have a rigorous, permitting structure that
28 the State employs for open ocean leases. The open ocean segment is just one part of
29 aquaculture. He added that they are trying to move into the restorative side of it where
30 seaweed and bivalves provide ecosystem services to sequester carbon and improve
31 water quality as well as provide a value-added product.
32

33 Board Member Gomes added that either division can terminate the agreement in 30
34 days. Deputy AG Yee added that it is dependent on the trust in DLNR's willingness to
35 continue this.
36

37 Vote: Approved; 7-0 (Abstained – Board Member Tsuji)
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40 C. AGRICULTURAL RESOURCE MANAGEMENT DIVISION
41

- 42 1. Request for Consent to Assignment of General Lease No. S-6016; Mary
43 Chang Xu, Lessee/Assignor, to First Rate Plantation, Inc., Assignee;

1 TMK: (1) 5-6-006:044, Kahuku Agricultural Park, Lot 16, Koolauloa,
2 Kahuku, Island of Oahu, Hawaii
3

4 Roy Hasegawa, Ag Resource Management Division, presented testimony as submitted.
5

6 Motion to Approve: Evans/Gomes
7

8 Discussion:

9 Board Member Gomes asked what is the basis that is used to arrive at that net amount?
10 Mr. Hasegawa replied that it is based on the inventory and if there are any fixed
11 structures and that's taken off the consideration amount. There is a scale for how many
12 years are left on the lease and that percentage is multiplied by \$160,000.
13

14 Deputy AG added that the payment from the assignee to the assignor is a contractual
15 decision made between them so they are allowed to make that decision as to what
16 additional consideration would be made. The net that goes to the lessee, that goes to
17 the lessor is pursuant to the formula created in the lease.
18

19 Board Member Gomes asked if this First Rate Plantation have any DOA leases? Mr.
20 Hasegawa replied no, not at this time.
21

22 Vote: Approved; 8-0
23
24

25 2. Request for Consent to Assignment of General Lease No. S-6017;
26 Prasong Hsu and Sunny Hsu, Lessee/Assignor, to First Rate
27 Plantation, Inc., Assignee; TMK: (1) 5-6-006:045, Kahuku Agricultural
28 Park, lot 17, Koolauloa, Kahuku, Island of Oahu, Hawaii
29

30 Roy Hasegawa, Ag Resource Management Division, presented testimony as submitted.
31

32 Motion to Approve: Evans/Gomes
33

34 Discussion: None.
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36 Vote: Approved; 8-0
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38

39 3. Request for Consent to Assignment of General Lease No. S-6018; You
40 Soukaseum and Prasong Hsu, Lessee/Assignor, to First Rate Plantation,
41 Inc., Assignee; TMK: (1) 5-6-006:046, Kahuku Agricultural Park, Lot 18,
42 Koolauloa, Kahuku, Island of Oahu, Hawaii
43

1 Roy Hasegawa, Ag Resource Management Division, presented testimony as submitted.

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3 Motion to Approve: Evans/Cowell

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5 Discussion: None.

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7 Vote: Approved; 8-0

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9 3. Request to Approve (1) Consent to Assignment of General Lease No.
10 S-5380; Thomas Aki, Lessee/Assignor, to Rock Hill Farm, LLC,
11 Assignee; (2) Extension of Lease; and (3) Amendment of Lease;
12 TMK: (1) Div/4-1-009:266, Koolaupoko, Waimanalo, Island of Oahu
13

14 Roy Hasegawa, Ag Resource Management Division, presented testimony as submitted.

15

16 Motion to Approve: Evans/Gomes

17

18 Discussion:

19 Board Member Cabral asked if this is an Act 90 transfer from DLNR. Mr. Hasegawa said
20 yes, it is. Board Member Cabral asked if the existing lease from DLNR was extended or
21 if it was a conversion involved to a DOA lease? Mr. Hasegawa said it was not
22 converted. He added that with the transfer of the terms and conditions coming up, they
23 are waiting to hear what the lessee wants to do whether to convert or extend. Mr.
24 Hasegawa said it doesn't need to be converted right away but according to the statutes,
25 there is window, and the conversion request needs to be between 5 and 10 years
26 remaining on the lease. Mr. Hasegawa said he'll need to check when the last reopening
27 was done, and he will send over the statute.

28

29 Mr. Hasegawa added that with only 7 years left of the lease, both the assignee and
30 assignor are both in agreement to extend the lease.

31

32 Board Member Young asked what the \$400,000 consideration based on and is it
33 contingent upon having a longer-term base for you to do business on. Alice Brogton,
34 Rock Hill Farm, responded that the 30-year lease value is worth \$400,000. Ms.
35 Brogton added that their intention is to purchase the property with the sheep and to
36 continue raising the sheep on the property.

37

38 Vote: Approved; 8-0 (Reservations - Board Member Tsuji)

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41 4. Request to Approve Rental Offset, General Lease No. S-3145 and S-
42 3146; Dean H. Nonaka and Nicol U. Nonaka, Lessee; TMK: (4) 1-9-

1 002:001 and TMK: (4) 1-9-002:020, Hanapepe, Island of Kauai,
2 Hawaii

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4 Linda Murai, Ag Resource Management Division, presented testimony as submitted.

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6 Motion to Approve: Cowell/Evans

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8 Discussion:

9 Board Member Cowell asked if the vehicles were present two years ago. Ms. Murai said
10 yes, the lessees accepted the land in an as-is condition and there were numerous
11 encampments and derelict vehicles on the property.

12
13 Board Member Gomes asked why the lease wouldn't be 45 years and not 35 years
14 and they're planting fruit trees. Ms. Murai said their ARM policy with initial new leases is
15 35 years and with a privilege to extend another 30 years whether they comply or not for
16 a total of 65 years. It is the board's decision whether they want to give a longer term to
17 that initial period.

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19 Vote: Approved; 8-0

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22 5. Request to Approve Right-of-Entry for United States Department
23 Agriculture (USDA) Wildlife Services, to Study Bovine Tuberculosis
24 Risk from Wildlife; Lessee: Vacant; TMK: (2) 5-2-001:011, Lot No. 2,
25 Molokai Agricultural Park, Hoolehua, Island of Molokai, Hawaii

26
27 Linda Murai, Ag Resource Management Division, presented testimony as submitted.

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29 Motion to Approve: Gomes/Tsuji

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31 Discussion:

32 Confirmed that the ROE primarily involves installation and camera checking.

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34 Vote: Approved; 8-0

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37 D. PLANT INDUSTRY DIVISION

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39 Plant Quarantine Branch

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41 1. Request to: (1) Approve for Future Placement on the List of Restricted
42 Animals (Part A), the Currently Unlisted Wasp, *Aprostocetus nitens*
43 (Hymenoptera: Eulophidae), as a Biocontrol Agent of *Quadrastichus*

1 *erythrinae* (Hymenoptera: Eulophidae), by the Hawai'i Department of
2 Agriculture, Plant Pest Control Branch (HDOA-PPC); (2) Authorize the
3 Chairperson to Schedule Public Hearings and Appoint One or More
4 Hearings Officers in Connection With the Proposed Amendments to
5 Chapter 4-71, Hawaii Administrative Rules. (3) Provided the Wasp,
6 *Aprostocetus nitens*, is Placed on the List of Restricted Animals (Part A),
7 Allow the Import and Field Release from the HDOA-PPC Insect
8 Containment Facility [Laboratory Quarantine] of the Wasp, *Aprostocetus*
9 *nitens*, by Permit, for Biocontrol of *Quadrastichus erythrinae* by HDOA-PPC;
10 and (4) Provided the Wasp, *Aprostocetus nitens*, is Placed on the List of
11 Restricted Animals (Part A), Establish Permit Conditions for the Import and
12 Field Release of the Wasp *Aprostocetus nitens* as a Biocontrol Agent of
13 *Quadrastichus erythrinae* by HDOA-PPC.

14
15 Christopher Kishimoto, Plant Quarantine Branch, presented testimony as submitted.

16
17 Motion to Approve: Evans/Cowell

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19 Discussion:

20 Board Member Gomes asked why are we bringing in this second one if the first one
21 sufficed? Mr. Kishimoto said this wasp that we are asking to approve is to complement
22 the first release. It will not attack the first biocontrol agent. Darcy Oishi, Acting Manager
23 of the Plant Pest Control Branch replied that what they found in their studies after the
24 first release is that soft tissue of Wili Wili is still being heavily impacted. If the seed
25 production continues to be impacted, we will see a gradual decrease in the amount of
26 Wili Wili in the field. He added that it is not good enough for us to preserve the current
27 generation of Wili Wili and we want to be sure that this unique species remains
28 available as a part of our natural flora and fauna and a cultural symbol and resource.

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30 Vote: Approved; 8-0

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33 V. OLD BUSINESS

34 None

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37 VI. NEW BUSINESS

38 None

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41 Motion to adjourn: Evans/Gomes

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1 The meeting was adjourned at 10:40 am

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3 Respectfully submitted,

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7 Marci Clingan

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