

STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL LOAN DIVISION

TO: BOARD OF AGRICULTURE  
FROM: AGRICULTURAL LOAN DIVISION  
SUBJECT: Ed Aphay

Request that Two (2) Loans to Ed Aphay be Referred to the Attorney General's Office for  
Disposition and/or Collection

1. NAME: Ed Aphay  
2. ADDRESS (Residence):  
(Mailing): P. O. Box 1034, Waialua, HI 96791

3. Account is based on the following information:

LOAN			PROMISSORY NOTE			
Number	Amount	Approved	Years	Rate	Annual Payments	Maturity
DC-6416	\$20,000.00	08/01/2017	92-mo	3.75%	32-month P&I \$363, Next 60-monthly P&I \$179 * Original Maturity: 8/18/2022 Modified to 4/15/2025	04/15/2025
DD-6461	\$10,000.00	04/29/2020	60-mo	3%	60-month P&I &180	05/15/2025

4. Legal Instruments

DC-6416: Loan Approval Conditions, 7/21/2017, Promissory Note, Term Loan Agreement, No Adverse Change, Security Agreement signed on 8/1/2017. DC-6461: Loan Approval Conditions, 4/29/2020, Promissory Note, Term Loan Agreement, No Adverse Change, Security Agreement signed on 4/29/2020, and Financing Statement A-78070313, 6/14/2006

5. Loan Balances at

Loan Number	LOAN BALANCES		DELINQUENT AMOUNT		PERIOD OF DELINQUENCY
	Principal	Interest	Principal	Interest	
DC-6416	\$3,469.00	\$117.00	\$2,210.00	\$117.00	12/15/2022 - 1/4/2024
DD-6461	\$4,389.00	\$132.00	\$2,028.00	\$132.00	12/15/2022 - 1/4/2024

6. Sources checked in an attempt to furnish information herein:

SALD - Portfol

CONCLUSION AND RECOMMENDATION:

Please see the attached report:

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Loan Number	Loan Amount	Principal Balance	Accrued Interest	Delinquent Principal and Interest
DC-6416	\$20,000	\$3,469	\$117	\$2,327
DD-6461	\$10,000	\$4,389	\$132	\$2,160

Mr. Aphay's previous SALD loans approved by the Board of Agriculture have been paid in full:

Loan Number	Loan Amount	Approval Date	Maturity Date	Status
DC-6340	\$15,000	1/31/2013	3/15/2018	Paid in full
DDC-6261	\$10,000	2009	N/A	Paid in full

#### BACKGROUND HISTORY:

- In 2019, Mr. Ed Aphay was farming on 21.55-acres in the Otake Camp in Waialua leased from the Dole Food Company Inc (DF). His wife sold farm produce at the Mililani Farmer's Market and at a roadside stand near Otake store. A distributor picked up produce for retailers. The farm's tax returns show sales of \$49,000 in 2018 and \$43,600 in 2019. The borrower was subleasing 11-acres of the 21.55-acre farm to two tenants that are relatives and trusted laborers for \$4,180 annually. The annual lease from Dole Pineapple was \$6,270.
- On 11/5/2020, Mr. Aphay reported DF was terminating his farm lease and he was asked to vacate by 11/24/2020. The DF representative cited violations of lease terms including abandoned cars and tractor parts, litter, non-permitted structures, and the subleasing of farmland. Mr. Aphay continued making loan payments from his retirement and savings account.
- On 4/14/2021, I visited Mr. Aphay's new farm located about a half mile makai of the intersection of Waialua Beach Rd and Haleiwa Rd across from 66-659 Haleiwa Rd. Honolulu Real Property lists the land as TMK: (1) 6-6-015-006, owned by Kaala View LLC, Luangrath, Touan and Luangrath, Douang Chanh. The report stated the parcel's address on Aukai Lane with an entrance on the western boundary from Haleiwa Road. The Mr. Aphay rented 4-acres of farmland for \$1,717/month with free access to spring water on the property.
- In March 2021, the farm, and areas in and around Haleiwa were flooded forcing the farm to plant later in June when the ground dried out. The soil proved to be good, and the farm successfully produced long beans, okra, bitter melon, and cherry tomatoes.
- On 3/2/2022, I visited the farm and found the crops were doing well on the 4-acres growing okra, bitter melon, long beans, cherry tomato, along with long and round eggplant. The Mr. Aphay said the farm had entered into an agreement to farm on his neighbor's adjacent 4-acres of land. Mr. Aphay submitted his 2021 tax returns that show total sales of \$5,300 and a net loss of -\$15,600 largely due to relocation expenses and lost production.
- On 2/6/2023, SALD received Mr. Aphay's last payment totaling \$400 for both loans. After the payments was recorded, the division made several calls for loan service appointment scheduling and regarding a missing payment. Mr. Aphay did not reply.
- I visited the farm on 6/21/2023 unannounced since Mr. Aphay was not answering his calls. Mr. Aphay's mobile trailer home was still at the farm but vacant with no cars or farm equipment. In trying to determine his location, I talked to a woman neighbor and her husband Sid who told me Ed had left for Laos. The division was not able to confirm Mr. Aphay's location.
- In 2023, I visited the farm several times to see if Mr. Aphay was available but he was not seen again. I continued to call the borrower and sent default letters with no response.

**COLLATERAL:**

Collateral for both loans includes a blanket security interest in crops, accounts receivable, inventory and equipment including 3 tractors, 1 sprayer, and 2 tillers. Currently unable to locate the farm equipment.

To date the division has collected \$16,531 in principal and \$1,899 in interest for DC-6116 totaling \$18,430 for the \$20,000 operational loan. The division also collected \$5,611 in principal and \$589 interest for the DD-6461 totaling \$6,200 for the \$10,000 Covid-19 emergency loan.

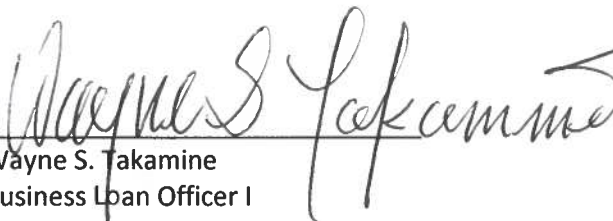
**RECOMMENDATION:**

Due to the inability to contact or locate the borrower, SALD staff recommend approval for this account to be referred to the Attorney General for assistance in collection or disposition.

Date

2/14/2024

Recommended by:

  
Wayne S. Takamine  
Business Loan Officer I

Date

2/14/24


Reviewed and concurred by:

  
Dean Matsukawa  
Acting Division Administrator

Date

2/14/24

Approved for Submission

  
Sharon Hurd  
Chairperson, Board of Agriculture

STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL LOAN DIVISION

TO: BOARD OF AGRICULTURE  
FROM: AGRICULTURAL LOAN DIVISION  
SUBJECT: Lay Vongkhamchanh

Request that One (1) Loan to Lay Vongkhamchanh be Referred to the Attorney General's Office  
for Disposition and/or Collection

1. NAME: Lay Vongkhamchanh  
2. ADDRESS (Residence):  
(Mailing): 3474 Likini St. Honolulu, HI 96818

3. Account is based on the following information:

LOAN			PROMISSORY NOTE			
Number	Amount	Approved	Years	Rate	Annual Payments	Maturity
DC-6356	\$25,000.00	04/10/2014	60-mo	3.75%	60-month P&I \$454, balloon approx. \$2,324 * Maturity extended via workout. PMT reduced \$354	05/16/2019

4. Legal Instruments

DC-6356: Promissory Note, Term Loan Agreement, No Adverse Change, Security Agreement signed 4/10/2014. Loan Approval Conditions. Financing Statement A-73110597, recorded 1/7/2020.

5. Loan Balances at

Loan Number	LOAN BALANCES		DELINQUENT AMOUNT		PERIOD OF DELINQUENCY
	Principal	Interest	Principal	Interest	
DC-6356	\$4,968.00	\$491.00	\$4,968.00	\$491.00	11/15/2014 - 2/8/2024

6. Sources checked in an attempt to furnish information herein:

SALD - Portfol

CONCLUSION AND RECOMMENDATION:

Please see the attached report:

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## BACKGROUND HISTORY:

- Lay Vongkhamchanh began farming in 2004 after acquiring a lease from Dole Food Company Inc (DF) for 7.3-acre in Waialua to grow okra, pumpkin, wingbeans, sequa, taro, dragonfruit, papaya and banana. In 2010 he acquired an additional 3-acres of adjacent land increasing the farm to 10.3-acres. On 4/10/2014, Mr. Vongkhamchanh received approval for DC-6359 a \$25,000 operational loan with purpose of refinancing DC-6285 with a balance of \$7,924 and to purchase additional equipment and supplies for the farm's expansion.
- Loan system records and division Loan Servicing Reports showed the borrower struggled to make consistent monthly payments. In November 2019, a loan workout was approved to extend the original maturity date and reduce monthly payments from \$454 to \$354. Subsequently, the borrower managed to decrease the delinquency from \$13,140 on 5/17/2019 to \$5,105 by 4/19/2021.
- On 4/01/2021, the division received information that the borrower's lease with DF was terminated due to the sale of the parcel. The borrower reported securing a new lease agreement in Waimanalo and hoped to continue paying off the loan. On 4/19/2021, the division received a check from the borrower for \$354 but it was rejected due to insufficient funds. Division staff followed up by reached out to the borrower with phone calls and letters to reestablish communication including a default letter sent on 1/12/2024. Unfortunately, the borrower did not respond.

## COLLATERAL:

Collateral for DC-6285 includes a first position financing statement with a blanket security interest in crops, accounts receivable, inventory and equipment including a tractor, sprayer, and tillers. Currently unable to locate the farm equipment.

To date the division also collected \$20,032 in principal and \$3,619 interest for the DD-6461 totaling \$23,351 for the \$25,000 operational loan.


**RECOMMENDATION:**

Due to the inability to contact or locate the borrower, SALD staff recommend approval for this account to be referred to the Attorney General for assistance in collection or disposition.

Date

2/14/2024


Recommended by:

  
Wayne S. Takamine  
Business Loan Officer I

Date

2/14/24


Reviewed and concurred by:

  
Dean Matsukawa  
Acting Division Administrator

Date

2/14/24

Approved for Submission

  
Sharon Hurd  
Chairperson, Board of Agriculture

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STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

February 27, 2024

Board of Agriculture  
Honolulu, Hawaii

Subject: REQUEST FOR APPROVAL TO AWARD A LEASE TO A.  
ASQUITH; TMK NO. (4) 4-3-004:009, KAPAA, KAWAIHAU,  
ISLAND OF KAUAI, HAWAII

Authority: Section 166E-8, Hawaii Revised Statutes (HRS), and  
Section 4-158-22, Hawaii Administrative Rules (HAR)

Tax Map Key: (4) 4-3-004:009

Land Area: 25.710 gross acres

Land Status: Property set aside to the Department of Agriculture (DOA) by  
Governor's Executive Order 4397 dated December 21, 2011

Lease Term: 35 years, commencing upon the completion of pre-requisite  
requirements and before or upon expiration of the Right-of-Entry  
term of 6 months

Base Annual Rental: \$1.00 per annum

Character of Use: Diversified Agriculture

BACKGROUND:

The Agricultural Resource Management Division received the vacant Kapaa, Kauai parcel (TMK: (4) 4-3-004:009) from the Department of Land and Natural Resources via Governor's Executive Order No. 4397 dated December 21, 2011.

In accordance with §166E-8, HRS, and §4-158-24 and 29, HAR, a public notice of public auction was published on October 6, 2023, announcing the subject parcel available for lease. The division received a total of two (2) applications for the vacant parcel, of which one (1) applicant qualified to bid in accordance with the 4-158-1 and 27, HAR. Staff determined that the applicant Adam Asquith qualified as a bona fide farmer

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with more than two years of intensive farming experience and meets eligibility residency requirements of the Non-Agricultural Park Lands Program.

Exhibit "A" attached hereto, lists the applicant and status. Exhibit "B" reflects the location of the parcel.

RECOMMENDATIONS:

That the Board of Agriculture approve issuance of the appropriate Right-of-Entry document to the successful awardee for the lot in accordance with §4-158-22, HAR, and subsequently issue the appropriate general lease subject to the completion of lease pre-requisites. All related documents are subject to the review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.  
Administrator and Chief Engineer  
Agricultural Resource Management Division

Attachments: Exhibits "A" and "B"

APPROVED FOR SUBMISSION:



SHARON HURD  
Chairperson, Board of Agriculture



**EXHIBIT "A"**  
**NON-AGRICULTURAL PARK LANDS DISPOSITION - 2024**

Applicant Name

TMK: (4) 4-3-004:009 bid amount

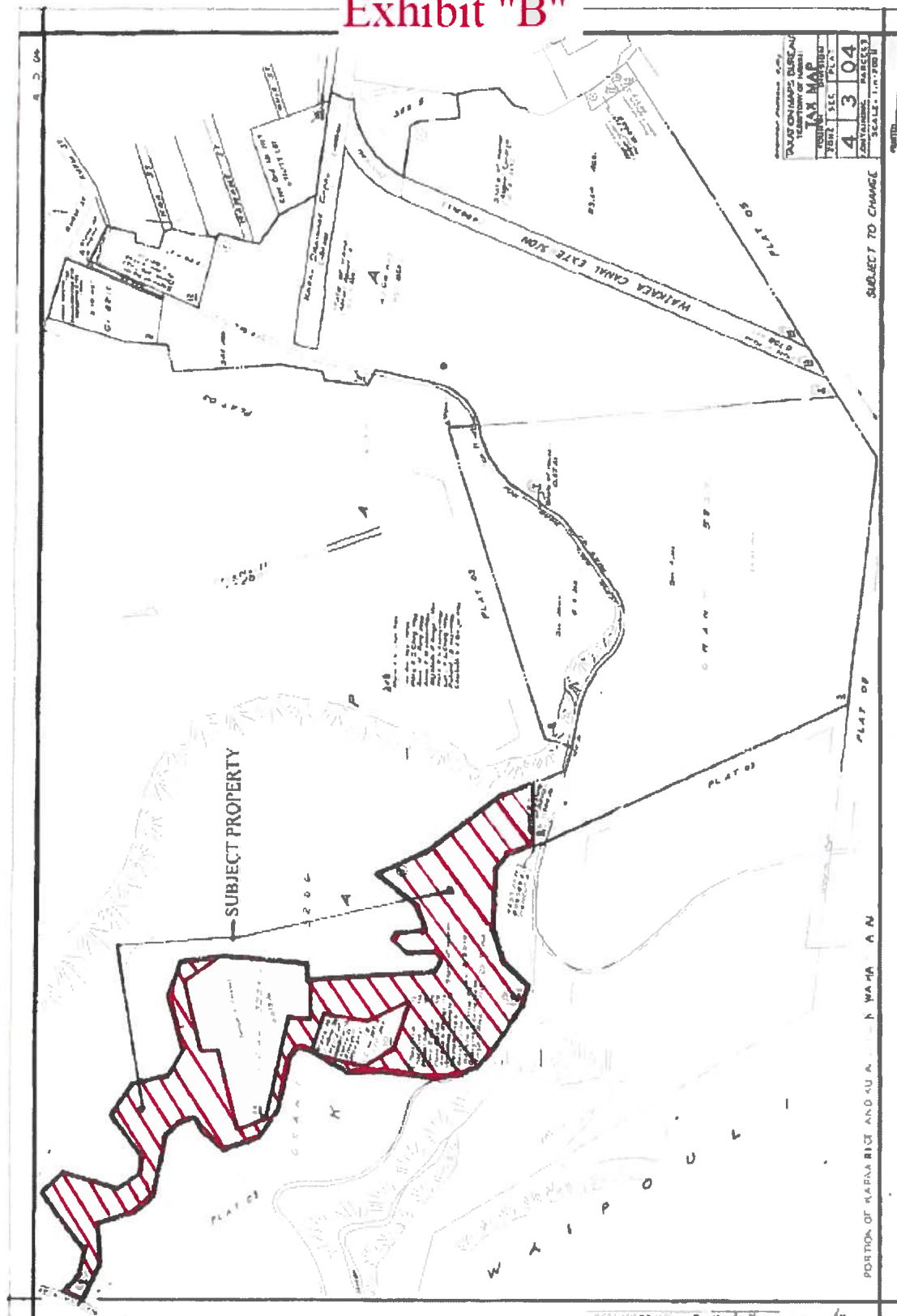
Adam Asquith

\$1.00

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## Exhibit "B"



STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

February 27, 2024

Board of Agriculture  
Honolulu, Hawaii

Subject: REQUEST TO APPROVE RENTAL OFFSET, GENERAL LEASE NO. S-3149; HALA TOA MUI FARMS LLC, LESSEE; TMK: (1) 4-1-027:020 & 024, WAIMANALO, KOOLAUPOKO, ISLAND OF OAHU, HAWAII

Authority: Section 166E-6, Hawaii Revised Statutes (HRS), and Section 4-158-2(a)(3), Hawaii Administrative Rules (HAR)

Lessee: Hala Toa Mui Farms LLC

Land Area: 38.918 gross acres

Tax Map Key: (1) 4-1-027:020 & 024 (see Exhibit "A")

Lease Term: 35 years, August 1, 2022 through July 31, 2057

Land Status: Encumbered by Governor's Executive Order No. 4534, dated July 21, 2017, to the Department of Agriculture for agriculture purposes

Annual Base Rental: \$31,000.00 per year, until rental reopening on August 1, 2037

Character of Use: Diversified agriculture

BACKGROUND:

In 2017, Governor's Executive Order No. 4534 transferred the subject land parcels to the Department of Agriculture (DOA) for management purposes. The Agricultural Resource Management Division requested and received the Board's approval to dispose of the parcels and by way of sealed bids the subject property was awarded to the successful bidder, Hala Toa Mui Farms LLC. A thirty-five (35) year lease was issued for the two parcels combined commencing August 1, 2022 through July 31, 2057.

Hala Toa Mui Farms LLC submitted expense receipts for equipment and services rendered. They removed vegetation and had a perimeter fence installed. The Lessee continues to clear the land in anticipation of planting taro, cassava, breadfruit, avocado, yam, sweet potato,

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banana, mango, and palms. Their expenses clearing and preparing the land for planting have exceeded the amount totaling two years of rental offset for the lease.

Pursuant to 4-158-2(a)(3), HAR, and the Lease, the Board may permit the Lessee to offset the cost of land clearance and improvements against not more than two (2) years of base annual rental. The Lessee is requesting rental offsets of two years of base annual lease rent in the amount of \$62,000.00.

RECOMMENDATIONS:

That the Board of Agriculture approve the Lessee's request for a rental offset of up to two years of base annual lease rent from 2/1/2024 through 1/31/2026, in accordance with the terms and conditions of General Lease No. S-3149 and Section 4-158-2(a)(3), HAR, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.  
Administrator and Chief Engineer  
Agricultural Resource Management Division

Attachments - Exhibit "A"

APPROVED FOR SUBMISSION:

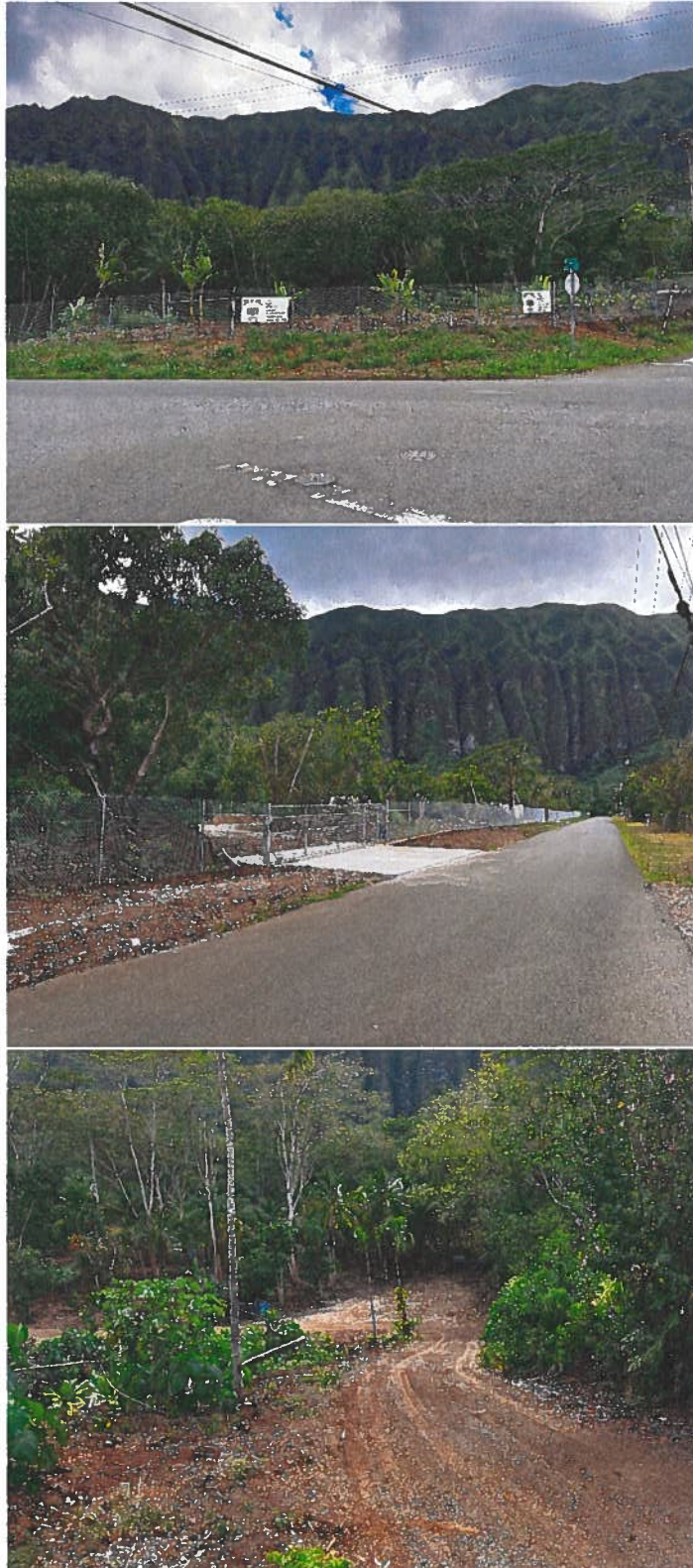


SHARON HURD  
Chairperson, Board of Agriculture

Exhibit "A"



## PHOTOS



STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

February 27, 2024

Board of Agriculture  
Honolulu, Hawaii

Subject: REQUEST FOR APPROVAL TO ENTER INTO A COMMON USE LEASE IN THE HAMAKUA AGRICULTURAL PARK, HAWAII BEEF LEASE, LLC, LESSEE; TMK: 3<sup>rd</sup> DIV/4-3-005:016, LOT 8, HAMAKUA AGRICULTURAL PARK, POHAKEHAKU AND KEMAU 1<sup>ST</sup>, HAMAKUA DISTRICT, ISLAND OF HAWAII, HAWAII

Authority: Section 166-9, Hawaii Revised Statutes, (HRS), Section 4-153-19(e), Hawaii Administrative Rules (HAR)

Lessee: Hawaii Beef Lease, LLC

Land Area: 1.200 acres

Tax Map Key: 3<sup>rd</sup>Div/4-3-005:016 (Exhibit "A")

Lease Term: 35-years, Commencement Date To be Determined

Land Status: Hamakua Agricultural Park lands were acquired in fee by the Department of Agriculture under foreclosure and Bankruptcy Settlement Agreement with Hamakua Sugar Company, Inc.

Annual Base Rent: \$1,000.00/year

Character of Use: Common use and/or for the processing of agricultural products, provided that the disposition encourages competition within the agricultural processing industry.

BACKGROUND:

In 1995, the Department of Agriculture acquired the Hamakua Agricultural Park lands in fee simple under a Foreclosure and Bankruptcy Settlement Agreement with the Hamakua Sugar Company, Inc. Originally, the property was a single parcel of 509 acres and was later subdivided into smaller parcels.

The subject parcel is approximately 1.2 acres in total area. Currently there is a well facility on the parcel that includes six (6) water tanks, one (1) water well and a pump house, all of which were existing improvements prior to DOA taking ownership of the land. The well facility provides water to the slaughterhouse and has been maintained by the slaughterhouse since it was installed and built. Water from the well was also available to other lessees in the Hamakua Agricultural Park.

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The aging infrastructure is in dire need of repairs, which are estimated to cost upwards of \$800,000.00. The proposed improvements include, but are not limited to, the installation of a new cement holding tank, with increased capacity, and upgrades to the water lines, pumping systems and the pump house.

As the primary user of water from the well facility, Hawaii Beef Lease, LLC, (HBL) is proposing to make the needed and costly repairs at their sole expense. However, they are unable to complete these improvements without securing a long-term lease with the Department of Agriculture for the premises. A long-term lease will allow HBL to complete repairs and routine maintenance on the existing improvements. HBL is the current lessee of General Lease Nos. S-7000, S-7014, S-7015 and S-7016, which are all located in the Hamakua Agricultural Park. HBL is one of the main slaughterhouse facilities on Hawaii Island.


In accordance with Section 4-153-19 (e), HAR, disposition of agricultural park lands set aside for common use or for the processing of agricultural products may be negotiated without regard to the limitations set forth in this section and section 4-153-22, HAR. Since water from the well facility shall be available to lessees of the Hamakua Agricultural Park, the parcel where the water tanks are located could be considered common use and negotiated without regard to the limitations set forth in the HAR.

The annual lease rent as determined by independent appraisal shall be \$1,000.00 per year.

RECOMMENDATION:


That the Board of Agriculture approve the request to enter into a Common Use Lease with Hawaii Beef Lease, LLC, Lessee, for TMK: (3) 4-3-005:016, Lot 18, in the Hamakua Agricultural Park and the annual lease rent of \$1,000.00. All related documents are subject to review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,

  
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BRIAN KAU, P.E.  
Administrator and Chief Engineer,  
Agricultural Resource Management Division

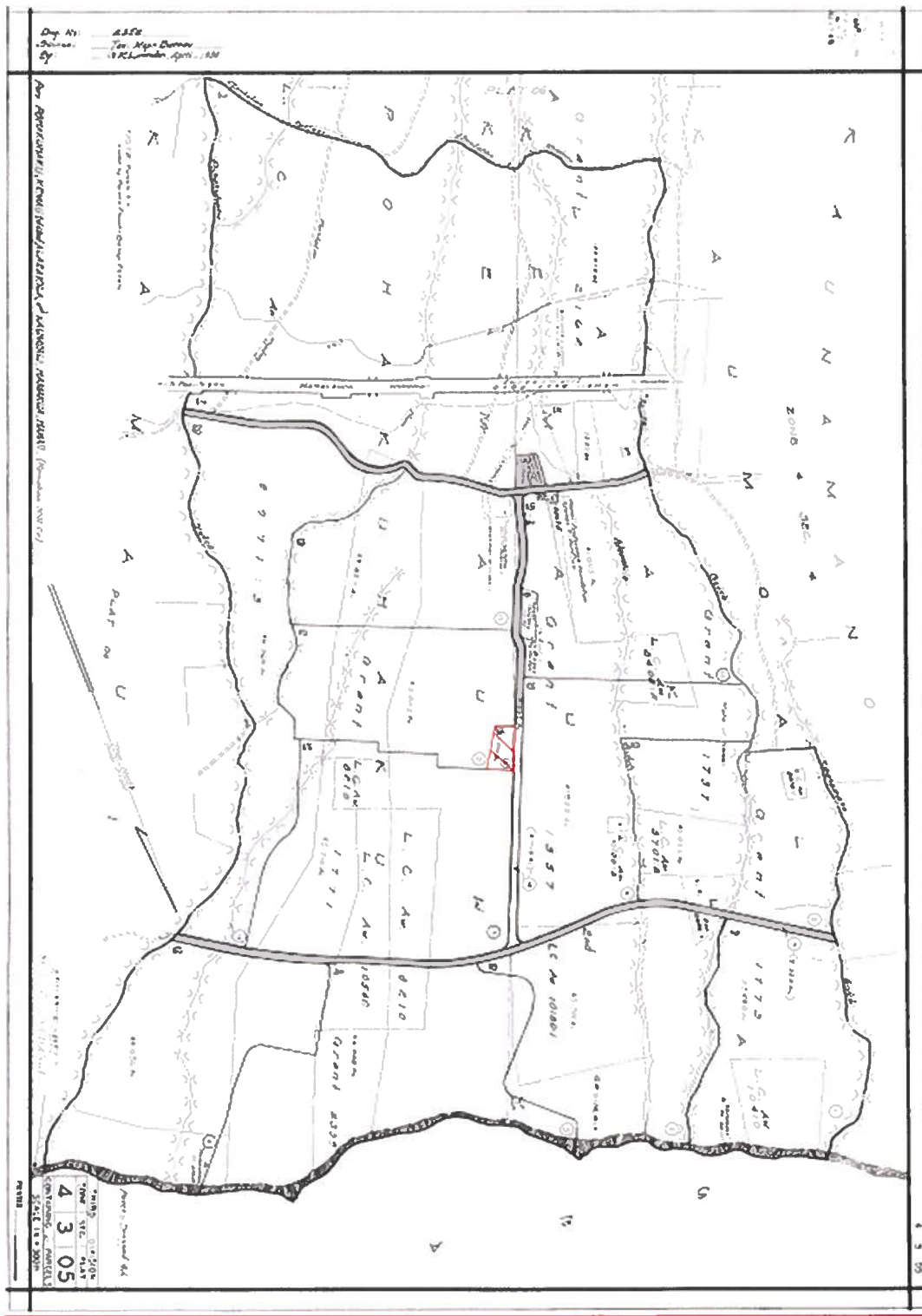
Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:

  
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SHARON HURD  
Chairperson, Board of Agriculture



**EXHIBIT "A"**



Bill

STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

January 23, 2024

Board of Agriculture  
Honolulu, Hawaii

Subject: REQUEST FOR CONSENT TO ASSIGN GENERAL LEASE NO. S-4803; ROBERT G. D'ANNA AND JAMES C. DOWNING, LESSEE/ASSIGNOR; ROBERT G. D'ANNA AND DEBORAH J. D'ANNA CO-TRUSTEES OF THE D'ANNA FAMILY JOINT REVOCABLE TRUST, DATED JUNE 21, 1994, ASSIGNEE; TMK: 3<sup>rd</sup> DIV/1-5-116:039, LOT 12, PAHOA AGRICULTURAL PARK, PUNA DISTRICT, ISLAND OF HAWAII, HAWAII

Authority: Section 166-7 Hawaii Revised Statutes, (HRS), and Section 4-153-33(a)(6)(B), Hawaii Administrative Rules (HAR)

Lessee/Assignor: Robert G. D'Anna and James C. Downing

Assignee: The D'anna Family Joint Revocable Trust, Dated June 12, 1994, as amended and restated

Land Area: 5.002 acres

Tax Map Key: 3<sup>rd</sup>Div/1-5-116:039 (Exhibit "A")

Lease Term: 55-years, May 1, 1982, through April 30, 2037

Land Status: Encumbered by Governor's Executive Order No. 3380, dated February 26, 1988, to the Department of Agriculture for Agricultural Park Purposes

Annual Base Rent: \$830.00 per year (until 5/1/2032 re-opening)

Character of Use: Diversified Agriculture

Consideration: None

BACKGROUND:

The Board of Land and Natural Resources awarded General Lease S-4803 to Richard Iwasaki commencing on May 1, 1982 for a period of 55-years. By mesne assignment the lease was transferred to Robert G. D'Anna and James C. Downing in May 1988. General Lease S-4803 was transferred to the Department of Agriculture by Executive Order 3380, dated February 26, 1998.

Since taking over General Lease S-4803, the subject property was developed into a viable farming operation. A farm dwelling and greenhouse structures were constructed and a variety of fruit

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trees and herbs, such as but not limited to, citrus trees, lilikoi, coconut, ulu trees, papaya, avocado, spinach, and pineapple were cultivated.

In 2014, Mr. James Downing relocated off-island and has since become disabled. In accordance with Section 4-153-33(a)(6)(B), HAR, and the terms of the lease, Mr. Downing is requesting to assign his interest in General Lease S-4803 to the D'Anna Family Joint Revocable Trust, dated June 21, 1994, as amended and restated. This assignment will include a farm dwelling, greenhouse structures, and a large inventory of various crops.

Robert and Deborah D'anna, Co-Trustees of the D'Anna Family Joint Revocable Trust, dated June 21, 1994, as amended and restated, have over 35-years of farming experience. Together they've developed the subject property into the successful operation it is today. Mr. and Mrs. D'Anna would like to expand on their current production with plans to cultivate a new citrus grove and cacao orchard on the back portion of the property that has not been developed.

Mr. and Mrs. D'Anna qualify as Bona Fide Farmers with more than two (2) years of full-time farming experience and satisfy the eligibility requirements pursuant to Sections 4-153-1 and 13, HAR.

There is no consideration for the assignment of lease.

RECOMMENDATION:

That the Board of Agriculture approve the assignment of General Lease S-4803 from Robert G. D'Anna and James C. Downing, Lessee/Assignor, to the D'Anna Family Joint Revocable Trust, dated June 21, 1994, as amended and restated, Assignee. All related documents are subject to review and approval as to form by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.  
Administrator and Chief Engineer  
Agricultural Resource Management Division

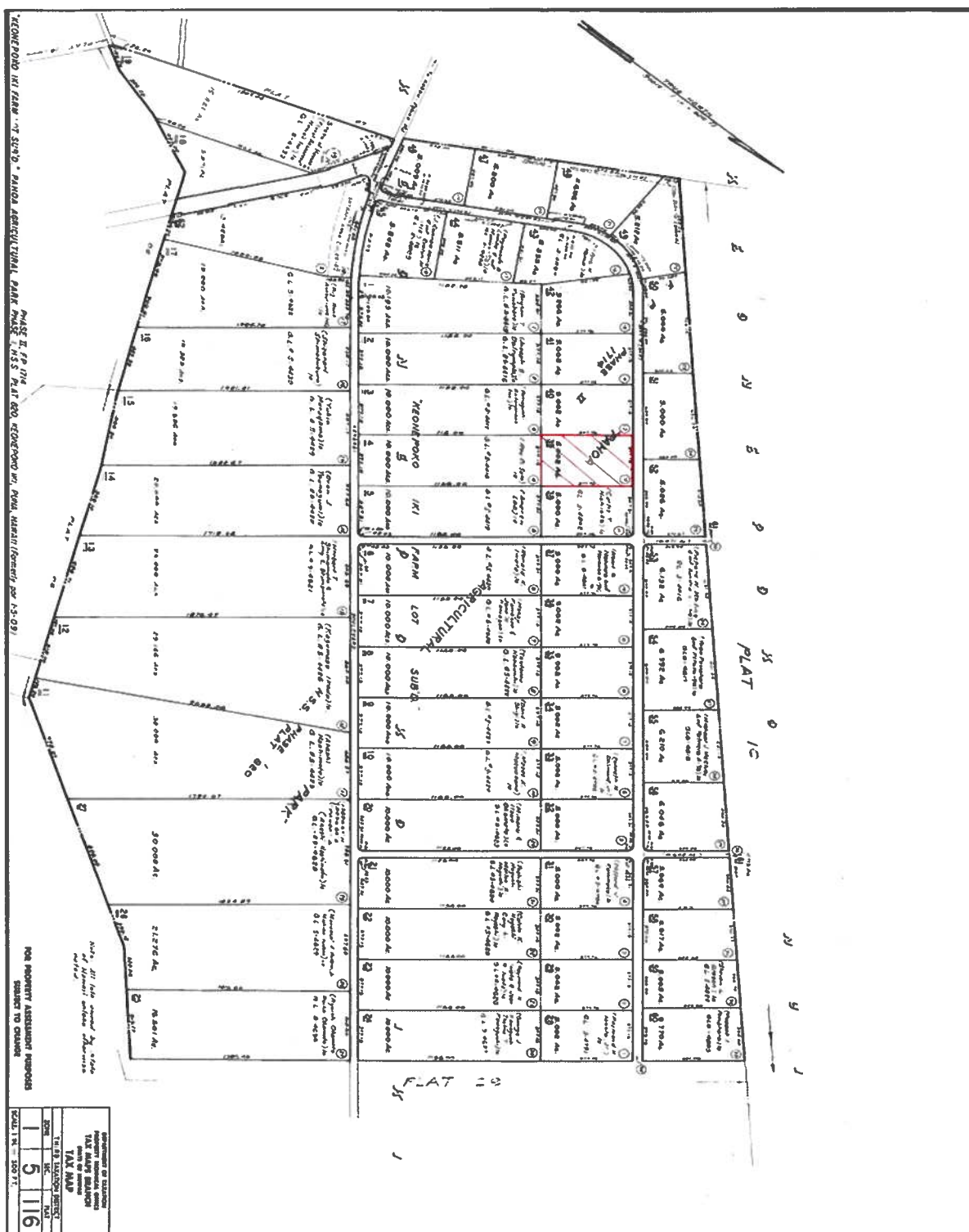
Attachments - Exhibits "A"

APPROVED FOR SUBMISSION:



SHARON HURD  
Chairperson, Board of Agriculture

Approved by the Board of  
Agriculture at its meeting held  
1/23/2024  
as agenda item IV. A1



A3



**Photos**  
**General Lease S-4803**







STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESOURCE MANAGEMENT DIVISION  
HONOLULU, HAWAII

January 23, 2024

Board of Agriculture  
Honolulu, Hawaii

Subject: REQUEST TO APPROVE SUBLEASE BETWEEN THE HAMAKUA  
AGRICULTURAL COOPERATIVE, LESSEE/SUBLESSOR, AND WILLIAM  
BEACH, SUBLESSEE; GENERAL LEASE NO. S-5551, TMK: 3<sup>rd</sup> DIV/4-6-  
003:020, LOT NO'S 2B AND 2D, HONOKAIA, HAMAKUA, ISLAND OF  
HAWAII, HAWAII

Authority: Section 166E-6 Hawaii Revised Statutes, (HRS), and  
Section 4-158-19(a)(6), Hawaii Administrative Rules (HAR)

Lessee/Sublessor: Hamakua Agricultural Cooperative

Sublessee: William Beach

Land Area: Approximately 12.092 acres – Lot 2B  
Approximately 7.140 acres – Lot 2D

Tax Map Key: 3<sup>rd</sup>Div/4-6-003:020 (Exhibit "A")

Land Status: The Hamakua lands were transferred to the Department of  
Agriculture by Governor's Executive Order No. 4250, dated  
October 22, 2008, pursuant to Act 90, SLH 2003

Lease Term: 35-years, June 30, 1998 through June 29, 2033

Sub-Lease Term: November 15, 2023 to June 29, 2033

Annual Base Rent: \$1,328.19/year – Lot 2B  
\$ 784.26/year – Lot 2D

Character of Use: General Agricultural Purposes in accordance with a Plan of  
Utilization and Development approved by the Department

**BACKGROUND:**

William Beach is requesting to sublease Lots 2B and 2D, under General Lease S-5551, consisting of approximately 19.232 acres in total. Mr. Beach is currently a member of the Hamakua Agricultural Cooperative and holds a sub-lease for lots 1, 2A, and 2C under General Lease S-5551, where he grows various orchard trees and raises cattle. Mr. Beach is requesting to sublease Lots 2B and 2D, which are contiguous to his existing lots, to expand on his current farming operation.

ALC

William Beach is a sub-lessee in good standing and qualifies as a bona fide farmer with more than 2 years of full-time farming experience and meets the application and eligibility requirements in accordance with sections 4-158-1 and 27, HAR.

RECOMMENDATION:

That the Board of Agriculture approve the Sublease between the Hamakua Agricultural Cooperative, Lessee/Sublessor, and William Beach, Sublessee, for Lot No's. 2B and 2D in Honokaia, under General Lease S-5551, through the expiration date of June 29, 2033, and further subject to the review and approval as to form of the consent document by the Department of the Attorney General, and such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully submitted,



BRIAN KAU, P.E.  
Administrator and Chief Engineer,  
Agricultural Resource Management Division

Attachment - Exhibit "A"

APPROVED FOR SUBMISSION:

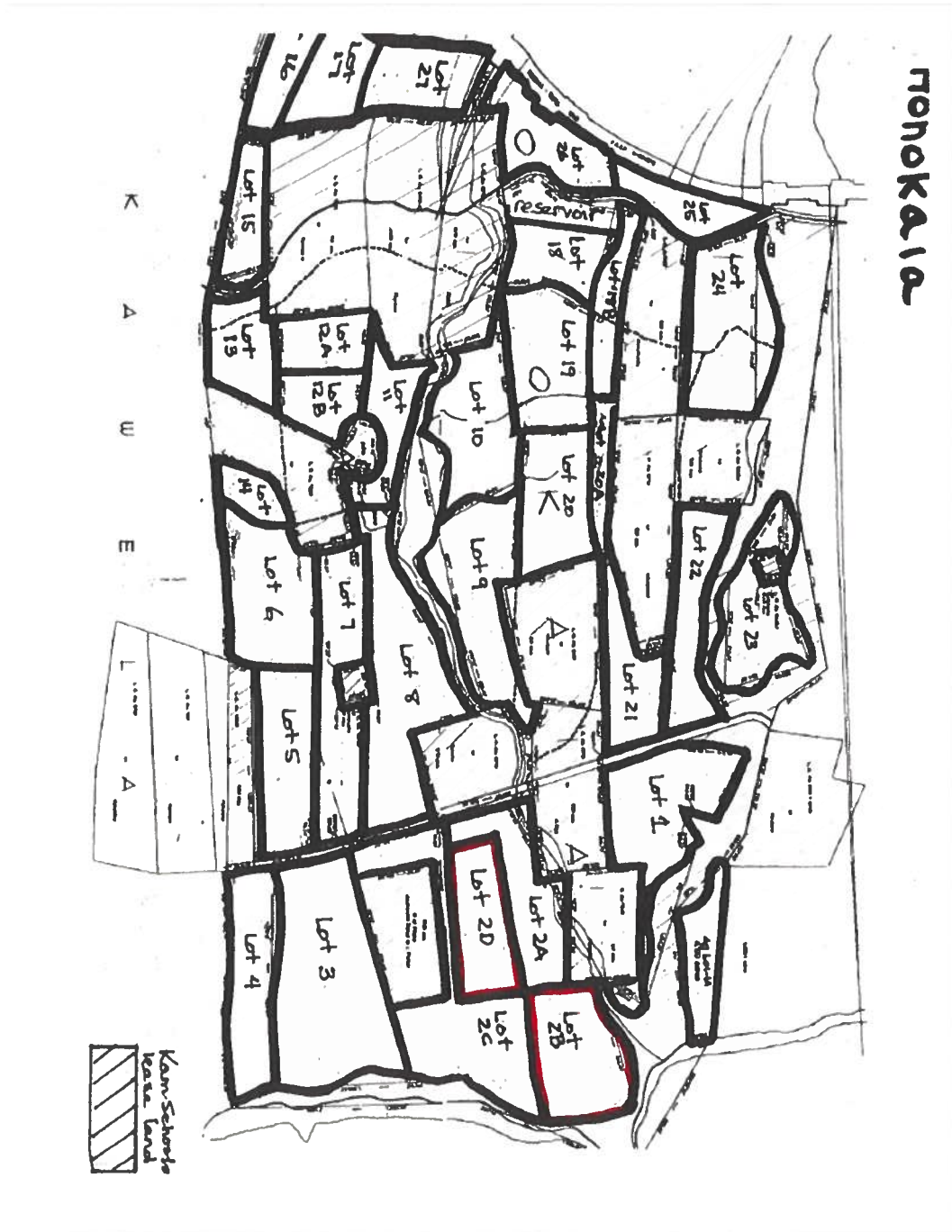


SHARON HURD  
Chairperson, Board of Agriculture

Approved by the Board of  
Agriculture at its meeting held  
11/23/2024  
as agenda item W. A 2



**EXHIBIT "A"**



A8

**Photo of General Lease S-5551, Lot 2B**



**Photo of General Lease S-5551, Lot 2D**





**The Senate**  
**Ka 'Aha Kenekoa**

STATE CAPITOL  
HONOLULU, HAWAII 96813  
February 16, 2024

Sharon Hurd, Chairperson of the Board of Agriculture  
Hawaii Department of Agriculture  
Office of the Chairperson  
1428 South King Street  
Honolulu, HI 96814-2512

Subject: Interim & Chapter 4-72 Hawaii Administrative Rule ("HAR") Changes Update

Dear Chairperson Hurd & Board Members,

We appreciate the Hawaii Department of Agriculture's ("the Department") willingness to host a public hearing regarding the proposed revisions to Hawaii Administrative Rule (HAR) Chapter 4-72 "Plant and Non-Domestic Animal Quarantine Plant Intrastate Rules" on January 16, 2023. As stated in the informational briefing on November 22, 2023 before the Senate joint committees on Commerce and Consumer Protection and Agriculture and Environment, the Department is working on implementing a new interim rule "specifically to little fire ants (LFA)" for the purposes of "stop-movement",<sup>1</sup> in addition to the proposed permanent revisions to HAR Chapter 4-72, and Plant Quarantine Interim Rule 23-1, which is currently in effect.

Accordingly, please note the following questions we have for the Department on this proposed interim rule, and next steps post-public hearing regarding to the proposed revisions HAR Chapter 4-72.

1. What is the status on the proposed interim rule for stop-movement of LFA ("LFA Interim Rule")?
2. Amendments to HAR Chapter 4-72:
  - a. Now that public hearing has been held, when can the public expect the proposed changes to HAR Chapter 4-72 to be put into effect?
  - b. What effect will the new HAR Chapter 4-72 have on the currently effective CRB Interim Rule 23-1? Will this affect any of the penalties for violations made pursuant to Interim Rule 23-1?

<sup>1</sup>CPN-AEN Informational Briefing 11-22-2023'. Youtube. at 1:01:54  
<https://www.youtube.com/watch?v=8kD3BIq5DEI>

- c. What effect will the new HAR Chapter 4-72 have on the LFA Interim Rule, should it be put into effect?

Thank you once more for your prompt attention to these pressing matters. We respectfully request your response by COB, February 23, 2024.

Mahale,

A handwritten signature in black ink, appearing to be 'J. Keohokalole', written over the printed name.

Senator Jarrett Keohokalole,  
Senate District 24