

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

November 15, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
(7020 3160 0000 9799 8728)

Mr. Robert Farias
Mr. Jehu Fuller
Hawaii Land & Livestock, LLC
91-319 Olai Street
Honolulu, HI 96707

Subject: **“Bone Yard” Approval Withdrawn/Cancelled**
General Lease Nos. S-3138
Lessee: Hawaii Land & Livestock, LLC
Kapolei, Island of Oahu, Hawaii

Dear Messrs. Farias and Fuller,

Thank you for accommodating my numerous site visits to the Hawaii Land & Livestock feedlot premises to monitor the downsizing of the Boneyard area. Based on my observations at the last site visit on October 28, 2022, the lack of progress in downsizing the area is unacceptable, and therefore, the conditional approval letter dated September 17, 2020 is withdrawn and cancelled. All equipment, vehicles, materials and supplies stored in that which constitutes the Bone yard area on the premises of General Lease No. S-3138 must be removed immediately.

A site inspection is scheduled for December 1, 2022 at 10:30am to confirm compliance with this cancellation letter and the removal of all equipment, vehicles, materials and supplies from the premises by that date.

Should there be any questions, please contact me by email to Linda.H.Murai@hawaii.gov or call 808-973-9471.

Sincerely,

A handwritten signature in black ink, appearing to be "Linda Murai", written over a horizontal line.

Linda Murai
Property Manager
Agricultural Resources Management Division

c. Linda Rosehill



November 29, 2022

Chairperson Suzanne Case
State of Hawaii
Department of Land and Natural Resources
1151 Punchbowl St.
Honolulu, HI 96813

Aloha Chair Case,

This letter is in reference to contemplated board action regarding Hawaii Department of Agriculture (HDOA) General Lease S-3138, the feedlot that is held by Hawaii Land & Livestock. I am the lessee.

Since obtaining the feedlot, I and my associates have worked diligently and on an ongoing basis with DOA to adhere to the lease terms. The "industrial area" was inspected and a letter issued on September 17, 2020 providing permission for its operation as providing integral services to our meat processing facility. When at your May boarding meeting, your concerns were brought to our attention, we worked with the DOA land agent to rectify the situation, clearing on a monthly basis as much of the unnecessary equipment, etc., onsite.

On November 15, 2022, we received a notice from DOA that the trucking/ industrial business is no longer permissible and was to be removed by December 1, 2022. We immediately delivered a demand letter, notifying the trucking company that they were to remove their business from the feedlot site by December 1, 2022.

It is clearly impossible for the trucking business to be completely removed by the deadline. They have yet to find an alternate location and there is simply too much to move within such a short period of time. The imposed deadlines are arbitrary and unreasonable. Your further actions, that of requesting that the Executive Order transferring the parcel from Department of Land and Natural Resources (DLNR) to DOA be rescinded is equally arbitrary and unreasonable.

My lease is with the DOA. Although DLNR reserved "air rights" for a potential energy project if it did not interfere with the ongoing agricultural operations, I at no time have worked with or been party to any relationship with DLNR.

The feedlot is zoned agriculture; its primary purpose is for agriculture NOT energy. While we have cooperated in spite of our objections to Eurys' right of entry. We are fully cognizant of them and your intent to use the property solely for energy purposes. Your hasty potential actions, at the December 9th meeting, the last DLNR board meeting prior to the installation of the new administration is evidence of this intent.

I object, this is not pono. Further, I would request a thorough review and investigation by the Attorney General and the Governor's office into the situation at hand. In addition, I request that any board action regarding the feedlot site be deferred.

Sincerely,

Bobby Farias

Bobby Farias
Hawaii Land & Livestock LLC

Hawaii Land & Livestock, LLC

November 16, 2022

All American Trucking LLC
PO Box 75344
Kapolei, Hawaii 96707
Attn: Brian Ka'aha'aina

Re: Demand for Immediate Removal from Premises

Dear Mr. Ka'aha'aina,

The Department of Agriculture has cancelled their prior conditional approval originally granted as of September 17, 2020 permitting you to operate from the "Boneyard" located on property leased pursuant to General Lease Nos. S-3138. As a result, you are hereby required to vacate the premises immediately.

A copy of the notice we received today from the Department is attached for your reference. Please note that they demand your immediate removal all "equipment, vehicles, materials and supplies...immediately." They will inspect the property on December 1, 2022 to confirm your compliance with the terms of this letter.

We are making you aware of this unexpected development as quickly as possible in order to allow you to take prompt action.

Sincerely,

Robert Farias

A handwritten signature in black ink that reads "Robert J. Farias Jr." in a cursive script.

Cc: Jehu Fuller
Linda Rosehill
Aaron Eddington

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

September 17, 2020

Mr. Robert Farias
Hawaii Land & Livestock, LLC
Hawaii Meats LLC
91-319 Olai St.
Kapolei, HI 96707

Bobby
Dear Mr. Farias,

RE: GENERAL LEASE NOS. S-3138 AND S-8500
LESSEE: HAWAII LAND & LIVESTOCK, LLC
LOCATION: KALAELOA AGRICULTURAL PARK AND
HONOLULU, EWA, ISLAND OF OAHU, HAWAII
"BONE YARD"

Thank you for your letter dated August 5, 2020 regarding the "bone yard" on the premises of General Lease No. S-3138 and for accommodating my site visit to view the premises.

It appears that the function of the bone yard, where the processing facilities' trucking and ancillary services were relocated to, supports and is an integral part of the operations of the processing facility. As long as the bone yard area remains limited to its current size, is well kept and does not pose any negative environmental issues to the premises, it may remain as such. However, this conditional allowance is not a waiver and the Department, at its sole discretion, reserves the right to demand that the bone yard be removed from the premises.

Should you have any questions, please contact me at Linda.H.Murai@hawaii.gov or call (808)973-9471.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Murai".

Linda Murai, Property Manager
Agricultural Resource Management Division



DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE BOARD OF LAND AND NATURAL RESOURCES

December 8-9, 2022
9:15 A.M.

ITEM D-11

Cancellation of Governor's Executive Order No. 4584
to the Department of Agriculture for Agriculture Purposes,
Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-031-001.

Chairperson Case and Members of the Board:

Thank you for the opportunity to testify on this matter. The Hawaii Department of Agriculture (HDOA) has serious concerns about the cancellation of Governor's Executive Order No. 4584 to the Department.

On May 15, 2019, Governor's Executive Order No. 4584 transferred TMK no. (1) 9-1-031:001 to the Hawaii Department of Agriculture (DOA) for agricultural purposes and to also provide the DOA with water allocation.

On December 26, 2019, General Lease No. S-3138 (Lease) was issued to Hawaii Land & Livestock, LLC (HLL) and commenced January 1, 2020. General Lease No. S-3138 is to be used solely for Diversified Agriculture, which includes animal feedlot purposes for "finishing" prior to the slaughter of livestock.

HLL has consistently made timely payments of its financial obligations and are up-to-date on lease rent, real property taxes and common area maintenance fees charged to businesses by the company that manages Campbell Industrial Park lands.

In March 2020, the commencement of COVID-related restrictions severely limited the development of the premises by HLL. The delayed plans included clearing the premises of abandoned equipment and remnants of derelict livestock pens, concrete troughs, abandoned vehicles, derelict livestock loading machinery that were abandoned and left by previous occupants of the land when the lease expired.



The Department of Land and Natural Resources (DLNR) has voiced concerns regarding the subject parcel not being used for the purposes for which it was set aside to the DOA. The following provides information and updates on those concerns:

1. Trucking and ancillary services equipment, materials and supplies on the premises.

In a letter dated August 5, 2020, HLL requested acknowledgement that the manner and use of the “bone yard” is consistent with the Lease. The bone yard area would house trucks used for products and other transport, various equipment and spare parts for repairs and/or fabrication at the processing facility, cattle shipping containers built and repaired on site, large fork lifts to load and unload containers, equipment to clear kiawe, underbrush and various debris left by prior lessees. In a letter dated September 17, 2020, the Lessor allowed HLL to keep the processing facilities’ trucking and ancillary services, vehicles, equipment, materials and supplies that support the facilities’ operations. Periodic site visits were made by staff to monitor the bone yard area where the equipment, vehicles and materials were kept. At a site visit on January 28, 2022, it was observed that the bone yard area was being used inappropriately and had increased in land area. A warning letter was issued to HLL to reduce the bone yard area or the approval would be cancelled. Upon a follow up site visit, a letter of violation dated April 22, 2022 to HLL was issued with a 60-day remediation period. After three follow up visits on May 4, 2022, August 2, 2022 and October 28, 2022, a letter dated November 15, 2022 was issued notifying HLL that the allowance of the bone yard was withdrawn and canceled, and all equipment, vehicles, materials and supplies were to be removed from the premises. HLL immediately responded by issuing a demand letter dated November 16, 2022 to the operator of the bone yard that the conditional approval for the bone yard was cancelled and the area was to be completely cleared.

2. To date, no livestock have been allowed on the premises as the land had not been adequately prepared to accommodate livestock on the premises. In recent months, HLL has commenced clearing of the land. Following are the major obstacles HLL encountered prohibiting the introduction of livestock on the premises:

a. COVID restrictions – The lease commenced as of January 1, 2020 and COVID restrictions were put in place in March 2020, causing numerous issues for HLL. Contracts for the processing facility products were cancelled and income stopped. Due to the restrictions, work to be done on the feedlot was halted.

b. A Brownfield Study regarding hazardous materials on the premises was of significant concern as it became apparent from DOA’s research that no follow up studies or remediation work had been done prior to the parcel’s transfer to DOA. DOA met with DOH staff regarding the study and it was determined that applications for funding of further studies could be made through DLNR, the landowner.

c. Due to COVID, HLL’s income significantly decreased. Plans were postponed for clearing the premises of abandoned vehicles, derelict heavy equipment, tangles of rusting metal cables, derelict livestock pens and concrete trough forms, etc.,

all abandoned on the premises by previous the lessee(s). In addition, installation of stock-proof fencing was also delayed. Only recently, HLL commenced clearing of the debris abandoned by previous lessees and grubbing of numerous kiawe trees and other invasive plants.

d. Homeless encampments which were existing on the premises when transferred from DLNR needed to be humanely handled and its occupants relocated to new locations off the premises.

3. A Conservation Plan (CP) was approved by ORC&D as required by the lease provisions, allowing HLL to commence grading and grubbing activities on the premises in accordance with the CP.

The DOA consistently monitors and is in communication with HLL on compliance issues for General Lease No. S-3138, and HLL has made appropriate efforts to remedy all issues.

Hawaii Land & Livestock, LLC operates the only USDA certified processing facility on the Island of Oahu and contributes tremendously to food sustainability for the State of Hawaii. The feed lot provides significant support to the processing facility in terms of livestock holding area and water allocation restrictions stated in the Declaration of Covenants Regarding Water Consumption and Development, James Campbell Industrial Park. The Covenant restricts the allocation of water usage to each land parcel based on land area, and the feed lot allows an increased water allocation to HLL for use by the processing facility as HLL holds title to both leases for the processing facility and feed lot.

The Department has serious concerns about the removal of the feedlot parcel from its management jurisdiction for several reasons. The set aside for this land was accomplished through extensive negotiations and legislative input concluding that the additional acreage and water allocations were critical to the upgrading and long term expansion plans of the existing slaughter operations which provide invaluable meat processing capacity for the State. All parties agreed, at the urging of legislative leaders that giving HDOA management jurisdiction was the appropriate way to achieve those objectives. Historically, when DLNR sets aside public lands to other agencies, those agencies would be afforded the courtesy of reasonable time to remedy any use or non-use compliance issues that may occur on the transferred lands prior to seeking a return of those lands. It is our understanding that in most instances that time period would be measured in multiple years if not more. We are not aware of any reasons why this situation would require different treatment and would prefer to be provided a reasonable opportunity to cure any compliance matters that are the source of DLNR's concerns. In fact, HDOA has initiated such enforcement action and it is our understanding that the lessee is in the process of taking actions to bring those matters into compliance. Given that the current lease is an HDOA lease that is issued for agricultural use, we believe continued management by HDOA would be proper and appropriate. Moreover, to the extent that this action could in any way diminish or hinder HDOA's efforts to support

agriculture and pursue food sustainability and security, we urge restraint in pursuing this course of action.

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

December 7, 2022 Land Division Feedlot Site Visit



















































December 7, 2022

Item D-11

Suzanne Case, Chairperson,
And Members of the
Board of Land and Natural Resources
State of Hawaii
1151 Punchbowl Street
Honolulu, HI 96813

RE: Cancellation of Governor's Executive Order No. 4584 to the Department of Agriculture for Agriculture Purposes, Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-031:001.

Dear Chair Case and Board Members;

I, Bobby Farias owner and operator of Hawaii Land & Livestock LLC and lease holder of Department of Agriculture Lease #3138 located on Tax Map Key: (1) 9-1-031:001 find the request to cancel the Governor's Executive Order No. 4584 premature.

Department of Agriculture Lease #3138 is the outcome of the Governor's Executive Order No. 4584. Hawaii Land & Livestock LLC as worked closely with the DOA and continue to work closely with the DOA on the development of the old Feedlot property.

All of the activities on the DOA lease has had prior DOA approval. The current activities are part of the processes of both cleaning up the property and securing the property boundaries.

Thank you for your consideration in this matter

Bobby Farias

Bobby Farias
Hawaii Land & Livestock LLC

November 29, 2022

Chairperson Suzanne Case
State of Hawaii
Department of Land and Natural Resources
1151 Punchbowl St.
Honolulu, HI 96813

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Sincerely,

Bobby Farias

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Hawaii Land & Livestock LLC