

Molokai Regional Plan Update
Subject Matter Meeting #1, Agriculture, Water, Economic Development
November 5, 2009
Meeting Minutes

Attendance: Walter Ritte, Lynn DeCoite, Sybil K. Lopez, Gayla Haliniak-Lloyd, Jane I. Teves, Conrad Aquino, Wayde H. Lee, Adele P. Lee, Viola Mundrick Wichman
Staff: Kaleo Manuel, Bob Freitas
Commissioner: Henry Tancayo
UH CES: Glenn Teves, Aldon Arakaki
Consultants: PBR Hawaii – Scott Abrigo, Malia Cox

Welcoming: Mr. Kaleo Manuel introduced the DHHL staff and consulting team and requested the meeting be opened in prayer.

Opening Pule: The opening prayer was given by Mr. Wayde H. Lee

Meeting Introduction: Mr. Manuel welcomed the group, provided a brief introduction to the purpose of the meeting, and described the regional planning process utilized to provide direction for DHHL. The goals of this meeting was to brainstorm and develop a prioritized list of agriculture and water projects as well as looking at the potential for economic development within both of these categories.

Review of Planning Mechanism and Project Update

Review of DHHL Planning System, a three tiered system:

1. Tier 1, General Plan- 20 year planning document: provide overarching directive for the department as a whole.
2. Tier 2, Island Plan- 10 year planning document for island wide land uses setting the goals for homesteading (both agriculture and residential) and commercial uses.
Tier 2, Strategic Plan- 3-6 year planning document to set goals pertaining to a particular subject matter.
3. Tier 3, Regional Plan- 1-3 year planning document designed to be utilized as a tool to designate community priorities and implement projects.

Review of 2007 Project List and Status Report:

Mr. Scott Abrigo provided an update on the status of the project.

1. East Momomi Road- Currently in the bidding phase. Construction to begin in 2010. Estimated cost- \$500 K
2. Drainage (clearing drains/installation of poly-lining) - Currently in Bidding phase. Estimated cost- \$700 K. Construction to begin in 2010.
3. SCADA- Currently in the bidding phase. Estimated cost- \$200 K
4. Diesel Generator- This continues to be on the project list, but was placed at a lower priority due to the current connection to MECO.

5. Kapa'akea Drainage- Has gone out to bid. Construction to begin in 2010.

Subject Matter Discussion- Agriculture

University of Hawai'i, Cooperative Extension Services (UH-CES) Molokai Agriculture Overview

Mr. Glenn Teves and Mr. Aldon Arakaki provided an overview of the UH-CES programs, the production capabilities and constraints of Molokai both currently and future potential.

Current Production numbers:

- Land: 2% under production
- Water Consumption: 20% of DHHL allotment utilized
- Crops in rank order: sweet potato, papaya, taro/banana, everything else
- GDP: \$6,000,000 from farm production (this includes crop and livestock)
- Ho'olehua produces more than all other DHHL homesteads combined

Economics of Farming:

External economic drivers: These factors drive agriculture production for the region looking at the big picture. For example while water availability affects individual farmers, lack of affordable, adequate supply impacts the regions ability to produce an economically viable crop.

1. Transportation/shipping
2. Water
3. Energy
4. Education

Internal Economic Drivers: These factors affect individual farms. An assessment of individual farms can improve productivity whether it is looking at high capitalization cost, or looking at ways to increase the value of a particular product.

Agriculture Opportunities AND Constraints on Molokai:

Opportunities-

1. Strength of Community: Molokai farmers have been very successful sharing resources in the past (community pasture, etc). Working together to share equipment, marketing, and purchase of raw materials can improve overall success of farming on Molokai.
2. Larger lot size: 40 acre agriculture production lot is at a competitive advantage over 5 acre gentleman estates, and smaller agriculture plots.
3. Organic farming success of Ho'olehua papaya farmers: Marketing pipeline is set up. Opportunity to feed new products into the Whole Foods pipeline.

Constraints-

1. Human Talent:
 - a. Improve homestead success in actively farming 40 acre lots.
 - b. Aging farmers
 - c. Potential fix: New Farmer Grant -provides 11 families with tools to increase number of successful farmers, bringing farming to the next

- generation. Reducing start up risk associated with new farm
2. High initial capitalization costs:
 - a. Equipment
 - b. water meter
 - c. Land improvement (wind breaks etc)
 - d. Potential fix: Shared resources, subsidy of start up costs
 3. Fertilizer- petroleum based fertilizer cost skyrocketing
 - a. Potential fix: utilize local alternatives such as the application of invasive limu, sand, fish production waste. Potential cost savings: up to 85%
 4. Water: Water will ultimately limit expansion to approximately 700 acres in agriculture production
 - a. Potential fix: Value added processing if energy cost can be minimized and Marketing strategies pooling community production and capitalizing on local and global food production needs
 5. Availability Local Open Market Place within farming Community

Discussion: The floor was opened up to discuss and brainstorm ideas/concerns/potential projects. The community developed a list of 18 projects/issues during the discussion. At the end of the evening, each community member was provided an opportunity to show his or her support for up to five projects. Community members were allowed to indicate their support for five individual projects or for a single project five times.

Support	Project/Issue Description
7	DHHL takes back MIS system (after necessary repairs are made)
7	Commercial development of chicken stadium on DHHL lands
5	Develop Open Market in Ho'olehua
5	Development of Biodiesel production (ex Kukui nut farms) to supply Molokai energy requirements
3	DHHL point of contact (either an entire division or position) dedicated to advancement of agriculture issues statewide
3	Water meter subsidy
3	Continued funding of farm equipment program
2	Develop a Community Base to promote agriculture initiatives that is supported by DHHL
2	Restructure general leases- to provide opportunities for longer term general leases for homesteaders investing in agriculture improvements
2	Light industrial area for homesteaders
2	Acquisition of DLNR lands near airport for economic development
2	Improve viability of Slaughter house through improvements of training, energy costs, USDA inspection capabilities

Support	Project/Issue Description
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1	Sue former pineapple production operators for breach of contract. Acidification of soil from pineapple production
1	Develop water source for Kalamaula homesteads
1	Restructure homestead lease option to allow for an agriculture and pastoral leases for an individual beneficiary to improve agriculture diversification
1	Award more agriculture homestead lots
0	Grow crops with local market, such as biodiesel development
0	General lease- preference given to homesteaders
0	Create community agriculture plots to assist homesteaders wanting to get started in agriculture

Water

Due to the lively and very productive discussion on agriculture issues and potential projects, discussion of water and the development of list of water projects were tabled to ensure adequate time can be spent on this critical topic.

Schedule

The next meeting is scheduled for December 10, 2009 at Kūlana ‘Ōiwi from 6 PM to 8 PM. This meeting will also be a subject matter meeting. The focus will be Sustainable Energy and Community Development.

Adjournment: The meeting was adjourned around 8 pm.