

House District 2-6
Senate District 1-4

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

STATE PROGRAM L.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Dba: **Hawaii Oil Seed Producers LLC**
Street Address: **200 Kanoelehua Avenue #205**
Mailing Address: **Hilo, HI 96720**

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name William W. M. Steiner
Title General Manager
Phone # 808-204-0750
Fax # _____
E-mail wwmsteiner@gmail.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
 FOR PROFIT CORPORATION INCORPORATED IN HAWAII
 LIMITED LIABILITY COMPANY
 OTHER
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Expansion of a Proven Biofuel Source in Hawaii

4. FEDERAL TAX ID #: 47-0996600
5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

393,376
FISCAL YEAR 2016: \$ _____

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____
FEDERAL \$ 48,000
COUNTY \$ _____
PRIVATE/OTHER \$ 800

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

William W.M. Steiner, General Manager

AUTHORIZED SIGNATURE

NAME & TITLE

DATE SIGNED

1/29/15



RECEIVED
1/29/2015
D. Johnson

EXPANSION OF A PROVEN BIOFUEL SOURCE FOR HAWAII

I. BACKGROUND AND SUMMARY: Provide a clear, concise and broad understanding of the request.

1. (a) Brief description of applicant's background:

Hawaii Oil Seed Producers or HOSPRO, a nonprofit agricultural cooperative, was started on July 15, 2014 after a meeting of a dozen small land holders who met to discuss how to further the growth of an oil palm industry on the Big Island of Hawaii. The resulting Board of Directors included Dr. William Moekahi Steiner, a Geneticist and former Dean at UHH (retired), land owner, principal of Pacific Agricultural Land Management Systems LLC and scientist (see description below); Mr. Atto Assi a Petrochemical Engineer (retired from Exxon) and owner of Edenearthwork farms, and Mr. Curtis Beck, a mechanical engineer B.S and an engineer physics M.S. with a certificate in business (retired from Hawaiian Electric and Light Co.) and member of Mahilani Partners LLC agricultural enterprise. Recently, Mr. Steve Shropshire, owner of AlohaGreen of Hawaii County to the Board. Its key objective is to be the recognized representative of oil seed producers and the expert in production and marketing of tropical seed oils in Hawaii. See VI b below for accreditations.

(b) Background of the request:

In a Proof of Concept study while Dean of the College of Agriculture, Forestry and Natural Resource Management (CAFNRM), Dr. Steiner had imported 10,000 seeds of three different hybrid oil palm strains from Costa Rica to determine if they would grow in Hawaii. He had farmed the resulting trees out to the cooperating farmers who attended the meeting to form HOSPRO. He monitored the trees for growth rate, insect and fungal attacks, elevation and soil effects, and climatic effects while the cooperating farmers grew them to fruition. In several reports to HECO, which provided early funding support for the proof of concept, the trees were found to grow and produce, fight off local insect pests and fungal pathogens, had optimal growth at elevations below 1000 meters, would grow on most Hawaii soils, and one hybrid strain had higher survival and growth. The trees have a life of 25 years and production in Hawaii will be year round.

Dr. Steiner's study was predicated on several factors. Highest among them was the fact that the State of Hawaii had adopted policies in ACTS 240 and 96 to provide assistance in developing alternative biofuel crops and energy efficiencies. But the 2008 report by the Rocky Mountain Institute called *Hawaii Energy Future* to the state legislature pointed out that Hawaii was not going to meet the 20% biofuel capacity by 2020 as ACT 240 called for. This would mean Hawaii must attain biofuel production equal to 350 million gallons of production capacity. Yet to date there has been no successful production from raw resources in a imports 93% of its energy used. The information sheet for Hawaii from the U.S. Energy Information Agency (IEA- updated in December of 2014) shows the total cost of this energy to Hawaii's economy is about \$6.1 billion. This pays for import of 42.5 million barrels of oil and does not include ethanol imports from the US or Brazil. The only production in Hawaii comes from refining of used cooking oil, and this amounts to about 2 million

gallons/year and is reaching its limit. Although hundreds of millions of dollars have been spent in Hawaii developing pilot projects for biofuel investments in algae, grass, corn, sunflowers, and jatropha (to name a few) there has been virtually no production to offset the millions of gallons of petroleum imported into the state each year.

HOSPRO recognizes that 120,000 acres of agricultural land lies mostly fallow and available on Oahu and Hawaii. Former sugar cane or pineapple land, these lands now grow mostly invasive weeds though some is leased for coffee and cacao plantations. Studies now show these lands could grow palm oil crops with cacao, coffee and tea inter-planted between the trees. Further, oil palm on these lands would *not* dislocate native forest or forest species as occurs in SE Asia and Indonesia. Oil palm nuts are a proven source of oil and in Central America, Africa and SE Asia producing as high as 750 gallons/acre of oil there with waste making a 14% animal feed. This is about 14X more than soybeans. In Hawaii, minimum production is predicted to be about 500 gallons/acre but may be higher. Planted on the 120,000 acres of available land, this would produce a minimum of 60 million gallons of oil for biodiesel and cooking oil, reducing imports of cooking oil and animal feed.

The farmers who raised the trees Dr. Steiner provided are beginning to see production ramp upwards, and desire a cooperative approach to developing production facilities to extract and refine the oil, manufacture animal feed and provide new jobs to Hawaii residents. *They feel the industry is ready to take off but is held back by the lack of oil palm trees to plant.* At 100 trees to the acre, over ten million new trees are necessary to expand production. This request begins that expansion and sees it as supporting ACTS 240 and 96. The sales of the first 50,000 trees (5000 acres) to participating farmers would then finance the further expansion and growth of this new industry. Not only would a steady and sustainable growth toward a basic fuel security be attained, but these integrated production systems would promote enhanced food and fuel security for the Islands. It is estimated that 2 jobs/ten acres of planted land will result, providing hundreds of jobs in field agriculture, harvesting, processing, packing and shipping.

2. Goals and objectives related to the request;

The goals are to prepare rearing facilities to grow out oil palm seeds, then obtain the first 50,000 seeds to raise oil palm trees to sell to farmers in order to begin self-sustaining expansion of this new oil seed industry. There are two objectives.

- (1) To import seed (USDA APHIS restricts imports to sanitized seed) and grow these to seedling size; and
- (2) Prepare the grow-out and rearing facility (greenhouses) for the rearing process.

3. Public purpose and need to be served;

We have outlined in a more integrated way the public purpose and service above. Put more succinctly, these are:

- (a) begin to meet the Hawaii state policies so that we are at least halfway toward the goal of 120 million gallons by 2025;
- (b) provide coffee, cacao and other food crops integrated into the oil palm fields such that additional agricultural crops can be grown to enhance Hawaii's economy;

(c) reduce economic loss to the state in terms of money that flows out of our econosphere, potentially adding \$3 billion to the economy when oil is at \$80/barrel;

(d) create about 100 new jobs for every 1,000 acres of land planted to integrated oil palm/food stock plants, strongly offsetting any reductions in tourism and/or military and enhancing income and productivity of Hawaii small farmers;

(e) create new byproducts that would further enhance and stabilize Hawaii food security. Thus, the robustness of this model in terms of fuel and food security is tremendous and should not be underestimated.

4. Description of target population to be served;

In essence, the total population of Hawaii is the target population. If production is limited to Oahu and Hawaii Islands, then the public is the target on these islands, providing extraction and refining facilities are built on Oahu. The newspaper *West Hawaii* today (Jan 23, 2015 issue) reported the unemployed rate on Hawaii Island was 6.1% in July 2014 or 5,350 people unemployed. This is a diversified population consisting of the following breakdown (U.S. demographical statistics) for the area:

- Asian alone - 16,004 (34.7%)
- Two or more races - 11,824 (25.7%)
- White alone - 7,643 (16.6%)
- Native Hawaiian and Other Pacific Islander alone - 5,939 (12.9%)
- Hispanic - 4,556 (9.9%)
- Black alone - 148 (0.3%)
- American Indian alone - 3 (0.01%)
- Other race alone - 5 (0.01%)

The average household income is about \$12,000 or 17% below the state average.

On Hawaii Island, the HOSPRO has applied for and received a USDA Community Development grant to build a refining and extraction facility on Hawaii Island so in 2015 we anticipate the first oil production from this plant. Because the need for fuel (biofuel) is pervasive throughout our island communities, it stands to reason that virtually everyone will benefit in some form or another once we ramp up. The addition of \$1.5-\$3 billion to the pocket of island families because of reduced import of petroleum should be of immediate and positive benefit. Populations of Kau and Puna would especially benefit.

5. Description of geographic coverage.

This project is currently centered on Hawaii Island since that is where the first extraction and refining facility, the first oil palm trees in production, and the first oil palm planters are located. There are 12 participating farmers with 10 located in Senate Districts 1 and 2, one located in District 3 and 1 located in district 4. Although most are located in the Puna area, the Hamakua Coast and the former sugar cane lands of Kau are especially capable of targeted production. All these former sugar cane lands and the villages they contain are low income areas where the populations have suffered perhaps the most from the decline and closing of sugar production.

II. SERVICE SUMMARY AND OUTCOMES

Provide a detailed discussion of the approach to the request and clearly and concisely specify the results, outcomes and measures of effectiveness.

1. Describe the scope of work, tasks and responsibilities;

The scope of work includes preparing green houses to receive seeds and obtaining and growing out the seeds. The individual tasks include: For the greenhouses: recovering green houses, putting in new watering systems in greenhouses, sterilizing greenhouses, pots and potting soil, putting in new air conditioners, rebuilding and resurfacing grow out tables. For the trees, individual tasks include: traveling to Costa Rica to obtain the seeds, confirm their sanitization and ship them via Florida and California to Hawaii (no direct route from Costa Rica), arrange for shipping agents to assure a timely passage so the seeds don't sprout en route, unpack the seeds, place the seeds in sprouting bags and sprout them under controlled conditions, plant the seeds to emergence pots, then replant them to individual growth pots. Responsibilities will be shared between Dr. Steiner (managing) and student interns with one person hired who had experience under Dr. Steiner of the entire process to help oversee student interns. Dr. Steiner knows the Costa Rican authorities from whom seeds will be obtained and so will travel to Costa Rica to purchase and oversee shipping the seeds.

2. Provide a projected timeline for results and outcomes;

HOSPRO would like to receive first quarter funding for this project by August 1, 2015. The first quarter will be spent refurbishing and recovering the green houses that will be leased for this project (see attached letter). We anticipate refurbishing to be finished by end of December 2015. Previous experience shows that it will take one month to obtain fall seeds from Costa Rican sources and we would begin that process by the beginning of January 2016. Seeds will be sprouted in February of 2016, and can be rooted by March of 2016. At end of August 2016, sprouted seeds will go through their final transplant into pots. By end of the first year (September 30, 2016) we expect to have 45,000-50,000 trees in pots depending on survival of seedlings (Steiner's proof of concept study demonstrated a 10% loss of seedlings but we expect to cut this loss in half from what was learned from the study).

Grant funded	Begin purchas	Of greenhouse	Supplies	renovating	finish renov	to CR buy seeds	receive seeds; sprout	1 st transplant 3" pots	2 nd transplant prepare to 10" pots		
Aug 2015	Sep	Oct	Nov	Dec	Jan 2016	Feb	Mar	Apr	May	Jun	Jul
		1 st quarterly rpt								begin prep of final rpt	

3. Describe the quality assurance and evaluation plans and how the applicant will monitor, evaluate and improve their results;

The quarterly reports and measures and deviations reported in those will serve as a quality assurance. A budget report can also be submitted on a quarterly basis with the quarterly report to demonstrate meeting expenditure demands and targets. Deviations in either will be cause for investigating reasons for deviation and will suggest how o make improvements.

4. List the measure(s) of effectiveness that will be reported to the State Agency through which grant funds are appropriated (expending agency) and by which the agency will assess achievement via standardized and objective approaches. If the level of appropriation differs from the application amount, how will the measures be updated and transmitted to the agency?

For the first quarter, the applicant will report on the repairs and maintenance of the greenhouses that will be leased for this project. Photos of renovation will be included in 2nd quarterly report. Effectiveness will be determined by meeting deadlines set for (a) repair of frames structure if needed; (b) replacing of existing shade cloth; (c) renovation of electrical; (d) renovation of water lines; (e) renovation of cooling equipment; and (f) Installation of incubation cabinets.

In the 3rd and 4th quarter reports, the applicant will report on receipt, seeding, grow out and problems associated with obtaining and growing the seeds.

Effectiveness of survival of seedlings will be monitored and reported as (a) number surviving/month, (b) total number infected with rose beetle or aphid (the two pests found most prevalent on young seedlings)/month and efficacy of treatment, (c) the total number infected with fungi/month and efficacy of treatment; (d) growth rate/month; and (e) Final % survival rate as a deviation from the 95% target. By comparing greenhouses and methods of control between each greenhouse population, efficiency of changes in greenhouse-dependent quality control protocols can be determined and changes instituted and improved over time. A 95% survival rate will be used with deviations marking need for improvement in rearing techniques. Better than 95% survival will constitute an effective rearing strategy.

III. FINANCIAL: Budget

1. Detailed budget as submitted on the enclosed budget forms.

See forms.

2. Anticipated quarterly funding for fiscal year 2016

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$180,000	\$90,000	\$80,000	\$43,376	\$393,376

3. Other grant funds from other sources for fiscal year 2016.

None at this time; a USDA Community Development grant for \$48,000 awarded for the year 2014-2015 for purchase of oil seed processing equipment by is expected to be expended by June of 2015.

4. List of all state and federal tax credits granted in prior three years, list of state and Federal applied for or anticipated to be applied for pertaining to capital projects.

Not applicable.

5. List of all government contracts and grants received and will be receiving for program funding.

2014-2015; "*Support For An Emerging Oil Seed Industry On Hawaii Island*".
USDA Community Development Grant, expended. Purpose: to purchase Oil seed extraction equipment for processing oil palm nuts. \$48,000.

6. Balance of unrestricted current assets as of December 31, 2014.

Balance in checking; First Hawaiian Bank: \$ 800

Balance in USDA account: \$48,000

IV. EXPERIENCE AND CAPABILITY**A. Necessary skills, experience and knowledge to provide the service proposed in this application, and a list of verifiable or related projects for the past three years pertinent to the request.**

The project will be overseen by Dr. William Moekahi Steiner who was first to see the potential for oil palms as a sustainable biofuel and feed source for Hawaii and pioneered the proof of concept study that demonstrated capability of the trees to survive, grow and produce in Hawaii. He will devote 50% of his time to this project; the rest of his time will be used to get the oil extraction facility up and running and to provide consultation on the harvesting procedures. Dr. Steiner obtained his Ph.D. (Genetics, 1974) at the University of Hawaii, Manoa and a Systems Engineering Masters equivalency from the USDA graduate school in Beltsville, MD. He has taught and conducted research at the University of Illinois Urbana-Champaign, the University of Missouri Columbia, and most recently served as Dean of the College of Agriculture, Forestry and Natural Resource Management at UH Hilo from where he retired. He served as a research scientist with the USDA Agriculture Research Service (1984-1995) and as the First Director for the USGS Pacific Ecosystems Research Center (1995-2005). He has over 90 scientific publications and one book to his name, and numerous scientific presentations and research reports. He published the first warning of the impact oil depletion would have on Hawaii in 2005 and chaired a symposium to further the development of interest in renewable energy. He is the first person in the state to spend time learning the intricacies and problems of rearing oil palms in Hawaii and promoting its use and adaptation to Hawaiian conditions. The reports and his proof of concept studies while Dean at UHH include the following and are available on request:

Steiner, W.W.M. 2005a. The coming paradigm shift: Sustainable agriculture, Natural

Resources, and the Future. *Journal of Hawaiian and Pacific Agriculture* 13: 3-8.

Steiner, W.W.M. 2005b. Organizer and Chair, Symposium On Renewable Energy. 10th Annual HI Conservation Symposium, Honolulu, HI. July.

Steiner, W.W.M. 2009. Developing Crop Infrastructure to Support Biodiesel Refinery Operations in Hawaii. A report to HECO, 12pp. plus illustrations.

Steiner, W.W.M. 2010a. Phase 2 of the oil palm project; oil palm grow out completion: a Report to HECO. February, 16 pp + illustrations.

Steiner, W.W.M. 2010b. Phase III continued: continuing grow out and planting of oil palms in Hawaii; turning the corner on developing production and investigating a feral population of *jatropha curcas* for invasiveness and productivity. 3rd Phase Project Proposal to HECO, March, 11 pp + illustrations.

Dr. Steiner has handled \$26 million grants during his career and include awards from funding agencies such as the Rockefeller Foundation, the Hasselblad Foundation, the USDA, the NSF, the NIH, and the County of Hawaii.

B. Facilities description; demonstrate adequacy for the request.

The facility to be used for seeding and grow out of oil palm trees is a 5 acre tract located along the Volcano Highway at about 1,000 feet elevation. It is part of a larger 26 acre tract owned by Dr. David Davis which is used for growing orchards of various fruits and oil palms (there are 5 acres of oil palms planted here already from Dr. Steiner's proof of concept study). The facility is a 3-greenhouse complex that has not been used for some 8 years and is in need of renovation. It has water and electricity to the site but all internal water linkages, the electrical boxes, lighting and air circulation fans are in need of renovation and the shade cloth on the facility needs to be replaced. Each Greenhouse is approximately 40' x 100' yielding 12,000 sq ft of usable space which is doubled if tables are put in the greenhouses so there is an upper and lower level of space to place growing pots. Each pot will take less than 1 sq ft of space so the green houses yield enough to house 50,000 young seedlings. A house is available on the farm with enough bedrooms to house student interns should there be a need to provide space for them.

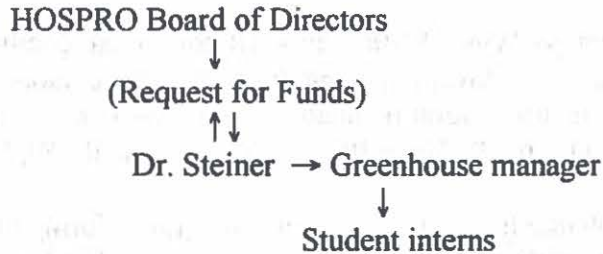
V. PERSONNEL: PROJECT ORGANIZATION AND STAFFING

A. Describe proposed staffing patterns and service capacity appropriate to the request. Provide qualifications and experience of personnel and ability to supervise, train and provide administrative direction relative to the request.

Dr. Steiner has a proven record of managing federal (USDA, USGS) and state (UHH) organizations. His management classes are a matter of record and were taken at the USDA Beltsville MD Graduate School. At both USGS and UHH he managed research facilities and at UHH he also managed an educational facility as well as personnel and students. Budgets managed were in the range of \$4-8 million/year. He has managed over \$24 million in research funding over the course of his career. He

will be responsible for overseeing the operations and personnel budget for this grant. We expect availability of the horticulturist from the first rearing of 10,000 seeds imported earlier for hire. Interns with Ag backgrounds are available from the local community college and university and will be trained in-house.

B. Organization Chart. Illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.



C. Compensation. Provide the annual salaries paid by the applicant to the 3 highest paid officers, directors or employees by position. At this point no salaries are paid to any officers or Directors as funds are insufficient and are targeting development instead. A contract for cooperative management and grant writing has been let to Pacific Agricultural Land Management Systems (PALMS) that will yield 10% of any funds obtained to the management entity less salary to the General Manager whichever is smaller.

VI. OTHER

A. Litigation
Not Applicable.

B. Licensure. Specify any special qualifications, licenses and accreditations the Applicant possesses relevant to the request.
HOSPRO has a 7 month history of IRS determination as a 501 c 5 not-for-profit organization providing developmental support for farmers who desire to grow oil seed crops. Evidenced by:

- Bylaws, Articles of Inclusion
- IRS Determination Letter (2014)
- Form 990
- NAICS code 115114
- DUNS number 079439143
- State of Hawaii #PO616201420002 PO61

D. Federal and County Grants awarded since July 1, 2014.
One federal grant, USDA Community Development grant awarded September 1, 2014, with an August 31, 2015 final expenditure date.
No County grants for oil palm work.

E. Private Educational Institution

Not applicable. We intend, however to utilize students from UHH and HCC as intern trainees for on the job training.

F. Future Sustainability Plan. Applicants plan for sustaining after fiscal 2015-2016 the activity funded by this grant if the grant is received by the applicant for fiscal year 2015-2016 but (2) NOT received by the applicant thereafter.

The applicant expects this grant to establish grow out greenhouses for seeds imported to begin expansion of the industry. The applicant has assurances from USDA community development to continue funding the development of the industry; these USDA funds can provide a monetary base to continue to purchase equipment (but not seeds) for development over the next five years on an annual granting basis. In addition, the Omyidar Foundation has expressed an interest to aid expansion in out years beyond 2015 once oil production is demonstrated. Finally, it takes 2 years to raise a palm tree to a planting stage, so after the first two years, trees from the nursery will be available to participating farmers who wish to take advantage of them. We estimate a cost of \$12/tree to raise it to a planting stage. At a sale price of \$18/tree, money raised will go to fund future purchase of seed and cost of rearing, a pricing model that assures future sustainability of expansion even without additional monetary input from grant or foundation sources (though the latter can significantly lower the cost to participating farmers who wish to establish plantations).

G. Certificate of Good Standing

Attached.

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Oil Seed Producers Nonprofit

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
William W.M. Steiner, General Manager	0.50	\$48,000	50%	\$ 24,000 -
Intern, Student 1 To be named	0.25	16,000	50%	\$ 8,000 -
Intern, Student 2 ""	0.25	16,000	50%	\$ 8,000 -
Intern, Student 3 ""	0.25	16,000	50%	\$ 8,000 -
Intern, Student 4 ""	0.25	16,000	50%	\$ 8,000 -
Intern, Student 5 ""	0.25	16,000	50%	\$ 8,000 -
Intern, Student 6 ""	0.25	16,000	50%	\$ 8,000 -
Greenhouse Manager, horticulture to be determined	1.00	40,000	100%	\$ 40,000 -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				112,000
JUSTIFICATION/COMMENTS:	General manager will oversee all operations, purchasing, equipment maintenance, hiring and firing and obtaining funding. Greenhouse Manager, a horticulturist, will manage day to day greenhouse operations and personnel. Student interns will carry the bulk o transplant, watering, potting, soil mixing, pest control for operations.			

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Oil Seed Producers Nonprofit

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST	112,000	0	0	0
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES	760	0	0	0
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment	7,680	0	0	0
4. Lease/Rental of Space	5,400	0	0	0
5. Staff Training				
6. Supplies	84,440	0	0	0
7. Telecommunication				
8. Utilities	14,400	0	0	0
9. Renovate 3 green houses	45,680	0	0	0
10. Airfare, overseas to obtain seed	3,700	0	0	0
11. Fuel for truck	1,800	0	0	0
12. Purchase of hybrid palm seed	50,000	0	0	0
13. Shipping cost of seed	2,200	0	0	0
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	328,060			
C. EQUIPMENT PURCHASES	65,316			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	393,376			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	393,376	William W.M. Steiner		
(b) Total Federal Funds Requested	0	Name (Please type or print) / Phone		
(c) Total County Funds Requested	0	[Redacted] 808-294-0750		
(d) Total Private/Other Funds Requested	0	Signature of Authorized Official / Date		
TOTAL BUDGET	393,376	William W.M. Steiner / 1/28/2015		
		Name and Title (Please type or print) General Manager		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Oil Seed Producers Nonprofit

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
water lines and pumps self explanatory	6,1800' rolls	1,980	\$ 11,880 -	11,880
work tables self explanatory handbuilt, 4'x20', raised	48	92	\$ 4,416 -	4,416
soil sterilizer to provide sterile soil and reduce infection to seedlings	1	32,000	\$ 32,000 -	32,000
twin door refrigerators (3) as incubators or sprouting seeds	3	5,300	\$ 15,900 -	15,900
hand tools, wheel barrows, electrical supplies, misc	4 each	varies	\$ 1,200 -	1,200
TOTAL:				65,316
JUSTIFICATION/COMMENTS: Renovation of water lines in leased greenhouses will require 6 rolls o 1/2" and 1/4" plastic tubing. 20' long worktables, 16/house enables double decking pots to maximize space and provides work surfaces. A soil sterilizer is required to sterilize mixing soil or pots to reduce fungal infections. Temp-controlled refrigerators serve as incubators for sprouting seeds.				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Pick up or Flat bed truck annual lease \$640/month	1	\$7,680	\$ 7,680 -	7,680
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				7,680
JUSTIFICATION/COMMENTS: We will lease a truck with extra cab is used to haul personnel between greenhouses and field sites, haul lumber and supplies for greenhouse renovation, haul soil and cinder for potting mixes, and for general heavy moving work.				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2015 to June 30, 2016

Applicant: Hawaii Oil Seed Producers Nonprofit

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT USDA grant for extraction equip	48,000					
TOTAL:	48,000					
JUSTIFICATION/COMMENTS: A grant for \$48,000 to obtain oil palm extraction equipment from the USDA was obtained in fiscal year 2014-2015.						

GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Hawaii Oil Seed Producers Nonprofit

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1.	Support for an emerging oil seed Industry on Hawaii Island	9/1/2014-8/30/2015	USDA Rural Development	U.S.	\$48,000
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	48,000

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaii Oil Seed Producers (HOSPRO) LLC

(Typed Name of Individual or Organization)



(Signature)

William W. M. Steiner, Ph.D.

(Typed Name)

1/23/2015

(Date)

General Manager

(Title)

June 22, 2014

To: Whom it may concern

From: David P. Davis, Phd, Managing Partner for Ono Loa Orchards, LLC

Subject: Letter of Support for Hawaii Oil Seed Producers (HOSPRO).

As an oil palm grower, Ono Loa Orchards, LLC supports the application for a grant submitted by HOSPRO for equipment to help process the oil that our trees will be producing and are also interested in more trees. The farm has greenhouses available for lease to raise seedling oil palms in as well.

Signed this day of June 22, 2014 by:

A solid black rectangular box redacting the signature of David P. Davis.

David P. Davis, Phd
Managing Partner, Ono Loa Orchards, LLC



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

HAWAII OIL SEED PRODUCERS (HOSPRO) FDN

was incorporated under the laws of Hawaii on 06/13/2014 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 20, 2015



Catherine P. Owa-Cobb

Interim Director of Commerce and Consumer Affairs