January 16, 2018

William Wallace Mokahi Steiner
General Manager and Chair, Board of Directors
Hawaii Oil Seed Producers (HOSPRO) LLC

Cc Steve Shropshire, Ina Wofe, Board of Directors

To: GIA grants office, State of Hawaii Legislature

Sirs:

Please find enclosed our grant proposal for operational expenses for 2018-2019 to develop a nursery for production and expansion of hybrid oil palms to be used in developing a vegetable oil industry in Hawaii. The funding of $313,000 is a one-time request as gap funding to jump start the industry which has implications for other industries, just as soybean oil in the Midwest USA, for spin off industries besides edible oil such as biofuel, plastics, cosmetics, and pharmaceuticals and the waste materials (pressed nut meal, leaves, stumps) can be used for animal feed components and compost. All these are items that are now imported into Hawaii so the potential impact and stabilization of Hawaii's economy is huge, and the creation of new jobs and industries is tremendous.

We may be contacted by phone at 808-204-0750, by email at dr.steiner@hawaiioilseedproducers.com or by mail at HOSPRO, 200 Kanoelehua Avenue, #205, Hilo, HI 96720 if there are any questions or need for followup.

Mahalo

William (Bill) W.M. Steiner, Ph.D.

House District(s) ____4__

Senate District(s) ____2__

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

Log No:

For Legislature's Use Only

Type of Grant Request:

xx☐ 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): __HAWAII DEPARTMENT OF AGRICULTURE__

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
HAWAII OIL SEED PRODUCERS LLC

Dba: HOSPRO

Street Address: 200 KANOELEHUA AVE, # 205

Mailing Address: HILO, HAWAII 96720

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name WILLIAM W. STEINER

Title GENERAL MANAGER, CHAIR BOD

Phone # 808-204-0750

Fax # _____

E-mail
DR.STEINER@HAWAIIOILSEEDPRODUCERS.COM

3. TYPE OF BUSINESS ENTITY:

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

_____

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

ESTABLISHING A VEGETABLE OIL INDUSTRY IN HAWAII

4. FEDERAL TAX ID #: [redacted]

5. STATE TAX ID #: [redacted]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2019: $313,000__

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

XX☐ 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 $_____
COUNTY $_____8,625_____
PRIVATE/OTHER $_____165_____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

WILLIAM W. STEINER	GENERAL MANAGER AND CHAIR BOARD OF DIRECTORS	JANUARY 13, 2018
AUTHORIZED SIGNATURE	NAME & TITLE	DATE SIGNED

JAN 17 2018

I. Background and Summary of operational grant:
ESTABLISHING A VEGETABLE OIL INDUSTRY IN HAWAII

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the HOSPRO applicant's background.

After retiring as Dean of the College of Agriculture, Forestry and Natural Resource Management (CAFNRM) at UHH in 2012, Dr. Steiner co-founded the Hawaii Oil Seed Producers (HOSPRO) LLC in 2014 as a nonprofit 501c5 agricultural cooperative. Dr. Steiner is General Manager and represents HOSPRO LLC for this proposal (see IV. A. below). The aim is to establish the first fully functional vegetable oil producing crop in Hawaii on abandoned sugar cane lands beginning with Hawaii Island and moving up the island chain. The goals of HOSPRO as laid out in the articles of incorporation are:

a. To provide farmers and agriculturalists growing oil seed crops a way to share relevant agriculture information between themselves and with others;
b. provide for purchase, siting and upkeep of commonly owned machinery useful to production and extraction of oil from their crops;
c. provide a service to participating farmers for locating markets; and
d. provide for research into common growing or processing problems experienced by HOSPRO members. [1]

All members have the right to participate and benefit equally in the goals set forth here.

HOSPRO was formed after the successful conclusion in 2014 of a proof of concept study conducted by Dr. Steiner while Dean of CAFNRM at UHH. In this study, Dr. Steiner visited then imported hybrids of the American and African Oil Palms, *Elaeis oleifera x Elaeis guinensis*. Ten thousand palm seedlings of 3 varieties from Costa Rica suppliers were imported as phytosanitized seeds. These were germinated and grown to transplant size (photo 1 of Figure 1) and by 2009 transplanting to collaborating farmer's fields began (see producing trees and nuts in photos 2 and 3 of Figure 1). Some 8,000 hybrid palms were transplanted at different elevations, soil types and ecoclimates to determine how these effect growth and production. Studies were made of germination rates, growth rates, production rates, and which insect and fungal pathogens might attack the plants.

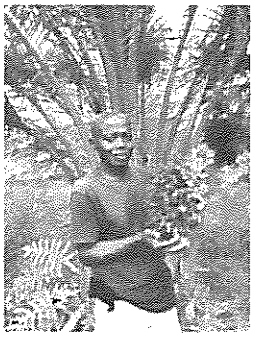
The study successfully concluded in 2014 and the knowledge learned was that one variety far outdid the other two in terms of germination, growth and eventually production.[1] The trees grow best between coast and 3000' levels, similar to sugar cane. Three species of insects were most problematic at below the 6 month (multi-leaf) growth and funguses were most important during the germination phase. All pests could be readily treated from off-the-shelf pesticides. Fertilization (NPK) at 30% of that applied to sugar cane increased growth and productivity by 40%. In summer of 2007, production estimates could be made from fruit being produced and was equivalent to 600 gallons/acre of oil, similar to production rates in Costa Rica. The importation and proof

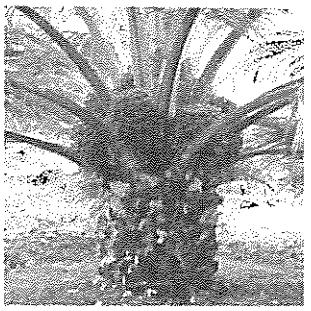
FIGURE 1. This sequence of photos demonstrates the hybrid oil palms from the seedling stage to the young tree stage and the fruit that is produced to make vegetable oil. Hawaii trees which are already producing fruit, are still about 3 years from maturity but will look like the last photo when they mature.

Young oil palm plants grown by Dr. Steiner in his proof of concept study at UHH in 2009. These trees are about 4 months old and on their way to the 3rd transplant stage. They are twice as big as the 4 leaf stage which was 3 months prior to this stage.

7 year old hybrid oil palms producing fruit at the Atto Assi Farm in Kurtistown, Big Island. These are some of the trees grown in the Proof of Concept Study to determine if the trees would grow and produce in Hawaii.

Atto Assi holding a cluster of oil nuts harvested from one of his 7-year old hybrid oil palms. This bunch weighs in at 12#. And the tree behind Atto had 9 bunches.





Ten year old mature oil palm hybrid in Costa Rica. Trees will produce for 25-30 years. Photo was taken by W. Steiner on his trip to the country to examine production of hybrid trees and seek purchase of phytosanitized seeds to ship to Hawaii. This photo gives a good indication of what trees in Hawaii will look like at maturity.

of concept studies were funded by donations and grants from US Biodiesel (purchase of seedlings) and HECO (growing seedlings to transplant and production size). Economic figures in this proposal are based on the costs incurred during the proof of concept studies.

Since then, the effort of farmers has shown that cacao, tea and coffee can be inter-Planted between oil palms to create opportunities for intercropping. In addition, as show From Malaysian studies, legume grasses can be planted to provide and nitrogen for the trees and grass and feed for grazing animals. Palm fronds and meal from crushing fruit also provides feed animals such as sheep and cattle.[1,2] HOSPRO has experiments designed to examine growth of low elevation endangered plant species under oil palm canopies as well.

Oil palm nuts have been a proven source of cooking oil for over 2,000 years and make up the world's second biggest edible oil market next to soybean oil. In Central America, Africa and SE Asia the palms produce as high as 750 gallons/acre of oil, about 14X more than soybeans can on the U.S. mainland. Currently, there are 80 acres of oil palms now producing that were planted by half a dozen growers recruited by Dr. Steiner for his studies. A list of another 20 growers would like to obtain trees and one large landowner on the Big Island has offered 2,000 acres on the Hamakua coast for further expansion. Pacific Biodiesel has tendered a purchase price of $3/gallon for all raw vegetable oil HOSPRO can produce to refine into biodiesel which in turn ensure a sustainable biodiesel source in the islands.

Since formation, HOSPRO has attracted 2 grants to date; one to purchase an extraction mill to make vegetable oil, and a second to hire a summer student intern to begin building a professional labor force for industry expansion.

2. The goals and objectives related to the request.

The objective of this request is to obtain operational funding to enable HOSPRO to begin Phase I expansion of the oil palm business from its current 8,000 trees. This request is to help purchase phytosanitized seed, ship these to Hawaii, and obtain the tropical soil mix and chemicals needed to germinate and grow this seed to young palms for transplant to cooperating farmers. Salaries and benefits are also requested for those who will be involved in this endeavor. A rent request for a 2.2-acre palm farm with warehouse is included as is equipment and refurbishing of the facilities important to meet the above objectives (see equipment in Figure 2 below). The phase II goal of this expansion will provide 49,000 oil palms for a list of farmers (available on request) who want to participate.

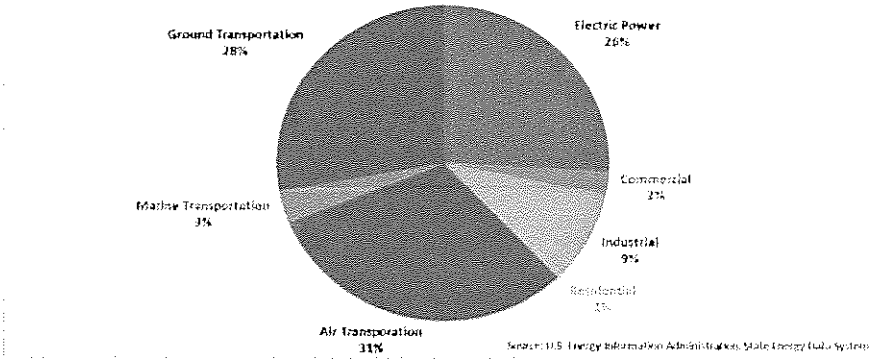
3. The public purpose and need to be served.

Hawaii's economic growth rate for 2017 was projected to be 1.9% compared to 2.2% for the USA overall (DBEDT report on Hawaiian economy, August 2016; although see

Hawaii Free Press 01.15.2018 which shows Hawaii energy costs increased 7.7% in 207). The high cost of energy in Hawaii, considered to be the highest in the nation, suppresses Hawaii growth. Hawaii imports 93% of its energy needs. The Hawaii information sheet from the U.S. Energy Information Agency (IEA-updated in December of 2014) and the Hawaii Energy Facts and Figures November (2016)[4] shows the total cost of energy in Hawaii's economy is about $6.1 billion. This is money that largely leaves the state. The 2017 estimate is that Hawaii paid for import of 42.5 million barrels of oil (1,785,000,000 gallons) where each 42-gallon barrel produces 12 gallons of biodiesel and 19 gallons of gasoline. This does not include ethanol imports from the mainland US or Brazil which totals an additional ~25 million gallons.

About 93% of this energy goes into the transportation sector with approximately 1/3 each going to citizen use, tourism and military use.[1] The only production in Hawaii comes from refining of used cooking oil and sunflower oil by Pacific Biodiesel, and this amounts to about 8 million gallons/year and includes shipping of used oil and fat from the mainland and oil from sunflowers grown on Maui. Hawaii has mandated a biofuel production capacity of 350 million gallons by 2025; only seven years away. Hawaii needs a vegetable oil industry to offset these imports and costs.

FIGURE 2. Utilization of imported petroleum in Hawaii; Hawaii energy facts and figures. Source: Hawaii State Energy Office, Nov. 2016



2016 Total crude oil imports (million barrels per year)[7]	39.0	2016 Fuel for electricity production (million gallons per year)[8]	394
2016 Total petroleum use (million gallons per year)[9]	1,639	2016 Fuel for air transportation (i.e. jet fuel) (million gallons per year)[10]	569
2016 Hawaii's rank among 50 states for energy prices[11]	1	2016 Fuel for ground transportation (million gallons per year)[12]	468

There is enough abandoned sugar cane and pineapple land in the state to produce at least 60 million gallons or ($180 million worth) of vegetable oil and perhaps double this amount. As biofuel, this would be money that stays in Hawaii's economy.

Although hundreds of millions of dollars have been spent in Hawaii to develop pilot projects for transportation biofuel, investments in algae, grass, corn, sunflowers, wood and jatropha has not resulted in significant production to offset the millions of gallons of petroleum Hawaii imports each year for transportation fuel. Some 120,000 acres of agricultural land lies mostly fallow or underutilized. These grow mostly invasive weeds and grasses, though some is leased for coffee and cacao plantations. These lands would serve a better purpose growing oil palm crops with shade crops such as cacao, coffee and tea inter-planted between the trees thus integrating oil and food production. Oil palms on these lands would not dislocate native forest or forest species as occurs in SE Asia and Indonesia, as Hawaii's former big crop lands now grow primarily weeds and grass.

Hawaii is aiming to have 100% renewable energy by 2045. Hawaii has and is suffering job losses from the closing down of the sugar and pineapple industries on various islands, leaving thousands of acres of land available for other agricultural purposes. Hawaii also needs a motivating factor to encourage young people to join agriculture. An oil palm industry would create new jobs while bringing some level of energy security to the islands. This new industry could also provide spin-off industries in edible oils, composting, animal feed, cosmetics, pharmaceuticals and even plastics further reducing outflow of our dollars. Thus, if algae, hydrogen or solar power for example were to replace transportation needs entirely, there would still be a need for oil palm in Hawaii's economy thanks to the spinoff of industries using vegetable oil as a base product.

. We estimate that, like sugar in its heyday, this industry can produce a minimum of one job for every 20 acres planted. In fact, in the vegetable oil industry based on soybeans on the US mainland between 2007 and 2016 growth of jobs went from 60,000 to 99,569 (2017 U.S. Monthly Biodiesel Energy Report for 99 Bio-refineries). The potential for better paying and sustainable jobs for Hawaii agricultural and manufacturing workers is huge and would form a viable, better paying alternative to working in the tourism industry.

4. Describe the target population to be served.

There are three target populations in Hawaii;

a. The first is all who depend on diesel to operate their trucks, tractors and production engines.
b. The second are the existing and future farmers participating in the Cooperative who are growing the oil palms; one can include the promise of new agricultural careers for Hawaii's youth.
c. Thirdly, all island populations can benefit since land to grow palm trees for biofuel or a spin off industry is available on each.

In addition, it is possible that the Department of Defense will find a use for this fuel (e.g.; see the news excerpts of the "Green Fleet" of the past few years and/or greenfleet.dodlive.mil). The Hawaii Electric Companies (HECO), who funded a portion of the Proof of Concept studies mentioned above and who

several times has put out an RFP calling for locally grown vegetable oil to use in its operations, seeks palm oil to become more sustainable.

5. Describe the geographic coverage.

All the larger islands should be able to grow oil palms for vegetable oil. This request is to fund set up Phase I, an operation on the Big Island to include a nursery that will provide the model and mode of action. A mill has been purchased with a USDA Development grant and can be moved to the site to begin producing oil from existing trees as well. A portion of the warehouse we will rent will be used to sterilize soil and set up incubators to germinate the thousands of seeds we need to begin the expansion effort. It has on site a shade house with a water system to enable growing seedlings to 2.0' height, and space to harden the young oil palms before moving them to participating farms for grow out and production. Once established, this nursery can supply thousands of acres on the Big island in Phase II of this new industry and will serve as a model for similar set up on other islands.

The Phase 3 effort will see the building of future mills and nurseries on Maui, Oahu and other islands to serve those island systems. Phase 3 will depend on how fast we can obtain a profitable picture for funding (e.g. our current production income based on 80 acres of trees and 80% of trees producing oil is estimated at $90,000/year. Expansion to 2,000 acres will bring in $1.3 million/year after 4 years. These estimates do not include income from composting waste material, or making animal feed from crushed nut meal, but do include sales of oil palm seedlings to participating farmers (see section VI. 4, Table 1). This project is self-supporting after the GIA gap funding we request in Year 1.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

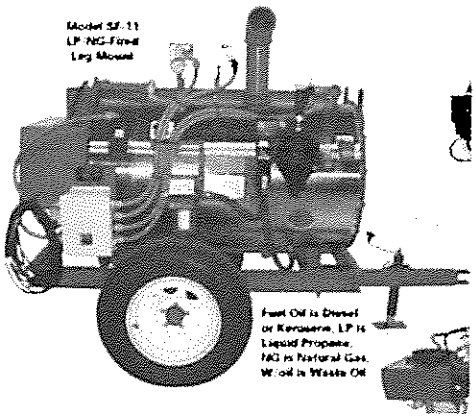
1. Describe the scope of work, tasks and responsibilities;

The scope of work includes renting the 2.2 acre warehouse-shade cloth nursery, moving the mill components to this site and setting it up, repairing waterlines and drip irrigation systems, repairing greenhouse tables, replacing shade house screening where necessary, and setting up incubators. We will need a soil sanitizer to steam treat potting soil mixes in order to reduce fungal and bacterial infections in palm sprouts, and incubators to germinate and start oil palm seeds (Figure 3). Tasks outline and their responsibility Includes:

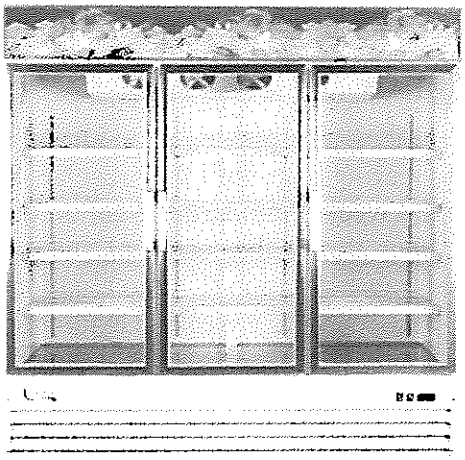
A. Rental of site; Agreements signed and leasing accomplished: General Manager
B. Moving of mill and setup: all personnel, General Manager supervising

C. Repair/replacement of waterlines: Nursery Manager, interns

FIGURE 3. The sterilizer and Incubator models necessary for success of sprouting and growing oil palms.



Hummert mnfr model SF 20 is suitable for our soil sterilization requirements. We do not need the trailer in this picture. The SF 20 sells for $20,000, aerator and hose system brings the price to $35,000. We will order a diesel powered system and use biofuel to power it. We are allowing $3,000 for shipping in the cost request.



Avantco GDC69 79" incubator; . We will order ten and set up a sterile room to prevent contamination by fungal spores of the young palm sprouts. This model will be used to sprout oil palm seeds.

D. Repair/replace shade cloth: Nursery Manager, interns
E. Purchase of incubators and soil sterilizer: General Manager
F. Setup of incubators, soil sterilizer and sterile room for sprouting seedlings: Nursery Manager and interns
G. Order and shipping tracking of oil palm seed varieties: General Manager
H. Germinating seeds, moving young seedlings to shade house; Nursery Manager and interns
I. Sales of young seedlings to cooperating farmers and coordinating shipping: General Manager

J. Vegetable oil production from existing 80 acres under production: General Manager
K. Sales contracting and oil delivery: General Manager

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

In this Operations funding proposal the first order of business is to establish an operational nursery (A-see the Timeline below). The second order of business is to move the mill and begin oil production (B). Ordering of supplies and equipment (C-D) will take place simultaneously. Renovation of the shade house and the warehouse germination center (E-F) will follow ordering of supplies.

Until future expansion of the nursery and the number of aids, the seed order (G) for the oil palms will occur in two phases about 6 months apart and take place when the rearing facilities are ready to receive them. This is because ordering 45,000 seeds and germinating them would overcome the work force and facility unless phased to receive the second shipment 6 months after the first has been planted into grow bags. Ordering is normally a 2-4 week process under Hawaii and Federal (USDA) import regulations regarding import of alien plant material. To expedite this, our Costa Rica source ships seeds that are phytosanitized according to USDA-APHIS requirements. The priority (H) is to have the seeds shipped to Hilo via Florida (necessary for Central American products) then to Honolulu, then on to Hilo after clearing customs. This requires freight-forwarders in Florida and Honolulu and will take about 2-4 weeks. By this time the soil sanitizer and incubators should be in place to prepare soft medium to raise the germinating seeds. Germination (I) takes place in the plastic bags and the shipping containers and the germinated seeds are then transplanted upon arrival (J, age about 15 weeks) into 1 quart, heavy mill plastic rearing bags until they reach 6-8" (see Figure 1), when they are transplanted (K-about 20 weeks) into larger 2 gallon bags containing the tropical soil blend (note: plastic bags are 1/4 the cost of plastic planters). At this stage they have 4-6 small leaves. A final transplantation (L) into 4 gallon bags will take place when the plants reach 18" and after a few weeks they are moved (M) out of the shade house and into the sun for hardening.

At 30" height (8-10 months) and with 8-10 leaves they will be sold (N) to the farmers they are designated for in the Phase 2 expansion. When they reach 60" in height (36 months) with a cluster of 12-16 leaves or more they will begin the reproductive process. Soil amendments including fertilizers and pesticides are used sparingly throughout stages (I) to (M) with only nutrients being used thereafter as the plants mature enough to protect themselves from virtually all pests Hawaii Island has at the present time. Six months into the buildout we anticipate being fully operational and taking orders on oil palm seedlngs.

FIGURE 4. Timeline of the vegetable oil project.

Week 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 34
Event ... A. .B...C-D..... E..... F...G-H...I.... J.....K.....

Week 34 → 40 → 45 → 54 } Timing and efforts are coordinated to ensure
Event .....(L-G).....(M-N).... } nursery is ready for plants.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Quality assurance will result from

D. Timeline: monitoring progress on ordering equipment and supplies,
E. Timeline: developing timelines and goals and for setting up mill and shade house and incubators including inspections to ensure operability
F. Timeline: purchasing seed in a timely manner, shipping of same, and hitting specific dates on seed growth stages, replanting at different plant stages, and orders for palms.

Timing is critical in all these areas and these will be the first monitoring tools in terms of meeting the timeline. As long as the timeline is being met, the process should flow smoothly. The critical factor is site rental (see Capital proposal); without a site to buildout the mill and prepare for seed germination and growth the project comes to a dead halt and so an alternative site has been offered by Mr. Steve Shropshire of AlohaGreen LLC on land with a warehouse that they own.

All other processes have some days or weeks leeway to reach operational states. We will hire a student on intern funding from the University of Hawaii-Hilo College of Agriculture to aid the preparation process and an experienced palm grower will provide mentorship and leadership as Nursery Manager. Successfully hitting the timeframe points for each order of business will keep the project on track. Improvement in the timeline can result from obtaining an early accomplishment of steps (A) through (E) and having plants mature ahead of allotted time spans.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).

Measures of effectiveness include
(1) meeting timeline parameters;
(2) installing and testing equipment to guarantee operability,
(3) counts of seedlings obtained with percent surviving to specific stages,
(4) meeting planting deadlines and recording numbers planted/transplanted by timeline dates, &
(5) numbers of actual orders for oil palm trees.
These are all tangible product measurements. We expect 100% efficacy for meeting (1) - (3), 80-90 % on (4) and 75% by end of year one on obtaining orders.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

   Budget forms are attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2018.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
$183,900	$26,600	$75,900	$26,600	$313,000.00

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2018.

   a. Crowdfunding on the AgFunding platform, to be submitted 2018; $500,000.
   b. Grant from County of Hawaii, to be submitted 2018; $15,000
   c. Energy Accelerator request for 2018 oil palm expansion, inquiry sent; presentation time requested.

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years and shall provide a listing of all state and federal tax credits to which they are applying.

   There are no anticipated federal or state tax credits available for this project.

5. The applicant shall provide a listing of all federal, state, and county government contracts and grants it has been and will be receiving for program funding.

   HOSPRO in Fall of 2014 received a USDA Rural Development grant to purchase an oil extraction mill for palm oil.

   HOSPRO in Summer of 2017 received a County Development grant for one intern student, December 31, 2016.

   6. What is the applicant's balance of its unrestricted current assets?

   The current balance of unrestricted current assets ($$) in First Hawaiian Bank HOSPRO account 20-135441 as of December 31, 2017 is $8,791.16.

IV. Experience and Capability

A. Necessary Skills and Experience: The applicant shall demonstrate that it has

the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

HOSPRO was founded in 2014 and has a Board of Directors who are participating in the buildout and expansion of the oil palm mill and the nursery expansion. These include:

William W.M. Steiner, Ph.D. (Genetics), Chair of the Board. Dr. William Wallace Moekahi Steiner, former Dean of the College of Agriculture, Forestry and Natural Resource Management at the University of Hawaii. Dr. Steiner stepped down from the College Deanship in 2012 and is also a retiree of the Department of Interior Biological Resources Division of the USGS. He previously served as USGS Director of the Pacific Island Ecosystems Research Center from 1995-2005, as a research geneticist and Acting Leader for the USDA Agricultural Resource Service (1984-1995). Simultaneously he held a joint appointment as Associate Professor at the University of Missouri, and served as Associate Research Scientist at the University Natural History Survey (1981-1984) and as Assistant Professor of Genetics at the University of Illinois (1974-1981). He obtained his Ph.D. from the University of Hawaii-Manoa (1974), a M.S. equivalency in Systems Engineering from the USDA Graduate School, Beltsville (1992), a B.S. in Zoology from UHM (1970) and an A.S. in Agriculture (1964) from Boise State University when it was still known as Boise State College. Born in Honolulu his mother is of Punahele, Veracruz, Haleakala, Kahalepaiwi and Machado descent, and his father is of a Swiss-French homesteading family from the mainland who came to Hawaii in 1941 to work as a foreman on the Navy's Redhill underground storage tanks. Dr. Steiner grew up on the 16,000 acre Steiner family cattle, hay and grain ranch in Owyhee County Idaho where he helped mill wheat and barley into meal for cattle and horse feed. Dr. Steiner has over 90 scientific publications to his credit, has attended and sponsored many scientific professional forums and symposia including several on alternative energy in Hawaii, and writes poetry and music in his spare time. He has over 20 units of federal management courses to his credit. He has served on the Boards of several educational and scientific societies and foundations including Hawaii Agricultural Tourism Foundation, Na Pua No`eau, Polestar Collaborative, Ahahui Malama I Ka Lokahi (Kaneohe Wetland Preservation) and the Hawaii Academy of Arts and Sciences. He co-founded the Global Ecology Foundation and the Island Prosperity Foundation. The other Directors and their backgrounds include:

Curtis Beck, Emeritus (B.S. Engineering Physics-Washington U. St. Louis and M.S. Mechanical Engineering-Stanford U.) worked at the Battelle National Laboratory prior to coming to Hawaii 30 years ago and retired from HELCO in 2013. He ended his career as a manager at HELCO and has a management degree from University of Idaho. He is a co-partner at Mahilani Farms above Hilo which grows oil palm, cacao, sweet potato, coffee and other fruit crops. He is a co-Founder of HOSPRO and is involved in community services such as Big Brothers and Big Sisters of Hawaii Island, Hawaii United Way, Hospice of Hilo and served on the Mayor's Energy Advisory Committee. Mr. Beck stepped off Board of Directors in December 2017

Atto Assi, Emeritus (B.S. Petrochemical Engineering, U. of Bucharest Romania) grew up on the Ivory Coast in Africa where his family has very large plantations of oil palm. After obtaining his

degree he worked at the Ivorian Crude Oil Refinery and then in Detroit at Exxon Mobile operations and fuel retailing. He is a co-Founder of HOSPRO after retiring in 2005, settled in Hawaii as co-owner of an integrated coffee, oil palm, honey, poultry and piggery farm where he is off-grid and makes his own electricity using solar and a biodiesel run generator from vegetable oil he gathers and refines himself. His service to the larger community includes hosting work study students from Europe during the summer and conducting organic growing courses with the support of the County of Hawaii nonprofit program. Mr. Assi stepped off the Board in 2016.

Steve Shropshire was raised in the nursery business in S. Florida. At the age of 18 he started the Green Connection, the largest tropical foliage leasing and maintenance business in the State of Alaska with annual revenues of $3 million. He sold the company in 2001. He assisted former Alaska governor Walter J. Hickel in establishing the Northern Forum, an NGO of the United Nations in which he served as Executive Director. The organization consisted of 31 regional governors throughout the Arctic world. He served as President of Shropshire International, a company involved in export trade between the USA and Russia which focused on food and beverage products. He later formed Aloha Green LLC, a diversified agriculture operation based on the Hamakua Coast of the Big Island growing tropical ornamentals, exotic fruit, heart of palm, timber and livestock on former sugar cane land. He also formed a real estate holding company Shrophsire Group with over 1,400 acres on the Hilo-Hamakua Coast for development. His community service includes Founder of Green Star (1990) a nonprofit that encourages businesses to practice waste reduction, energy conservation and pollution prevention. He is a member of the Rotary, the Hawaii Island Chamber of Commerce, Hawaii Export Nursery Association, Alaska Horticultural Association, and others and was named Entrepreneur of 1989 (Alaska), Rotarian of the year 1996 and Farmer of the year (1999) among other honors. He brings a sharp business acumen to the HOSPRO organization.

Dan Davis graduated Magna Cum Laude from UC Monterey Bay. He has worked for Navitas Naturals in e-commerce and design, as a property manager and maintenance expert, and he learned mechanic skills by revamping old cars to resell as a sideline hobby. He has an interest in physical health and muscular systems of the human body and worked for a while in massage therapy and spa management conducting customer care, product merchandising, customer scheduling and employee management. He returned to the family farm near Mt. View and has assumed management of the fruit and oil palm production systems there. His extensive skills in graphic design software, digital design, web design and computer architecture serve HOSPRO well as Communications Director for the LLC where he set up the HOSPRO website at hawaiioilseedproducers.com.

Steve Jacquer is a Ph.D. candidate (Biology-University of Alaska Fairbanks) and holds teaching certificates (Alaska Programs), an M.S. (1989) in Village Ecology from Cal State Stanislaus, a Bachelors in Biological Sciences with a Chemistry minor from CAL State Stanislaus (1984), and an Associates in Biological Sciences from Modesto Jr. College (1979). He has worked in education serving from elementary to adjunct professor at various schools in Alaska and elsewhere. He has studied or taught in non-degree programs at various state and international Universities including Ohio State, Rutgers, Berkeley and the Indonesian Institute of Ecology. He has served on many state, national and technical educational committees. He is a member of many professional organizations including the Hawaii Island Rat Lungworm Disease Research

Team, College of Pharmacy UH-Hilo. He has won many awards for his service, including twice winner of the Baan O Yeel Kon Native Traditional Council Award for work on preventing FAS through science education in Alaska (1993, 1998). He has been involved in developing educational opportunities for native Alaskans and was a finalist for the 1999-2000 USA TODAY First Teacher Team award. Since coming to Hawaii he has been involved in his working farm partnerships with D&S Aloha LLC and D&S LLC and with providing educational consulting through his Northern Educational Consulting LLC service. He has worked with a variety of fruit trees (peaches, almonds) and operated his own nursery and landscape business growing orchids among other jobs. He is a member of the Big Island Self Sufficiency group, the Big island Society for Creative Anachronism, the Center for Spiritual Living of East Hawaii, Friends of Puna's Future, Hawaii Island Palm Society, Ka Pilina Interactive Arts Society, and a supporter of local charter schools and Palace Theatre among other things. He is very aware of Hawaii's need for ecological restoration and grows oil palms on his land near Pahoa. He is leading experiments to grow crops and endangered plant species between oil palms to develop intercropping models to make oil palm a more robust agricultural and conservation system.

Ina Wolfe is a registered CPA with over 30 years of experience in public and private accounting services. She serves as Director of Special Projects with Taketa, Iwata, Hara and Associates in Hilo where she assists clients in solving business issues such as software implementation, inventory management and internal control assessments. She provides traditional tax and reporting services as well. She has held Controllership positions in a variety of companies including automobile and motorcycle dealerships, a fitness equipment and training company, a private equity firm, a city government and a union. Ina received her BBA from UHH and has been licensed as a CPA in HI and CA. In her spare time, she enjoys gardening and attending musical events. She serves as HOSPRO accountant and comptroller.

Mr. Robert Stearn's attended the Texas A&M Maritime Academy engineering program from 1975-1977. He then moved to Hawaii and resided on Oahu where he worked in the early stages of the Kahuku Seafood Plantation. At the same time he ran his own surfboard design business through 1985, receiving recognition as Head Judge of the Hawaii Surfing Assoc. (HSA) East Division (1984) and Award of Merit for outstanding Hilo HSA sportsman (1985).

In 1989 he joined Leilani Foliage, LLC specializing in the production of potted dracaena and palms for export to the mainland. He managed the business from the mid 90's until 2007 at which time he started his own export palm nursery being the sole producer of the *Chamaedorea falcifera* palm. His company, Leilani Palms and Foliage, Inc., more recently changed its name to Leilani Palms, LLC. He also worked with the Hawaii Export Nursery Association (HENA), and has held Board positions in HENA for most of the last 20+ years, serving as President from 2006-2008. He is a co-founder of the Hawaii Floriculture and Nursery Association (HFNA) as a potted foliage representative and served as pro-tem Vice President in 2008-2009. Through a state program, he employs individuals having psychiatric disabilities and in 2007 was awarded Hawaii branch "employer of the year" from the Hawaii House of Representatives. In 2012 he was awarded a Certificate of Appreciation from the County of Hawaii for participation and professional leadership at "Hawaii-Islands of Aloha" theme of the 184th Annual Philadelphia International Flower Show. He has served on a selection committee for a UH extension position representing the potted foliage industry and has been active in several community organizations.

His experience will prove valuable in helping rear oil palms as Nursery Manager for vegetable oil development.

Currently one position on the Board of Directors is empty and will be filled with a suitable candidate in March of 2018

The experience HOSPRO brings to this the request for support is large and ranges from agriculture, horticulture, genetics and engineering, to entrepreneurship and management. Several members of the Board have previous exposure to growing oil palms, working in nurseries and working in energy programs for large corporations. These backgrounds and experiences benefit the program to establish and expand oil palm as a vegetable oil and biofuel and energy source in Hawaii, establishing a new sustainable resource to benefit the Hawaii economy and her people.

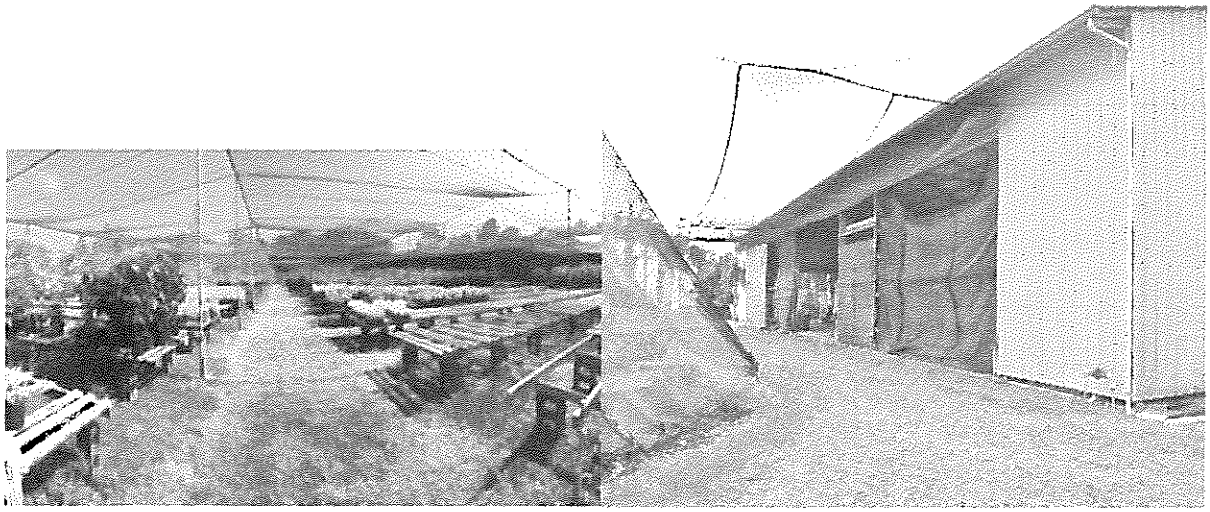
B. Facilities: The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

HOSPRO will rent part of an 11 acre, graded and gated site on Pohoiko (Mango) road in lower Puna about 4 miles from Pahoa on the Big Island. This site was previously used to grow palms for yard landscaping. This site houses a 4,400 sq. ft. concrete floored warehouse with a delivery dock and metal roof. The warehouse contains a 450 sq.ft. office, a conference room and a large room now used for tool storage but which could be adapted to become a sterile rearing room for seed germination with installation of incubators. Mauka of the warehouse is a 1.25 acre shade house with gradated screening to allow sunshine through, ranging from 40% to 65% shade cloth (see Figure 4 for photos of both the warehouse and the Shadehouse).

About 20% of the shade cloth needs replacing. There are tables throughout the shade house and a water delivery system that requires refurbishng from which County Water can be used to water young growing oil palm trees. About 1/3 of the tables need some repair and the water system needs to be adapted over to drip irrigation. Outside the shade house and nearby are concrete cinder, gravel and soil holding areas where these accoutrements can be directly delivered to be used for potting after sterilization. There are cleared terraces for transplanting and holding young oil palm trees as they harden. Robert Stearns was the nurseryman who worked there for >25 years growing palms for previous owners and will serve as the HOSPRO nursery manager. His experience with disabled students makes him an excellent mentor and manager of trainees and interns.

In the GIA request of 2017 to the State Legislature, HOSPRO requested funding to help purchase the site but the GIA was not funded. The site has since sold to be subdivided. HOSPRO has obtained an agreement to rent the shade house and warehouse until such time as new housing is erected on the subdivided land. Figure 4 serves to give some perspective of the facilities.

FIGURE 4. Photos of the shade house and the ware house are show here.



V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The first year staff shall consist of:

1 (one) general manager for operations who will provide vision, do planning, conduct fund-raising, oversee sales and mill operations and provide oversight of all activities (halftime, first year). Should have at least a B.S. or equivalent experience and training in personnel management and supervision, and familiar with growing plants in greenhouses or open fields, pesticide applications, grinding mill operations, safety protocols and financial statements.

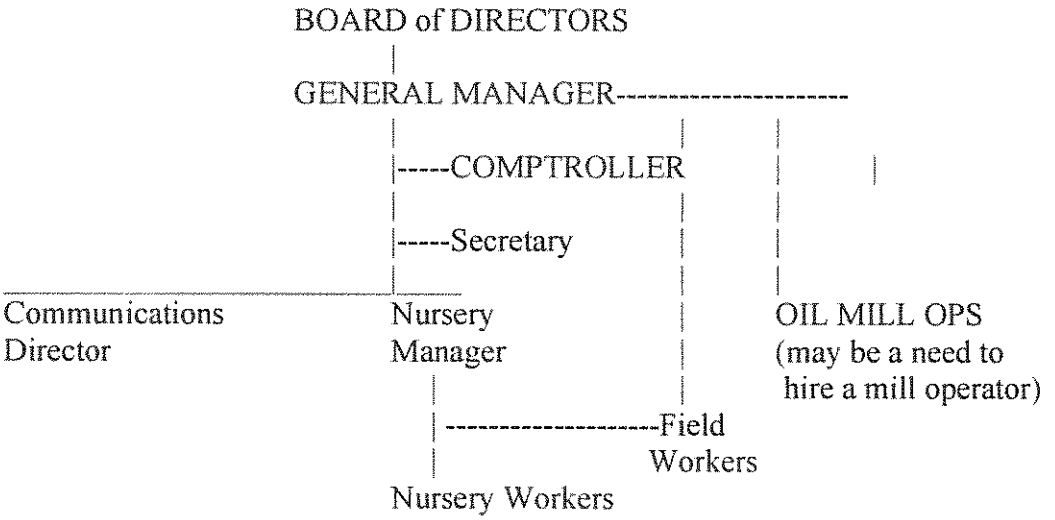
1 (one) secretary intern for recording Board and daily business daily transactions, keep track of hourly wages for workers, interns and student aids (halftime). Prefer someone with some College training who understands horticulture.

1 (one) nursery manager who will oversee oil seed germination, transplanting, fertilization, pest treatments and ordering of shade house and growing supplies (3/4 time). At least 10 years of experience required including management, supervision and training of one or more personnel and pesticide training in safely handling pesticides and fungicides.

2 (two) or more aids, students or interns for labor in shade house and mill, some college experience and botanical or agricultural courses preferred. HOSPRO has plans to hire a third intern with a supplement grant from the County of Hawaii.

NOTE: At this point we are only requesting funding halftime for the general manager, ¾ time for the nursery manager and half-time for the student interns. In Year 2 Managers will become full time positions but be paid from sales of vegetable oil and young oil palm seedlings. By Year 5 we anticipate employing up to 10 people as the nursery grows and as trees are shifted to the field; we will be offering student interns jobs as they graduate.

B. Organization Chart: The applicant shall illustrate the position of each staff and line of responsibility/supervision.



C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

Currently there are no salaried positions. This gap-funding request will help create such positions. Common Stock shares in the Cooperative are issued annually to the Manager, Secretary, Communications Director, and Comptroller as well as the Board of Director membership for their service and expenses in lieu of payment with hopes the company will grow in value through time. Currently 5% of 1 million shares are committed in this manner and the rest are available for investors in Phase 2 and 3 expansion.

VI. Other

1. Litigation: The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement.

There is no litigation or outstanding judgements against HOSPRO or its Board members.

2. Licensure or Accreditation: The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

There are no special qualifications, licensures or accreditations relevant to this request.

3. Private Educational Institutions: The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution

NOT APPLICABLE

4. Future Sustainability Plan
   The applicant shall provide a plan for sustaining after fiscal year 2017-18 the activity funded by the grant if the grant of this application is
   (1) Received by the applicant for fiscal year 2017-18, but
   (2) Not received by the applicant thereafter.

HOSPRO is making a one-time request for one-year bridge or gap funding and currently has 80 acres (8,000 trees) in production, the fruit of which are going to waste or being fed to hogs on the Big Island. These trees and sales of new palms will form the basis of a continuing self-funded expansion for the first 4 years, and by the fifth year new palm plantings will begin to produce fruit. Table 1 gives the breakdown picture of cost versus income over the next five years. With current trees we anticipate production to produce at least $1,500/acre or about $90,000-$120,000/year depending on the number of male trees versus female trees, the latter being the fruit producers. We are assuming the lower figure for production purposes and to be conservative in our approach. Since the trees will reach full maturity in 2019, and production

Table 1. Income versus cost picture of the first 5 years of HOSPRO production. Income from composting of dry material waste (stems and kernel shells)) and animal feed from wet crushed meal are not included. Note: The original base cost of operations in the Proof of Concept Study is used in developing budgets for first year of this request. The first year assumes the GIA is funded at $313,000. Sales of trees are set at $15 each and tree loss is figured at 10%. All figures in $$. Base cost is the cost of operations + cost of utilities + cost of fuel + cost of setting up the mill (year 1), plus cost of hauling fruit and seedlings.

	Gallons Produced[a]	Fuel Income	Seedlings No. trees	Tree sales Income	Total Income	Less Base Costs	- Misc Carryover	Costs[b]	Profit or Loss
Year 1	30,000	90,000	22,050	330,750	420,750	- 32,020	398,730	218,726[c]	180,004
Year 2	30,000	90,000	44,100	432,000	522,000	337,220	184,780	163,934[d]	200,850
Year 3	30,000	90,000	44,100	432,000	522,000	337,220	352,455[e]	245,657	307,648
Year 4	103,200	309,600	44,100	661,500	971,100	727,917[f]	243,183	155,462[g]	395,369
Year 5	199,200	597,600	88,200	1,323,000	1,920,600	625,000	395,600	155,462	635,527[h]

[a] Current Production at $3/gallon of raw vegetable oil as offered by Pacific Biodiesel; production lowered by 80% to adjust for differences in maturity, adjusted for males vs females.
[b] Assumes a 10% miscellaneous cost charge + $2,000/month rent cost continuing through time.
[c] Any profit will be used for next year operations and capital improvements and costs are carried over or passed through to investors. Note that after year one base costs include purchasing and raising 49,000 seedlings/year minus 10% for losses + base salaries.

[d] By Year 3 salary adjustments for General Manager and Nursery Manager are full time, and student aides have doubled in number so cost goes up accordingly.
[e] By year 3 we add a 2-ton truck with hydraulic lift bed for handling gravel, cinders, additional fruit hauling, and hauling trees to Coop farms. Dividends to share holders will begin in year 3.
[f] Includes cost of doubling shade house space and purchase of an additional truck.
[g] By Year 5 Field crews for planting and overseeing tree crops are in place. We expect 20 people to be employed by HOSPRO by Year 5.
[h] By end of Year 5, HOSPRO begins expansion the beyond existing 2,000 acres estimated to be in production by this time and will begin seeking purchase or lease of agricultural land.

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will likely ramp up to $1,700/acre thereafter (or $120,000-136,000), we think $90,000/annum is our best conservative estimate not including sales of palm meal for animal feed and compost from waste materials. By year 3 after the GIA (year 4 in the table), sales of oil palm and oil should reach = $971,100 less cost of $$722,917; adding in the carryover of $307,648 and subtracting miscellaneous cost yields $395,369 total income. With carryovers, there is an average growth of 26.25% annually, with the greatest growth coming in years 5 when the facilities are complete, thousands of trees are reaching oil production stage, and and costs stabilize. Beyond that, production will continue to ramp up as more trees for sale come on line, seedlings mature to produce oil, and more and more acreage is planted. This robust picture is a conservative estimate but clearly indicates the oil palm production will be a profitable venture in the future. Future expansion will continue and will be based on profits from this venture. We need help with the first year to help us realize our vision of a biofuel/vegetable oil secure Hawaii. This income picture will not only be sustainable but will grow beyond the first and only year of this request.

5. Certificate of Good Standing (If the Applicant is an Organiation): The applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2017

Attached.

6. Declaration Statement in compliance with Section 42F-103 Hawaii Revised Statutes.

Hawaii Oil Seed Producers (HOSPRO) declares that it is a duly registered 501c5 nonprofit agricultural cooperative whose purpose is to serve agricultural producers of oil nuts or seeds. HOSPRO verifies its incorporation papers and bylaws are registered with the Federal government and/or State of Hawaii and that it is duly registered with Hawaii Compliance Review and Hawaii Business Express who can confirm this statement. HOSPRO will comply with all federal, county and state laws prohibiting discrimination of any sort as written in the Bylaws also on file. HOSPRO further agrees that state funds granted will not be used for entertainment or for lobbying activities and it will allow open and ready access to legislative committees, their staffs, auditors of record, etc to ensure measuring and monitoring of HOSPRO expenditures for the purposes of the grant. HOSPRO confirms it has been designated a nonprofit by the IRS as of August 19, 2014 and has accordingly filed tax returns under nonprofit status. HOSPROs

governing Board will not have a material conflict of interest and serves without compensation. HOSPRO does not intend to purchase land with this grant.

7. Public Purpose: The applicant shall specify if the grant to be used for a public purpose pursuant to Section 42F-102 Hawaii Revised Statutes?

As stated in section I-3 above of this grant request the funds shall be used for a public purpose for the good of the people of the State of Hawaii.

8. References

1. Steiner, W.W.M. 2012. Final Report: Proof of Concept for Growing Oil Palm in Hawaii. Final Report to HECO: 9 Figs, 4 Tables, 24 pp.
2. Chin,C.P and P. Harum. 1994. Cattle rearing in oil palm plantations of RISDA ESPEK. Proc. Intl. Congress on Qual. Veterinary Services for the 21st, Century.Kuala Lumpur. Pp. 221-225.
3. The Star, Malaysia. 17 February 2014. Oil Palm leftovers, alternative food for livestock. Section on Nutrition "All About Feeds".
4. DBEDT 2017 Hawaii Energy Facts and Figures, HI Energy Office. 44 pages.

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2018 to June 30, 2019

HAWAII OIL SEED PRODUCERS LLC/WILLIAM W STEINER

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
GENEERAL MANAGER	0.5	$45,000.00	40%% OF TIME	$ 18,000.00
NURSERY MANAGER	0.75	$42,000.00	75%% OF TIME	$ 25,000.00
STUDENT INTERN 1	0.75	$14,000.00	49% OF TIME	$ 14,000.00
STUDENT INTERN 2	0.49	$14,000.00	49% OF TIME	$ 14,000.00
	0.49			$ -
				$ -
BENEFITS				$ -
GENERAL MANAGER	0.5		40%% OF TIME	COVERED
NURSERY MANAGER	0.75		75% OF TIME	$ 5,800.00
STUDENT INTERN 1	0.49		49%% OF TIME	$ 2,800.00
	0.49		49% OF TIME	$ 2,800.00
				$ -
				$ -
				$ -
TOTAL:				82,400.00

JUSTIFICATION/COMM General Manager is retired and draws Social Security and Medicaid. Half time salary is requested to over efforts assoiated with ordering, paying bills, overseeing all ops, raising funding, etc. Nursery Manager oversees all nursery activities with aid of interns.

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

HAWAII OIL SEED PRODUCERS/WILLIAM STEINER

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			$ -	
SOIL STERILIZER	1	$38,000.00	$ 38,000.00	38000
			$ -	
INCUBATORS	10	$3,200.00	$ 32,000.00	32000
			$ -	
TOTAL:	11		$ 70,000.00	70,000

JUSTIFICATION/COMMENTS: Soil sterilizer is required to sterilize potting soil to start seedlings since soil fungi and bacteria can reduce productn of oil palm trees by 80%. Incubators are required to protect the thousands of seedlings from airborne plant pathogens till they reach the 2 leaf stage or about 2-4 inches in height.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			$ -	
NONE AT THIS TIME			$ -	
			$ -	
			$ -	
			$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

MANAGERS WILL USE THEIR PERSONAL VEHICLES TO MOVE SOIL, ROCK, PLANTS AND MATERIALS.

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

HAWAII OIL SEED PRODUCERS/WILLIAM W S teiner

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2016-2017	FY: 2017-2018	FY:2018-2019	FY:2018-2019	FY:2019-2020	FY:2020-2021
PLANS						
LAND ACQUISITION RENT	0	0	20000		20000	20000
SEED, INSURANCE, SOIL AMENDMENTS, CHEMICALS	0	0	102600		102600	102600
Renovation of SHADEHOUSE	0	0	35000		35000	35000
Requested in a separate attached budget						
TOTAL:			157,600		157,600	157,600

JUSTIFICATION/COMMENTS Palm seedlings need 40-65% shade to grow to a size enabling planting to fields. However incubators must be provided for seedlings between 2 leaf stage and 4 leaf stage when they can be moved to the shade house. Seed, soil amendments, pesticies, fertilizers and fungicides must be purchased to further protect young seedlings from infections.

SUMMARY; Operations Budget For Growing 45,000 oil palms

2018-2019

Personnel	Category Request					
Salaries		Q1	Q2	Q3	Q4	TOTALS
General Manager (1/2 time)	18,000	4,500	4,500	4,500	4,500	
Nursery Manager (3/4 time)	25,000	6,250	6,250	6,250	6,250	
Student Assistants (2 halftime)	28,000	7,000	7,000	7,000	7,000	71,000
Benefits						
General Manager	000					
Nursery Manager	5,800	1,450	1,450	1,450	1,450	
Student Assistants	5,600	1,400	1,400	1,400	1,400	11,400
Rent Shadehouse/warehouse space	20,000	5,000	5,000	5,000	5,000	20,000
Fungible Equipment						
Soil sterilizer	38,000					
Incubators	32,000	70,000				70,000
Shadehouse repairs						
Plumbing	18,000					
Screen shading	20,000	35,000	1,000	1,000	1,000	38,000
Insurance						
Liability	800	800				
Assets coverage	3,200	3,200				4,000
Seed purchase and shipping						
Phyto-sanitized seeds, Costa Rica	45,000	22,500		22,500		
Shipping sealed containers	5,000	2,500		2,500		
Inspection and clearance	2,000	1,000		1,000		
Heavy mill plastic Rearing bags	5,000	2,500		2,500		57,000
Soil and Amendments						
Tropical mix soil (80 trk loads@$370						
Per load)	29,600	14,800		14,800		29,600
Pesticides and Fertilizers						
Fungicides	1,500	750		750		
Beetle and aphid sprays	1,500	750		750		
Fertilizers	9,000	4,500		4,500		12,000
	313,000	183,900	26,600	75,900	26,600	$ 313,000

DECLARATION STATEMENT OF APPLICANTS FOR GRANTS PURSUANT TO CHAPTER 42F, HAWAI'I REVISED 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, Hawai'i 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, Hawai'i 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, Hawai'i 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, Hawai'i 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 LLC

[redacted] 01/13/2018

(Signature) (Date)

WILLIAM W STEINER

GENERAL MANAGER&CHAIR, BOD

(Typed Name) (Title)

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 13, 2018

Director of Commerce and Consumer Affairs