

NEIL ABERCROMBIE
Governor



LATE

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**TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
FRIDAY, MARCH 22, 2013
CONFERENCE ROOM 211**

**HOUSE BILL NO. 1264 HD2 SD1
RELATING TO AGRICULTURAL LOANS**

Chairperson Ige and Members of the Committee:

Thank you for the opportunity to comment on HB 1264, HD2 SD1. The Department strongly supports this bill.

Part I of this bill will create a low interest loan program to assist the livestock and poultry industry renovate their existing structures or construct new infrastructure to ensure they are bio-secure and meet new Federal requirements. The improved bio-secure infrastructures will result in a safer food supply and prevent the spread of livestock and zoonotic diseases amongst wild animals, the herd and humans while helping to ensure that fresh eggs, beef and pork remain available to Hawaii's citizens.

Part II of this bill enhances the new farmer loan program by including farm innovation loans to encourage development of new crops and use of technology and new growing techniques to keep Hawaii's farmers viable with growing worldwide competition. The bill also broadens the program to include graduates from farm trainee programs and reduces the equity contribution required in order to encourage young entrepreneurs to enter the agricultural field. The lowered contribution amount of 5% will make it easier for these recent graduates to qualify for an agricultural loan and start their own operations.

The bill broadens the agricultural loan program to assist segments of the farming community by providing access to capital at favorable interest rates and terms.

Thank you for the opportunity to testify on this measure.