

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

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

**BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS
FEBRUARY 21, 2013
9:00 A.M.
CONFERENCE ROOM 211**

**SENATE BILL NO. 993 SD 1
RELATING TO AGRICULTURAL LOANS**

Chairperson Ige and Members of the Committee:

Thank you for the opportunity to comment on SB 993 SD1. The Department strongly supports this bill.

The purpose of this bill is to enhance the new farmer loan program by including farm innovation loans to encourage development of new crops and use of technology and innovation to keep Hawaii's farmers competitive with growing worldwide competition. The bill also broadens the program to include graduates from farm trainee programs and reduces the equity contributions to encourage young entrepreneurs to enter the agricultural field.

New farm technologies are constantly being developed and the proposed bill will encourage existing farmers to take advantage of these innovations to increase productivity and become cost effective producers. Commercial development of new crops will also diversify Hawaii's agricultural industry and hopefully create new export opportunities.

Many recent college and farm trainee graduates lack the financial strength and resources to qualify for larger loans and meet the required 15% equity contribution. The bill will create a new tier of loans for smaller projects for recent college and farm trainee graduates with a limit of \$100,000. The lowered contribution amount of 5% it will make it easier for these recent graduates to qualify for a loan to start their own operations.

Thank you for the opportunity to testify on this measure.



Email: communications@uluponoinitiative.com

SENATE COMMITTEE ON WAYS AND MEANS
Thursday, February 21, 2013 — 9 a.m. — Room 211

Ulupono Initiative Supports SB 993 SD 1, Relating to Agricultural Loans

Dear Senator Ige, Vice Chair Kidani and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono supports SB 993 SD 1, which modifies the new farmer loan program to allow for agricultural loans to assist new farmers, new farm enterprises and new farm innovation.

This program would help grow the next generation of farmers: from farm trainees and interns, through recent college graduates and entrepreneurs working on innovative technology by assisting with much-needed start-up capital.

As investors, we see this as an investment in future farmers by providing the financial boost needed to gain a foothold and help sustain careers in agriculture.

Ulupono is happy to support this proposal requested by the Hawai'i Department of Agriculture as another way to help our community grow more fresh, healthy local food. Ulupono sees that putting more local food on local plates can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way. We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner