

**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 COMMITTEES ON AGRICULTURE AND ECONOMIC DEVELOPMENT AND  
BUSINESS  
MARCH 14, 2013  
9:00 A.M.  
CONFERENCE ROOM 312**

**SENATE BILL NO. 993 SD 2  
RELATING TO AGRICULTURAL LOANS**

Chairpersons Wooley and Tsuji and Members of the Committee:

Thank you for the opportunity to comment on SB 993 SD2. 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.

As you are aware, SB 992 SD 2 also considers expanding the Department's loan program to assist producers with infrastructure improvements required by new biosecurity regulations imposed by the US Environmental Protection Agency. If SB 992 SD 2 is not to be heard due to time limitations or

Testimony of Russell S. Kokubun  
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other constraints, the Department recommends that the language of SB992 SD 2 be inserted into this bill as a Part II. The title of this measure would accommodate this amendment.

Thank you for the opportunity to testify on this measure.

**onishi1-Jerry**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 11, 2013 11:05 PM  
**To:** AGRtestimony  
**Cc:** pennysfh@hawaii.rr.com  
**Subject:** \*Submitted testimony for SB993 on Mar 14, 2013 09:00AM\*

**SB993**

Submitted on: 3/11/2013

Testimony for AGR/EDB on Mar 14, 2013 09:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Penny Levin	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HOUSE COMMITTEES ON AGRICULTURE/ECONOMIC DEVELOPMENT & BUSINESS  
Thursday, March 14, 2013 — 9 a.m. — Room 312

**Ulupono Initiative Supports SB 993 SD 2, Relating to Agricultural Loans**

Chairs Wooley and Tsuji, Vice Chairs Onishi and Ward and Members of the Committees:

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 2**, 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





**Hawaii Farm Bureau**  
F E D E R A T I O N

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March 14, 2013

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON SB 993, SD2  
RELATING TO AGRICULTURAL LOANS

Room 312  
9:00 AM

Chair Wooley, Chair Tsuji, Vice Chair Onishi, Vice Chair Ward, and Members of the Committees:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF respectfully requests your support of SB 993, SD2, modifying the new farmer loan program of the Department of Agriculture to promote the development of innovative technologies and to assist new farm enterprises.

The cost of establishing new agricultural operations in Hawaii is very difficult if not impossible. Operating capital is not easy to obtain with the traditional methods of financing. As our farmers and ranchers are aging, we need to assist those that are able to successfully operate an agricultural operation such as college graduates or trainees that have graduated from a certified program. The loan program will help whether it is for new operations or the succession of an existing operation. Providing financing for innovative technologies is also critical as we must be efficient to remain competitive in a global market. We must be able to utilize and adapt the latest technological advances available to be viable. Supporting this modification of the loan program should have a positive effect in creating successful enterprises into Hawaii's future.

Thank you for this opportunity to provide our opinion on this important matter.