

SB 993

Testimony

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

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TESTIMONY OF RUSSELL S. KOKUBUN
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BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
TUESDAY, FEBRUARY 12, 2013
2:55 P.M.
CONFERENCE ROOM 229

SENATE BILL NO. 993
RELATING TO AGRICULTURAL LOANS

Chairperson Nishihara and Members of the Committee:

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