



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2022**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2969, RELATING TO AN AGRICULTURAL EMERGENCY SPECIAL FUND.

**BEFORE THE:**

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**DATE:** Monday, February 14, 2022      **TIME:** 1:20 p.m.

**LOCATION:** State Capitol, Room 224, Via Videoconference

**TESTIFIER(S):** Holly T. Shikada, Attorney General, or  
Alison S. Kato or Bryan C. Yee, Deputy Attorneys General

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Chair Gabbard and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments on this bill.

This bill proposes to establish an agricultural emergency special fund to provide emergency loans to farmers and ranchers for disaster recovery.

Section 2 of the bill on page 2, lines 8 through 11, makes an appropriation into the newly established special fund. There is not, however, an appropriation made out of the special fund, which is necessary for money to be expended from the special fund by the Hawaii Department of Agriculture. Article VII, section 5, of the Hawaii State Constitution provides: "[n]o public money shall be expended except pursuant to appropriations made by law." The moneys appropriated into the agricultural emergency special fund are public moneys that need to be appropriated out of the fund by the Legislature in order to be expended.

To address this matter, the Department provides the following section to be inserted as a new section 3 in the bill:

"SECTION 3. There is appropriated out of the agricultural emergency special fund the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2022-2023 for the purposes of this Act.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act."

The Department also offers five technical corrections to wording in the bill:

1. On page 1, line 10, as follows: "(2) All other funds received by the department of agriculture and legally . . . ."
2. On page 2, line 3, as follows: "(b) Moneys in the [~~agriculture~~] agricultural emergency special fund [~~may~~] shall . . . ."
3. On page 2, lines 8-9, as follows: "There is appropriated out of the general [~~fund~~] revenues of the State of Hawaii the sum of . . . ."
4. On page 2, line 10, as follows: ". . . deposited into the [~~agriculture~~] agricultural . . . ."
5. After inserting the new section 3, renumber sections 3 and 4 to sections 4 and 5 at page 2, lines 12 and 13, respectively.

Thank you for the opportunity to offer comments.

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

MORRIS M. ATTA  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

**FEBRUARY 14, 2022  
1:20 P.M.  
CONFERENCE ROOM 224**

**SENATE BILL NO. 2969  
RELATING TO AGRICULTURAL EMERGENCY SPECIAL FUND**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to present testimony on Senate Bill 2969. This bill establishes the Agricultural Emergency Special Fund to provide loans to farmers and ranchers for disaster recovery. The Department supports this measure, but prefers the language in Senate Bill 3020, and offers comments, concerns, and a recommendation.

The Department's existing agricultural loan program provides critical financing for farmers and ranchers who are experiencing difficulties obtaining traditional financing to start, sustain, or expand their agricultural operations. The agricultural emergency loan program established by this measure will serve as a much-needed safety net to the agricultural industry during times of emergency. Climate change and economic disasters are occurring with greater frequency creating severe hardship to already struggling farm and ranch operations throughout the State. In the past three years the Department's loan program has made 31 emergency loans totaling \$2.3 million. Emergency loan amounts ranged from \$10,000 to \$500,000 averaging \$74,194 over the three-year period.



The Agricultural Loan Revolving Fund currently has \$4.25 million available for loans to finance the capital, operational, and emergency needs of the agricultural industry. The loans under this program have averaged \$4.2 million annually for the past three fiscal years. Due to the tight funding supply the program has not been able to reserve any funds specifically for emergency loans. Having a dedicated source of funding for agricultural emergencies will ensure that funding is available when it is needed as a safety net for farms and ranches to ensure their survival during natural disasters, production and pest blights, and economic disasters, while simultaneously ensuring that financial support for other critical needs of the industry is sustained at appropriate levels.

The department is concerned that since the agricultural loan program already exists and is funded by the Agricultural Loan Revolving Fund, having repayment from the all emergency loans be placed in the proposed agricultural emergency special fund would divert funds expended from the regular loan program for any outstanding or future emergency loans originating from the existing program. The Department recommends the following language amendment to return loan repayments to the appropriate funding source:

- (1) Agricultural emergency charges received for the use and services of the loan program, including the repayment of loans funded by the agricultural emergency special fund [~~made under the loan program~~];  
(New language is underlined and deleted language is stricken through and bracketed)

Thank you for the opportunity to testify.



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February 14, 2022

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 2969**  
RELATING TO AN AGRICULTURAL EMERGENCY SPECIAL FUND

Conference Room 224 & Videoconference  
1:20 PM

Aloha Chair Gabbard, Vice-Chair Nishihara, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawaii Farm Bureau supports SB 2969**, which establishes an Agriculture Emergency Special fund to provide loans to farmers and ranchers for disaster recovery.

Hawaii farmers and ranchers have and will continually have their operations impacted by natural disasters, global epidemics disease, pests, diseases, high winds, thunderstorms, hurricanes, fires, floods, earthquakes, lava flow, vog or other volcanic activity, droughts, and tidal waves. Supply chain issues and other shipping disruptions are also challenging for agricultural producers. These unexpected disasters can result in devastating economic damage and emergency financial assistance is critical to help our farmers and ranchers recover from production and physical losses.

An Agricultural Emergency Special Fund would enable HDOA to quickly respond to agricultural emergencies by assisting farmers and ranchers with funding to help repair damaged infrastructure, replant crops, or replace equipment and supplies allowing them to continue farming or ranching.

Thank you for this opportunity to testify in support of this measure.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT  
Monday, February 14, 2022 — 1:20 p.m.

**Ulupono Initiative supports SB 2969, Relating to an Agricultural Emergency Special Fund.**

Dear Chair Gabbard and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

**Ulupono supports SB 2969**, which establishes an Agriculture Emergency Special fund to provide loans to farmers and ranchers for disaster recovery.

Ulupono believes that the DOA's Agricultural Loan Division provides critical support to the state's farmers and ranchers and helps advance Hawai'i's food production goals. This program allows local farmers and ranchers to receive capital for costs such as land and water resources, farm inputs, equipment and infrastructure, emergency response, marketing, technology, and much more. The Agricultural Loan Program's revolving fund has been depleted due to the agricultural community's struggles to stay afloat after recent natural disasters, weather events, and the pandemic's economic fallout. Emergency needs tend to vary, depending on the circumstance. However, a quick, reliable loan process is important to address immediate needs in each instance. This bill seeks to establish a timely and streamlined emergency loan process that will benefit local farmers and ranchers seeking to support the state with local products in times of disaster.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



**THE SENATE**  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

Monday, February 14, 2022 1:20 p.m.  
Conference Room 224 & Videoconference

**RE: SB2969 RELATING TO AN AGRICULTURE EMERGENCY FUND**

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

The Hawaii Floriculture and Nursery Association (HFNA) **SUPPORTS SB2969**

It is important that farmers be able to keep farming. To do so they need support with disasters that may occur. This bill will help with peace of mind and help to bolster the agriculture sector of the economy.

If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email [eric@greenpointnursery.com](mailto:eric@greenpointnursery.com).

Supporting Agriculture and Hawaii,

  
Eric S. Tanouye  
President  
Hawaii Floriculture and Nursery Association



# Food+ Policy Internship 2022

[food@purplemaia.org](mailto:food@purplemaia.org)

February 13, 2022

Aloha e Chair Gabbard, Vice Chair Nishihara and Members of the AEN Committee,

**We are in full support of SB2969 relating to an agricultural emergency special fund.** The COVID-19 pandemic has taught us many important lessons and shed light on some of the fatal flaws in our food system. In the initial shock of the pandemic as restaurants and businesses shut down and tourists not crowding our shores, HDOA director Phyllis Shimobukuro-Geiser said that farmers [reported](#) losing up to 50-60% of their market, some even had to plow down perfectly good vegetables or pour milk out because there was simply no market for it.

As our State slowly builds the capacity for a more resilient food system that involves more cold storage facilities, city and statewide emergency feeding plans, and other integral facilities, Hawai'i's farmers will still need help in the case of another disaster like the pandemic. SB2969 can provide this support needed.

While there was funding support that helped keep many farms afloat after the shock of the pandemic like emergency loan programs, SB2969 would ensure that all this protection for farmers would be in place proactively instead of retroactively. We have already witnessed the terrible devastation that the COVID-19 pandemic had on our farmers and agriculture sector. We have hopefully learned lessons and can be prepared for the next inevitable disaster caused by climate change. **We therefore fully support SB2969** for the protection of our vulnerable farmers and its ability to help us be proactive.

Mahalo,  
Kelsey Amos & the Food+ Interns  
#fixourfoodsystem

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**The Food+ Policy internship** develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.