

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 15, 2023
11:30 AM
CONFERENCE ROOM 308

HOUSE BILL NO. 971, HOUSE DRAFT 1
RELATING TO AGRICULTURAL LOANS

Chairperson Yamashita and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 971, HD1. This bill creates a revolving fund that will be dedicated to funding agricultural emergency loans. The emergency loan program serves as a safety net to farms during times of emergency and the Department strongly supports this bill.

Climate change and economic disasters are occurring with greater frequency creating much hardship to already struggling farm and ranch operations throughout the State. Ordinarily, on an annual basis, the funds available in the agricultural loan revolving loan fund are barely sufficient to meet the demands for loans to farmers who have not been able to obtain financial assistance from other sources and meet the Department's eligibility criteria. Due to the tight funding supply the program has not been able to reserve any funds specifically for emergency loans. Fortunately, in the last Legislative Session, the Legislature generously provided a one-time appropriation of \$1,500,000 for emergency loans to assist farmers and ranchers in the county of Maui adversely affected by drought and axis deer. However, natural disasters, production and pest blights and economic disasters are occurring on a more frequent basis with climate change and other factors and the Department's ability to respond with financial assistance in a timely manner is severely limited due to lack of a dedicated and readily available



emergency loan funding source. The Department's inability to assist farmers and ranchers damaged by such calamities in a timely manner was exacerbated by the recent elimination of the Department's access to Barrel tax revenues which were used to provide relief from the impacts of the pandemic through small emergency grants. Having a dedicated source of funding for agricultural emergencies will ensure that funding is available when it is needed ensuring a safety net for farms and ranches to ensure their survival during unforeseen emergencies which are expected to occur on a more frequent and more severe basis.

Thank you for the opportunity to testify.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, February 23, 2023 — 11:30 a.m.

Ulupono Initiative supports HB 971 HD1, Relating to Agricultural Loans.

Dear Chair Yamashita 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 choices, and better management of freshwater resources.

Ulupono supports HB 971 HD1, which establishes the Agricultural Emergency Loan Revolving Fund, to be administered by the Department of Agriculture, to fund Class D emergency loans, and provides a separate source of funding for agricultural emergency loans.

Ulupono believes that the Department of Agriculture's Agricultural Loan Division provides critical support to the state's farmers and ranchers and helps advance Hawai'i's food production goals. Its programs include connecting local farmers and ranchers with capital for costs such as land and water resources, farm inputs, equipment and infrastructure, emergency response, marketing, technology, and much more.

The division's 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. Having a dedicated emergency loan fund is important to address immediate needs in each instance and benefits local farmers and ranchers seeking to support the state with local products in times of disaster.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 23, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 971, HD1
RELATING TO AGRICULTURAL LOANS

Conference Room 308 & Videoconference
11:30 AM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

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

The Hawai'i Farm Bureau supports HB 971, HD1, which establishes the agricultural emergency loan revolving fund, to be administered by the Department of Agriculture, to fund Class D emergency loans, and provides a separate source of funding for agricultural emergency loans.

Hawai'i farmers and ranchers have and will continually have their operations impacted by natural disasters, global epidemics, 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 Loan Revolving Fund that offers emergency loans 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 the opportunity to testify in support of this measure.

HB-971-HD-1

Submitted on: 2/22/2023 8:53:11 AM

Testimony for FIN on 2/23/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Galase	Hawaii Cattlemen's Council	Support	Written Testimony Only

Comments:

The Hawaii Cattlemen's Council supports HB971 HD1

HB-971-HD-1

Submitted on: 2/22/2023 6:09:58 AM

Testimony for FIN on 2/23/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gordon Inouye	Individual	Support	Written Testimony Only

Comments:

Aloha Members of the Hawaii Legislature,

Currently Emergency loans are funded through the common revolving Agricultural Loan fund. In the event of an emergency funding would be limited to availability of funds at that time. We need to set aside a specific amount available for emergency use to enable the Department of Agriculture to optimize the utilization of the Ag. Loan Fund without having to conserve funding for emergencies. A separate fund for emergencies will accomplish that and make the Department of Agriculture more effective in its primary mission to support agriculture in Hawaii. I urge your support for this measure.

Sincerely, Gordon E. Inouye, President, Puna Flower Power. Director, HFNA, Director SHAC