

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 HOUSE COMMITTEE ON FINANCE

APRIL 1, 2021
2:30 P.M.
VIA VIDEOCONFERENCE

SENATE BILL NO. 336 SD1
RELATING TO DEPARTMENT OF AGRICULTURE LOANS

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to present testimony on Senate Bill 336 SD1. This bill increases the Chairperson's authority to approve agricultural and aquacultural loans to \$50,000.00. The Department of Agriculture strongly supports this bill.

The Chairperson's approval authority of \$25,000 has not been increased since it was originally authorized in 1982, approximately 39 years ago. Since that time, business costs and the speed of business has increased significantly. The proposed increase in the limit to \$50,000 will increase use of micro-loans and allow applicants to get adequate funding on a timely basis.

The Department has streamlined its micro-loan application and underwriting processes. Utilizing the Chairperson's authority to approve smaller loans can reduce loan approval times by a month or more. In calendar year 2020, 40% of the micro-loans were for \$25,000 and 60% were for loans less than \$25,000. No loans were approved between the limit and \$50,000. While inquires for financial assistance exceeding the limit were received, many of those applicants felt compelled to reduce their loan requests to the micro-loan limit of \$25,000 to obtain the maximum benefit allowable under the program and to receive funding on a timely basis. Micro-loans are intended to provide quick shorter-term financial assistance to farmers for immediate operational needs. Loans in excess of the current \$25,000 ceiling require approval by the Board of Agriculture and significantly delays the applicant's access to much



needed funds. Consequently, a strong need for raising the ceiling exists to ensure that loan approval decisions can be made to provide relief to applicants in timely manner.

Thank you for the opportunity to testify on this measure.

SB-336-SD-1

Submitted on: 3/31/2021 8:38:13 AM

Testimony for FIN on 4/1/2021 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
AGR Matsukawa Dean	Dept. of Agriculture	Support	No

Comments:

Available for comments and questions.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, April 1, 2021 — 2:30 p.m.

Ulupono Initiative supports SB 336 SD 1, Relating to Agricultural Loans.

Dear Chair Luke 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 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 336 SD 1, which increases the Board of Agriculture Chairperson's authority to approve agricultural loans and aquacultural loans not to exceed \$50,000 of state funds, rather than \$25,000.

Ulupono believes that the Department of Agriculture's Agricultural Loan Program is critical to support the State's local 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. These moneys are directly invested in Hawai'i's agricultural future.

This particular threshold in statute has existed since 1982. In the nearly 40 years since this policy has been adopted, business costs and agricultural needs have increased substantially. Despite enduring many natural disasters and emergencies, local agriculture producers have still found ways to support local communities in need of food and other products. The Agricultural Loan Program has been a crucial reason for this level of resiliency. Having access to agricultural loan resources in a timely and streamlined manner will benefit local farmers and ranchers that are seeking to continue supporting the state with local products in times of emergencies.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



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April 1, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 336, SD1
RELATING TO AGRICULTURAL LOANS

Conference Room 308
2:30 PM

Aloha Chair Luke, Vice-Chair Cullen, 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 336, SD1, which increases the Board of Agriculture Chairperson's authority to approve agricultural loans and aquacultural loans not to exceed \$50,000 of state funds, rather than \$25,000.

We support this change as it will expedite the approval of small loans to Hawaii's farmers and ranchers. Raising the ceiling of the loan approval authority of the Chairperson parallels the ongoing increase in construction and operating costs. This increase will also allow the Board of Agriculture to focus on larger loans that are more complex.

Increasing the BOA Chairperson's loan approval authority will make the HDOA more efficient by reducing the cost and time expended by staff on small loan approvals and will also reduce the amount of time that Hawaii's farmers and ranchers have to wait for approval for a small HDOA loan.

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

SB-336-SD-1

Submitted on: 3/30/2021 1:05:26 PM

Testimony for FIN on 4/1/2021 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John D. Smith	Individual	Support	No

Comments:

I support this bill to be passed through legislature.