

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

FEBRUARY 1, 2021  
1:00 P.M.  
VIA VIDEOCONFERENCE

SENATE BILL NO. 336  
RELATING TO DEPARTMENT OF AGRICULTURE LOANS

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to present testimony on Senate Bill 336. 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 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 loans were for \$25,000 and 60% were for loans \$25,000 or less indicating a strong need for faster loan approval decisions. No loans were approved between the limit and \$50,000 as applicants reduced the size of their loan requests to the micro-loan limit of \$25,000 to take advantage of the program and to receive funding on a timely basis.

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.

Thank you for the opportunity to testify on this measure.





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February 1, 2021

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 336**  
RELATING TO AGRICULTURAL LOANS

Videoconference  
1:00 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 336**, 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.



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

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT  
Monday, February 1, 2021 — 1:00 p.m.

**Ulupono Initiative supports SB 336, Relating to Agricultural Loans.**

Dear Chair Gabbard and Members of the Committee:

My name is Amy Hennessey, and I am the Senior Vice President of Communications & External Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by creating more locally produced food; increasing affordable, clean, renewable energy and transportation options; and better managing freshwater and waste resources.

**Ulupono supports SB 336**, 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,

Amy Hennessey, APR  
Senior Vice President, Communications & External Affairs

*Investing in a Sustainable Hawai'i*

**SB-336**

Submitted on: 1/30/2021 2:39:50 PM

Testimony for AEN on 2/1/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Amy Brinker	Individual	Support	No

Comments:

Support