

STAND. COM. REP. NO.

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Honolulu, Hawaii

FEB 04 2021

RE: S.B. No. 336

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 336 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Chairperson of the Board of Agriculture to approve agricultural and aquacultural loans in a requested amount not to exceed \$50,000, rather than \$25,000.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawai'i Farm Bureau, Ulupono Initiative LLC, and one individual.

Your Committee finds that under existing law the Chairperson of the Board of Agriculture may approve agricultural loans up to \$25,000. The Chairperson's approval authority of \$25,000 has not increased since it was originally authorized in 1982. Since that time, the costs and speed of business have increased significantly.

Your Committee further finds that access to agricultural loan resources in a timely and streamlined manner benefits local farmers and researchers. In calendar year 2020, forty percent of loans approved were for \$25,000 and sixty percent of the loans approved were for amounts less than \$25,000, indicating an intense need for faster small loan approval decisions. This measure will



expedite the approval of small loans for farmers and ranchers by increasing the loan ceiling to \$50,000 to allow for more funds to be dispersed via fewer loans, which reduced overall costs and time expended by the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 336 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



