

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**SHARON HURD**  
Chairperson, Board of Agriculture

**DEAN M. MATSUKAWA**  
Deputy to the Chairperson

State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON FINANCE**

**FEBUARY 20, 2025**  
**2:00 PM**  
**CONFERENCE ROOM 308**

**SENATE BILL NO. 984 HD1**  
**RELATING TO AGRICULTURAL LOANS**

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to testify on House Bill 984 HD1. The bill updates the agricultural loan program by lowering and fixing interest rates, increasing loan limits and reducing the number of credit denials required to qualify for the program. The bill also creates a new line of credit program, a loan program to encourage larger scale agriculture for import replacement and the farm to state programs and adds food hubs as qualified borrowers. Includes an appropriation.

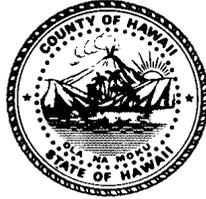
The Hawaii Department of Agriculture strongly supports this measure. Access to affordable capital has long been an issue for the state's farmers and ranchers and is often cited as a critical roadblock to the progression of agriculture. Fixing interest rates makes farm planning purposes easier and is more equitable for borrowers rather than having rates fixed at the time of loan approval. Larger loan limits are needed to deal with inflation, increased cost of production and to encourage larger scale agriculture. Currently no other government agricultural lender offers lines of credit but having faster access to funds is often needed in the business pace of today and allows farmers to



take advantage of short-term time sensitive deals. For farms to compete with imported crops and produce crops for farm-to-state programs they will need to be price competitive. Large scale agriculture offers economies of scale to keep down production costs and allows for production amounts that can meet the needs of regional kitchens and processing facilities. The addition of food hubs will benefit smaller scale farmers, allowing them to work together to meet market needs.

Thank you for the opportunity to testify on this measure.

C. Kimo Alameda, Ph.D.  
Mayor



Benson Medina  
Director

Dennis Lin  
Deputy Director

# County of Hawai'i

## DEPARTMENT OF RESEARCH AND DEVELOPMENT

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February 19, 2025

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

THURSDAY, February 20, 2025  
2:00 PM  
CONFERENCE ROOM 308

TESTIMONY ON HB 984 HD1: Relating to Agricultural Loans

Aloha Chair Yamashita, Vice Chair Takenouchi and Members of the Committee,

I am Benson Medina, Director of the Department of Research and Development, County of Hawai'i. One of the agricultural objectives of this department is to "support collaboration, innovation, resource development, and programmatic sustainability throughout the food system to reduce food waste, improve producer viability and resilience, develop workforce development pathways, or increase access to locally produced food among low-income residents."

The County of Hawai'i provides written testimony in **SUPPORT of HB984 HD1**, to update the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, and reducing the number of credit denials, as well as authorizing the agricultural loan program to issue lines of credit and creating a new class of loans to encourage large scale agriculture of import replacement crops grown for the farm to state program.

Access to capital is one of the top five issues Hawai'i farmers reported facing in 2024, restricting economic viability ([HDOA, 2024](#)). A statewide survey found that farmers' most frequently identified solution for accessing capital was low-interest loans or grants for farm improvements or expansion ([Hawaii Farmer Needs Assessment, 2018](#)).

The loan program modifications included in HB984 HD1 will offer higher loan limits and favorable interest rates to encourage farmers and ranchers to expand their current operations to meet the needs of state agencies for the farm to state program and to assist the state in becoming more self-sufficient in food production.

Additionally, establishing a line of credit program will provide great benefits to the farming and ranching communities. Lines of credit allow for faster access to capital, borrowers can take advantage of time sensitive business opportunities and deal with cash flow issues that may arise due issues such as slow collections, unexpected expenses and emergency situations. Thank you for championing agriculture in Hawai'i and for the opportunity to provide testimony in **SUPPORT** of HB984 HD1.

Respectfully,

Benson Medina  
Director



P.O. Box 253, Kunia, Hawai'i 96759  
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February 20, 2025

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 984, HD1**  
RELATING TO AGRICULTURAL LOANS

Conference Room 308 & Videoconference  
2:00 PM

Aloha Chair Yamashita, Vice-Chair Takenouchi, 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 984, HD1**, which strengthens the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, reducing the number of required credit denials, authorizing the issuance of lines of credit, and including Food Hubs as an eligible entity for Class E loans. Additionally, we support the creation of a new class of loans designed to encourage large-scale agriculture for import replacement crops that align with the Farm to State program.

Agriculture, like all businesses, requires capital investment. The cost of operating a farm or ranch in Hawai'i can be significant. In many cases, agricultural operations require capital that our local farmers just don't have, and many of Hawai'i's farmers and ranchers are finding it difficult to secure the financial support necessary to build capacity. Access to affordable HDOA loans can result in increased capacity, new business opportunities, and increased employment opportunities and address Hawai'i's goals of increased self-sufficiency and sustainability.

Lowering interest rates and increasing loan limits will provide much-needed financial relief for farmers and ranchers facing high operational costs. More favorable loan terms will encourage investment in farm expansion, equipment purchases, and sustainable practices. Additionally, reducing the number of required credit denials will expedite access to funding for viable farming operations that may not qualify for commercial loans.

Allowing the agricultural loan program to issue lines of credit will provide farmers with greater flexibility to manage cash flow and respond to market fluctuations. Many

agricultural operations experience seasonal costs and revenue variability, and access to a line of credit will enable better financial planning and stability.

Encouraging large-scale agriculture of import replacement crops for the Farm to State program is essential to strengthening Hawai'i's food security. Investing in local food production will reduce reliance on imports, stabilize local markets, and ensure that state institutions such as schools, hospitals, and correctional facilities have access to fresh, Hawai'i-grown products. Additionally, replacing imported crops with locally grown alternatives can help reduce the risk of introducing new invasive species that often arrive through imported agricultural goods, strengthening biosecurity and protecting Hawai'i's environment.

We recommend that the program remains accessible to small and mid-sized farmers who contribute significantly to Hawai'i's local food system. Additionally, streamlining the loan application and approval process will enable farmers to access funding in a timely manner, particularly for urgent operational needs. Coordination with existing federal and state agricultural support programs can further enhance financial assistance and create a more comprehensive support system.

Thank you for the opportunity to testify on this matter.



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

HOUSE COMMITTEE ON FINANCE  
Thursday, February 20, 2025 — 2:00 p.m.

**Ulupono Initiative supports HB 984 HD 1, Relating to Agricultural Loans.**

Dear Chair Yamashita and Members of the Committee:

My name is Mariah Yoshizu, and I am the Government Affairs Associate 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 984 HD 1**, which updates the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, and reducing the number of credits denials; includes food hubs as an eligible entity for Class E loans; authorizes the agricultural loan program to issue lines of credit; and creates a new class of loans to encourage large scale agriculture of import replacement crops grown for the farm to state program.

Local farmers and ranchers have faced many challenges in recent years — from pandemic-related market disruptions to inflation and rising operational costs. To help agricultural businesses survive and grow, we support improving access to financing as proposed in this bill.

Recognizing its pivotal role, the Hawai'i Department of Agriculture last year launched a massive statewide outreach effort — its most extensive in recent memory — to identify the industry's top priorities and long-standing challenges. Through this process, Hawai'i's agricultural producers and affiliated organizations shared intimate experiences and insights on the most pressing needs. Access to capital emerged among the many top issues.

This bill relating to agricultural loans seeks to drive forward a key initiative supporting Hawai'i's agricultural community and advancing the state's broader goals for sustainable and economically viable agriculture. By improving access to capital while encouraging larger-scale production, this legislation will help create a more robust and self-sufficient agricultural economy. The proposed changes in this bill will help farmers scale up operations, adopt new technologies, and compete more effectively with imported products.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu  
Government Affairs Associate

*Investing in a Sustainable Hawai'i*



**Hawaii Cattlemen's Council, Inc.**

COMMITTEE ON FINANCE  
Rep. Kyle T. Yamashita, Chair  
Rep. Jenna Takenouchi, Vice Chair

**HB984 HD1**  
RELATING TO AGRICULTURAL LOANS

Thursday, February 20 2025, 2:00PM  
Conference Room 308 & Videoconference

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

The Hawaii Cattlemen's Council **supports HB984 HD1** which updates the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, and reducing the number of credit denials. Authorizes the agricultural loan program to issue lines of credit. Creates a new class of loans to encourage large scale agriculture of import replacement crops grown for the farm to state program. Appropriates funds.

Increasing costs of doing business is a constraining factor for Hawaii's agriculture sector. The cost of land, labor, equipment, and utilities continue to climb, reducing an already small profit margin. In addition, ranchers contend with environmental factors such as drought and invasive species which can have negative impacts on their bottom line. Lowering agricultural loan rates will make it easier for farmers and ranchers to obtain a line of credit to continue their operations to provide food to our community.

We appreciate the opportunity to testify on this measure. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director





February 19, 2025

To: Chair Rep. Kyle Yamashita, Vice Chair Jenna Takenouchi, and Members of the House Committee on Finance

Subject: **HB984**, Relating to Agricultural Loans

Aloha,

I am writing this testimony in **support** of **HB984 HD1**. This bill brings important updates to the agricultural loans program by lowering interest rates, increasing loan limits, and reducing the required number of credit denials. Additionally, it will introduce programs that support import replacement crops and will appropriate funds to accommodate for the increased demand of loans with higher limits.

By fulfilling these goals, this bill will support the local agricultural community in the following ways:

- **Lower and fix the state agricultural loan program's interest rates, increase loan limits, and reduce the required number of credit denials**

These changes will make the process of getting capital far more straightforward for farmers. By having access to loans that are larger and more forgiving, it becomes much easier for farmers to buy equipment or pursue entrepreneurial ventures.

- **Establish a program for a secured line of credit and create a new loan initiative to encourage larger scale agriculture for import replacement and crops grown for farm to state programs**

Hawaii imports the vast majority of its food, which leaves the islands' in an incredibly vulnerable position in the event of a supply chain cutoff. By incentivising local large scale farming we can make our food system far more secure in the event of an emergency.

- **Appropriate funds to meet the anticipated increase in loan demand and to accommodate the increased loan limits.**

In order for these programs to work there has to be funding behind them. Even if it feels like a sacrifice at the moment, it is important to remember that it is an investment into the people of Hawaii's food security. Food is a required resource for survival, so it is impossible for the islands to be prosperous without it.

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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 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food 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.



**HAWAI'I  
FOOD+  
POLICY**

Honolulu, HI 96813  
food@purplemaia.org

In unpredictable times such as these, it is essential that we protect the livelihoods of the people who can supply us our fundamental needs. Many people in the agricultural community feel unheard, and now more than ever we need to prove that we value their work.

It is for the above reasons that I chose to write this testimony in support of HB984.

Mahalo for the opportunity to testify,  
Lea iaea & the Food+ Policy Team  
#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 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food 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.

**HB-984-HD-1**

Submitted on: 2/19/2025 9:46:57 AM

Testimony for FIN on 2/20/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chloe Amos	Individual	Support	Written Testimony Only

Comments:

My name is Chloe Amos and I strongly support HB984. At this point in time, we need to be doing everything we can to support our farmers, in order to ensure our islands' economic stability and growth as well as emergency preparedness and resilience against climate crisis. Anything that supports farmers and makes their lives easier is highly critical at this time. Thank you for supporting HB984!

Chloe Amos

## **Testimony in Support of HB 984 – Agricultural Loan Program Expansion**

**Hearing Date:** February 20, 2025

**Committee:** House Finance Committee

**Submitted by:** Leonora Nikolaisen

**Affiliation:** Environmental Studies Major, Hawaii Pacific University

**Location:** O‘ahu, Hawai‘i

**Aloha Chair Kyle T. Yamashita, Vice Chair Jenna Takenouchi, and Members of the Committee,**

My name is Leonora, and I am an Environmental Studies major at Hawaii Pacific University. I am writing in **strong support** of **HB 984**, which seeks to improve access to agricultural loans by lowering interest rates, increasing and standardizing loan limits, and reducing the number of required credit denials. This bill is a crucial step toward strengthening Hawai‘i’s food security, supporting local farmers, and fostering a resilient agricultural sector.

### **The Need for Expanded Agricultural Loans**

Hawai‘i relies heavily on imported food, with over **85-90%** of our food being shipped from the mainland and beyond. This dependence not only increases food costs for residents but also makes us highly vulnerable to supply chain disruptions, as seen during the COVID-19 pandemic. Expanding financial support for farmers will help **increase local food production**, reduce reliance on imports, and contribute to a more sustainable and self-sufficient Hawai‘i.

### **How HB 984 Supports Farmers and the Environment**

#### **1. Increased Loan Accessibility**

- By reducing the number of credit denials required before farmers can qualify for a loan, this bill removes a major barrier that often prevents new and small-scale farmers from accessing necessary funds.
- Many beginning farmers, particularly those from Native Hawaiian and underrepresented communities, struggle to obtain financing under current requirements. HB 984 would give them a fairer chance at succeeding in agriculture.

#### **2. Lower Interest Rates**

- Agriculture is already a high-risk industry, and high-interest loans discourage investment in sustainable farming practices. Lower interest rates make it **more feasible for farmers to adopt regenerative agriculture, soil conservation techniques, and water-efficient irrigation systems**, which are critical in the face of climate change.

#### **3. Strengthening Hawai‘i’s Food Security**

- Encouraging local food production not only **reduces carbon emissions** from transportation but also helps **build community resilience** by ensuring fresh, locally grown produce remains available even during disruptions.

## **Conclusion**

Passing **HB 984** would directly support local farmers, reduce financial barriers for those entering the industry, and contribute to a **stronger, more food-secure Hawai'i**. As a student passionate about sustainability and environmental resilience, I urge this committee to **support and advance HB 984** to ensure that Hawai'i's farmers receive the financial tools they need to thrive.

Mahalo for your time and consideration.

**Sincerely,**

Leonora Nikolaisen

Nikolaisenleonora@gmail.com

Environmental Studies Major

Hawai'i Pacific University

**HB-984-HD-1**

Submitted on: 2/19/2025 1:01:51 PM

Testimony for FIN on 2/20/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support HB 984 Which updates the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, and reducing the number of credit denials. Includes food hubs as an eligible entity for Class E loans. Authorizes the agricultural loan program to issue lines of credit. Creates a new class of loans to encourage large scale agriculture of import replacement crops grown for the farm to state program. Appropriates funds.

Mahalo,

Theresa Thompson