

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

**SYLVIA LUKE**  
Lt. Governor



**SHARON HURD**  
Chairperson, Board of Agriculture

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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 AGRICULTURE AND ENVIRONMENT**

**MONDAY, MARCH 10, 2025  
1:01 PM  
CONFERENCE ROOM 224**

**SENATE BILL NO. 984, HD2  
RELATING TO AGRICULTURAL LOANS**

Chair Gabbard, Vice Chair Richards, and Members of the Committee:

Thank you for the opportunity to testify on House Bill 984, HD2. 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

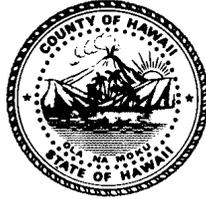


access to funds is often needed in the business pace of today and allows farmers to take advantage of short-term time sensitive deals. For farms to compete with imported crops and produce crops for farm-to-state programs they will need to be price competitive. Large scale agriculture offers economies 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.

The Department respectfully requests that loan limits be increased sufficiently to account for inflation, larger scale operations and possible reduction in Federal loan programs. Loans limits for the entire program have not been increased for over a decade and certain loan classes have not been increased since inception of the loan class.

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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March 7, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

MONDAY, March 10, 2025  
1:01 PM  
CONFERENCE ROOM 224

TESTIMONY ON HB 984 HD2: Relating to Agricultural Loans

Aloha Chair Gabbard, Vice Chair Richards 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 HD2**, 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 HD2 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 HD2**.

Respectfully,

Benson Medina  
Director



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

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
Monday, March 10, 2025 — 1:01 p.m.

**Ulupono Initiative supports HB 984 HD 2, Relating to Agricultural Loans.**

Dear Chair Gabbard 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 984 HD 2**, 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,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



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March 10, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

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

Conference Room 224 & Videoconference  
1:01 PM

Aloha Chair Gabbard, Vice-Chair Richards, 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, HD2**, 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.

**Testimony to the Senate Committee on Agriculture and Environment  
Senator Mike Gabbard, Chair  
Senator Herbert M. "Tim" Richards, III, Vice Chair**

**Monday, March 10, 2025, at 1:01PM  
Conference Room 224 & Videoconference**

**RE: HB984 HD2 Relating to Agricultural Loans**

Aloha e Chair Gabbard, Vice Chair Richards, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 984 House Draft 2 (HB984 HD2), which establishes within the Department of Agriculture the Hawaii Agricultural Transportation Assistance Program, to consist of a reimbursement program and grant program, to assist certain farmers and livestock producers with transportation costs for agricultural products, inputs, supplies, and production and distribution of agricultural commodities.

HB984 HD2 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for 21st Century Agriculture. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii's agricultural producers urgently need improved access to capital to address rising land and water costs, labor shortages, and infrastructure challenges. The legislature recognizes that these barriers hinder the expansion of farming operations and threaten the state's food security and economic resilience. To counter these challenges, the bill proposes modifications to the state agricultural loan program by lowering and fixing interest rates, increasing loan limits, reducing credit denial requirements, and establishing both a secured line of credit and a new loan initiative to support larger-scale agriculture, import replacement, and farm-to-state programs.

The bill amends various sections of the Hawaii Revised Statutes to redefine loan classes, streamline eligibility requirements, and adjust interest rates across multiple agricultural loan categories—from farm ownership and conservation to emergency and innovation loans. It also appropriates funds to bolster the agricultural loan revolving fund for fiscal year 2025-2026, ensuring that the increased loan demand is met. The Chamber supports this initiative because it will fortify Hawaii's agricultural sector, promoting sustainable, community-based production and enhancing long-term economic resilience.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 984 House Draft 2. Thank you for the opportunity to testify.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
Senator Mike Gabbard, Chair  
Senator Herbert M. "Tim" Richards, III, Vice Chair

**HB984 HD2**  
RELATING TO AGRICULTURAL LOANS

Monday, March 10, 2025, 1:01PM  
Conference Room 224 & Videoconference

Chair Gabbard, Vice Chair Richards, and Members of the Committee,

The Hawaii Cattlemen's Council **supports HB984 HD2**, which updates the agricultural loan program by lowering interest rates, increasing and standardizing loan limits, and reducing the number of credit denials. It also 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.

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



**HB-984-HD-2**

Submitted on: 3/10/2025 6:28:34 AM

Testimony for AEN on 3/10/2025 1:01:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Scott Crawford	Testifying for Hawaii Farmers Union-Hana Chapter	Support	Written Testimony Only

Comments:

The Hana chapter of the Hawaii Farmers Union is part of a collaboration of local organizations working to develop the Hana Hub, a food hub and agricultural aggregation and processing center. This will support value-added processing and entrepreneurial activity in our small remote community, and help farmers reach markets. Having some funding to support the development of this local food infrastructure from the state department of agriculture would be a big help in its development.



March 9 2025

To: Chair Mike Gabbard, Vice Chair Herbert M. "Tim" Richards, III, and Members of the Senate Committee on Agriculture and Environment

Subject: **HB984 HD2**, Relating to Agricultural Loans

Aloha,

I am writing this testimony in **support** of **HB984 HD2**. 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 gaining capital far more accessible for farmers. By having increased access to generous loans, many barriers to starting and growing a farm in Hawaii can be overcome. It will also incentivize younger generations to enter the industry.
- **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 incentivizing local large scale farming we can make our food system far more secure in the event of an emergency. Additionally, many invasive species are introduced via imported goods, meaning more local production increases biosecurity as well.

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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.



- **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 this 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.

The world is changing. In order to prepare for the challenges Hawaii will be facing in the wake of that change, we need to be more self-sufficient. Now more than ever before, 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. They deserve to know their government cares about the work they do for their communities.

It is for the above reasons that I chose to write this testimony in support of HB984 HD2.

Mahalo for the opportunity to testify,  
Lea laea & the Food+ Policy Team  
#fixourfoodsystem

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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-2**

Submitted on: 3/9/2025 10:20:51 PM

Testimony for AEN on 3/10/2025 1:01:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kelcy Durbin	Individual	Support	Written Testimony Only

Comments:

I support HB984 HD2 to update 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.