

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

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State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
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**SHARON HURD**  
Chairperson, Board of Agriculture

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

**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS**

**WEDNESDAY, APRIL 2, 2025**  
**10:01 AM**  
**CONFERENCE ROOM 211**

**HOUSE BILL NO. 984, HD2, SD1**  
**RELATING TO AGRICULTURAL LOANS**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify on House Bill 984, HD2, SD1. 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

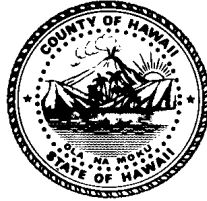


access to funds is often needed in the business pace of today and allows farmers to take advantage of short-term time sensitive deals. For farms to compete with imported crops and to produce sufficient crops needed for farm-to-state programs they will need to be price competitive and of larger scale. 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 class limits be increased sufficiently to account for inflation and larger scale operations. Loans limits for the entire program have not been increased for over a decade and certain loan classes have not been increased since the inception of the loan program.

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 27, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS AND MEANS

WEDNESDAY, April 2, 2025  
10:01 AM  
CONFERENCE ROOM 211

TESTIMONY ON HB 984 HD2 SD1: Relating to Agricultural Loans

Aloha Chair Dela Cruz, Vice Chair Moriwaki 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 SD1**, 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 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 cashflow 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 SD1**.

Respectfully,

  
Benson Medina  
Director



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

SENATE COMMITTEE ON WAYS AND MEANS  
Wednesday, April 2, 2025 — 10:01 a.m.

**UluPono Initiative supports HB 984 HD 2 SD 1, Relating to Agricultural Loans.**

Dear Chair Dela Cruz 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 SD 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,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS (AGR)

DATE: 4/02/25

TIME:10:01A

CONFERENCE ROOM: CR 211

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HOUSE BILL NO. 984 HD2 SD1  
RELATING TO AGRICULTURAL LOANS

Chair Yamashita, Vice Chair Takenouchi and members of the committee:

Thank you for the opportunity to testify in support of **HB984 RELATING TO AGRICULTURAL LOANS**. This bill will help improve the Hawai'i Department of Agriculture's Agricultural Loan program, including by lowering and fixing interest rates, increasing loan limits and establishing a new loan initiative to encourage larger scale agriculture.

**The Hawai'i Ag Finance Network strongly supports this measure.** The Hawai'i Ag Finance Network (previously known as the Hawai'i Ag Finance or Ag Microfinance Hui) was founded in 2018 by Ulupono Initiative, a Hawai'i-based impact investment firm, in partnership with agricultural community lenders Feed the Hunger Fund, Slow Money Hawai'i, and The Kohala Center. The intent in bringing Hawai'i's agricultural funders together is to identify collective ways to address the financial needs of businesses operating across Hawai'i's food and agricultural sector. To date, more than 18 organizations have consistently participated in our Hui including:

- the Hawaii Department of Agriculture, Agricultural Loan Division, Department of Business, Economic Development, and Tourism's (DBEDT)
- Business Development and Support Division, Community-based Economic Development (CBED)
- USDA Farm Service Agency (USDA FSA)
- Office of Hawaiian Affairs (OHA)
- USDA Rural Development (USDA RD)
- Hawai'i Central Federal Credit Union (HCFCU)
- American AgCredit (AAC)
- Whole Foods Market (WFM), Loan Producer Loan Program (LPLP)
- RSF Social Finance,
- Commercial and Business Lending (CBL) represents First Financial Bank in Hawai'i
- Council for Native Hawaiian Advancement (CNHA)
- Hawai'i Investment Ready (HIR)
- Pacific Gateway Center (PGC)

- Kamehameha Schools (KS)
- Slow Money Hawai'i (SMH)
- Feed the Hunger Fund
- The Kohala Center (TKC) and;
- Ulupono Initiative.

The group is currently supported by Ulupono Initiative with administration provided by staff at O'ahu Resource Conservation and Development Council (ORCD).

Hawai'i Department of Agriculture loans offer a vital source of funding for Hawai'i producers - improving and upgrading these services will greatly enhance the role HDOA can play in supporting our local food and agricultural system.

Mahalo nui for your consideration of this important measure.

Sincerely,



Amanda Shaw

**Director of Food Systems**



P.O. Box 253, Kunia, Hawai'i 96759  
Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail [info@hfbf.org](mailto:info@hfbf.org); [www.hfbf.org](http://www.hfbf.org)

April 2, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON HB 984, HD1, SD1**  
RELATING TO AGRICULTURAL LOANS

Conference Room 211 & Videoconference  
10:01 AM

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, 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, SD1**, 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.





COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

**HB984 HD2**  
RELATING TO AGRICULTURAL LOANS

Wednesday, April 2, 2025, 10:01 AM  
Conference Room 211 & Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, 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





April 1 2025

To: Chair Donovan M. Dela Cruz, Vice Chair Sharon Y. Moriwaki, and the Senate Committee on Ways and Means

Subject: **HB984 HD2 SD1**, Relating to Agricultural Loans

Aloha,

I am writing this testimony in **support** of **HB984 HD2 SD1**. 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 SD1.

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

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Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Ways and Means Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports HB984.**

HB984 embodies a forward-thinking approach to enhancing the accessibility and effectiveness of financial resources for Hawaii's agricultural sector. By updating the Agricultural Loan Program to lower interest rates, increase and standardize loan limits, and reduce the barriers related to credit denials, this bill acknowledges the diverse financial needs of our farming community. The inclusion of food hubs as eligible entities for Class E loans is a particularly noteworthy advancement, as it not only supports the aggregation and distribution of local produce but also strengthens the infrastructure essential for local food networks. With these amendments, the bill enhances the viability of agricultural operations across the spectrum, from emerging small-scale farms to established large-scale agricultural endeavors aimed at import replacement crops.

Another promising aspect of HB984 is the introduction of new classes of loans, specifically designed to encourage large-scale agriculture linked to the farm-to-state program. This initiative signifies a strategic investment in the sustainability and resilience of Hawaii's food systems, aligning with broader goals of economic independence and environmental stewardship. However, the emphasis on large operations should not overshadow the critical contributions of small and medium-sized farms. To ensure equitable growth opportunities across the agricultural landscape, considerations such as tiered loan arrangements and sustainability measures should be incorporated into the implementation framework of this bill. By fostering a more inclusive financial environment, HB984 can catalyze the growth of a vibrant and diversified agricultural sector, ultimately securing Hawaii's future food security and economic stability.

Mahalo for the opportunity to testify.

Hunter Heavilin  
Advocacy Director  
Hawai'i Farmers Union

**HB-984-SD-1**

Submitted on: 3/31/2025 8:28:21 AM

Testimony for WAM on 4/2/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

This will help local farmers and ranchers move the state to greater food security and sustainability while preserving and creating jobs. Mahalo!