

**NEIL ABERCROMBIE**  
Governor



**RUSSELL S. KOKUBUN**  
Chairperson, Board of Agriculture

**SCOTT E. ENRIGHT**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512

**TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE  
THURSDAY, FEBRUARY 7, 2013  
9:15 A.M.  
CONFERENCE ROOM 312**

**HOUSE BILL NO. 1264  
RELATING TO AGRICULTURAL LOANS**

Chairperson Wooley and Members of the Committee:

Thank you for the opportunity to comment on HB 1264. The Department supports the intent of the bill but would request that concepts and language from HB770 and HB771 be incorporated in to this bill.

The purpose of this bill is to allow for loans for farm infrastructure and infrastructure improvements which are already a permitted use under the current agricultural loan program. However, HB770 would allow for farmers to receive a better rate for infrastructure improvements related to biosecurity as required by Environmental Protection Agency standards.

The bill increases the New Farmer loan limit from \$250,000 to \$350,000. The 2011 legislature recently raised the New Farmer loan limit from \$100,000 to \$250,000 and the department would like an appropriate amount of time to evaluate the effects of the recently increased limits before seeking another significant increase of the loan amounts. The department generally finds that new farmers often struggle and often times a loan that is too large exacerbates these difficulties.

The bill also proposes to assist the farming community adopt new farming technologies and encourage development of new crops. Current language in the bill places new farming techniques within various loan categories such as farm ownership that may not fit within statutorily set definitions. The department would prefer the language in House Bill 771 which

would allow for farmers using innovative farming techniques to receive loans with a lower interest rate.

Thank you for the opportunity to testify on this measure.