

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

MORRIS M. ATTA  
Deputy to the Chairperson

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE**

**FEBRUARY 11, 2022  
10:00 A.M.  
CONFERENCE ROOM 325**

**HOUSE BILL NO. 2062  
RELATING TO AGRICULTURAL LOANS**

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 2062. This bill creates a revolving fund that will be dedicated to funding agricultural emergency loans. The emergency loan program serves as a safety net to farms during times of emergency and the Department strongly supports this bill.

Climate change and economic disasters are occurring with greater frequency creating much hardship to already struggling farm and ranch operations throughout the State. In the past three years the Agricultural Loan program has made 31 emergency loans totaling \$2.3 million. Emergency loan amounts ranged from \$10,000 to \$500,000 averaging \$74,194 over the three-year period.,

The agricultural loan revolving loan fund currently has \$4.25 million available for loans and for the past three fiscal years loans have averaged \$4.2 million annually. Due to the tight funding supply the program has not been able to reserve any funds specifically for emergency loans. Having a dedicated source of funding for agricultural emergencies will ensure that funding is available when it is needed ensuring a safety net for farms and ranches to ensure their survival during natural disasters, production and pest blights and economic disasters.

Thank you for the opportunity to testify.



DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
**TESTIMONY BY CRAIG K. HIRAI**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE HOUSE COMMITTEE ON AGRICULTURE**  
**ON**  
**HOUSE BILL NO. 2062**

**February 11, 2022**  
**10:00 a.m.**  
**Room 325 and Videoconference**

**RELATING TO AGRICULTURAL LOANS**

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2062, Administration Proposal AGR-2(22), adds a new section to Chapter 155, HRS, to establish the Agricultural Emergency Loan Revolving Fund (AELRF) to be administered by the Department of Agriculture for the purposes of providing Class D emergency loans made pursuant to Section 155-9(e), HRS; amends Section 155-14, HRS, to clarify that payments on principal received for agricultural emergency loans shall be deposited into the AELRF and not the existing Agricultural Loan Revolving Fund; appropriates \$2,500,000 in general funds in FY 23 to be deposited into the AELRF; and appropriates \$2,500,000 in revolving funds out of the AELRF in FY 23.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

**HB-2062**

Submitted on: 2/10/2022 6:08:26 PM

Testimony for AGR on 2/11/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions



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)

February 11, 2022

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 2062**  
**RELATING TO IRRIGATION**

Conference Room 325 & Videoconference  
10:00 AM

Aloha Chair Hashem, Vice-Chair Perruso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawaii Farm Bureau supports HB 2062**, which establishes the agricultural emergency loan revolving fund to be administered by the Department of Agriculture.

Hawaii farmers and ranchers have and will continually have their operations impacted by natural disasters, global epidemics disease, pests, diseases, high winds, thunderstorms, hurricanes, fires, floods, earthquakes, lava flow, vog or other volcanic activity, droughts, and tidal waves. Supply chain issues and other shipping disruptions are also challenging for agricultural producers. These unexpected disasters can result in devastating economic damage and emergency financial assistance is critical to help our farmers and ranchers recover from production and physical losses.

An Agricultural Emergency Loan Revolving Fund that offers emergency loans would enable HDOA to quickly respond to agricultural emergencies by assisting farmers and ranchers with funding to help repair damaged infrastructure, replant crops, or replace equipment and supplies allowing them to continue farming or ranching.

Thank you for this opportunity to testify in support of this measure.



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

HOUSE COMMITTEE ON AGRICULTURE  
Friday, February 11, 2022 — 10:00 a.m.

**Ulupono Initiative supports HB 2062, Relating to Agricultural Loans.**

Dear Chair Hashem 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 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; and better management of freshwater and waste.

**Ulupono supports HB 2062**, which establishes the Agricultural Emergency Loan Revolving Fund to be administered by the Department of Agriculture (DOA) and provides a separate source of funding for emergency agricultural loans.

Ulupono believes that the DOA's Agricultural Loan Division provides critical support to the State's local food production goals. This program allows local farmers and ranchers to receive capital for costs such as land and water resources, farm inputs, equipment and infrastructure, emergency response, marketing, technology, and much more. Due to recent natural disasters, weather events, and the pandemic's economic fallout, the Agricultural Loan Program's revolving fund has been depleted with heightened interest from the agricultural community looking to stay afloat during trying times. Emergency needs tend to vary, depending on the circumstance, but in each instance, a quick, reliable loan process is important to address immediate needs. This bill seeks to establish a timely and streamlined emergency loan process that will benefit local farmers and ranchers seeking to support the state with local products in times of disasters.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*

**HB-2062**

Submitted on: 2/9/2022 8:39:50 AM

Testimony for AGR on 2/11/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
J Ashman	Individual	Support	No

Comments:

Thank you for your support of agriculture.