STAND. COM. REP. NO. 2401

Honolulu, Hawaii

FEB 1 5 2024

RE: S.B. No. 3024

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 3024 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,"

begs leave to report as follows:

The purpose and intent of this measure is to reduce and set fixed interest rates for loans under the Agricultural Loan Program.

Your Committee received testimony in support of this measure from the Department of Agriculture and Hawai'i Farm Bureau.

Your Committee finds that to reach the State's goal of doubling local food production by 2030, access to affordable credit and financing is critical to assist existing farms and ranches and to encourage new entrepreneurs to enter the agricultural industry. Your Committee notes that the drastic increase in interest rates in late 2022 caused the interest rate for loans under the Agricultural Loan Program to double from 3.25 percent in December 2022, to 6.5 percent in January 2023. According to testimony received by your Committee, the agricultural industry in the State is already struggling with high input and land costs, increasing inflation, supply chain disruptions, climate change, natural disasters, and loss of markets due to reduced tourism. Your Committee recognizes that setting a fixed interest rate for loans under the Agricultural Loan Program would eliminate confusion and inequity for borrowers

based on when they received approval for their loans and increase the cash flow for capital-intensive farming and ranching operations.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Agriculture and Environment,

MIKE GABBARD, Chair

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:*	Committee	Referral:		Date:	70	1011
SB 3024	AEN	, WAM			1-1	27
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WF	3)	Nay	Excused
GABBARD, Mike (C)		X				
RICHARDS, III, Herbert M. "Tim" (VC)		X				
DECOITE, Lynn		X				
RHOADS, Karl		X				
AWA, Brenton						$\neg X$
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		21				1
TOTAL		4				
Recommendation: Adopted			Not Adopted			
Chair's or Designee's Signature:						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

*Only one measure per Record of Votes