

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

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

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**FEBRUARY 2, 2024
1:00PM
CONFERENCE ROOM 224**

**SENATE BILL NO. 3024
RELATING TO AGRICULTURAL LOANS**

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

Thank you for the opportunity to present testimony on Senate Bill 3024. This bill permanently sets affordable interest rates for the agricultural loan program which benefits farmers by making planning for borrowing easier. The Department strongly supports this bill.

In order to reach the State's goal of doubling local food production, access to affordable capital will be critical to help struggling farms and ranches and to encourage new entrepreneurs to begin farm and ranching operations. The bill lowers the interest rate from the current rate of 7.5% to 4% for qualified farmers and allows for a lower rate of 2% for emergency loans. The lower interest will assist the agricultural industry that is already struggling with high input and land costs, increasing inflation, supply chain disruptions, climate change and disasters and loss of markets due to reduced tourism. Since farming and ranching are capital intensive, new farmers often have to take on debt to get started and having a favorable interest rate will greatly benefit their operation and provides the best chance for success.



The program's rates are set semi-annually and the drastic increase in interest rates in late 2022, resulted in the doubling of rates for the programs loans approved in December versus those approved in January from 3.25% to 6.50%. Having a fixed rate would eliminate inequities in loan interest rates resulting from the semi-annual changes in interest rates.

Thank you for the opportunity to testify.

SB-3024

Submitted on: 2/1/2024 8:02:19 AM

Testimony for AEN on 2/2/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	Written Testimony Only

Comments:

SUPPORT