

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson
Board of Agriculture & Biosecurity

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE & BIOSECURITY
KA 'OIHANA MAHI'AI A KIA'I MEAOLA
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9560 FAX: (808) 973-9613

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

BEFORE THE HOUSE COMMITTEE ON FINANCE

**TUESDAY, MARCH 3, 2026
2:00 PM
CONFERENCE ROOM 308 & VIDEOCONFERENCE**

**HOUSE BILL NO. 2216, HOUSE DRAFT 1
RELATING TO AGRICULTURAL LOANS**

Chair Todd, Vice Chair Takenouchi and Members of the Committee:

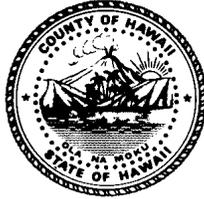
Thank you for the opportunity to testify on House Bill No. 2216, House Draft 1. The bill authorizes the Department of Agriculture and Biosecurity (DAB) to package and sell a portion of its loan portfolio to permitted third parties with proceeds deposited into the agricultural loan revolving fund. Appropriates funds out of the agricultural loan revolving fund to increase its expenditure ceiling to \$10 million. The Department strongly supports the bill.

Act 69, Session Laws of Hawaii 2025 revitalized the agricultural loan program and created strong demand for agricultural loans. The current budgetary ceiling limit of \$5.0 million for the agricultural loan program is proving insufficient to meet current loan demand and hinders farmers' ability to start, expand, or improve their agricultural operations. The option of selling a portion of the loan portfolio will bring in new capital without the need for additional general funds and makes economic sense.

The Act also allowed the agricultural loan program to offer lines of credit to farmers and ranchers. The program is currently finalizing its rules for lines of credit, and it anticipates increased demand for funds as these lines of credit are issued. Affordable credit is a key component to agricultural development in the state and the proposed increase in the expenditure ceiling will allow the program to provide adequate financing to support Hawaii's agricultural producers.

Thank you for the opportunity to testify.

C. Kimo Alameda, Ph.D.
Mayor



Benson Medina
Director

Dennis Lin
Deputy Director

County of Hawai'i

DEPARTMENT OF RESEARCH AND DEVELOPMENT

25 Aupuni Street, Room 1301 • Hilo, Hawai'i 96720-4252
(808) 961-8366 • Fax (808) 935-1205
E-mail: chresdev@co.hawaii.hi.us

March 2, 2026

HEARING BEFORE THE
COMMITTEE ON FINANCE
TUESDAY, March 3, 2026
2:00 PM
CONFERENCE ROOM 308

TESTIMONY ON HB 2216 HD1

Relating to Agricultural Loans

Aloha Chair Todd, Vice Chair Takenouchi 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 HB2216 HD1**, which authorizes the Department of Agriculture and Biosecurity to package and sell a portion of its agricultural loan portfolio to permitted third parties, and appropriates funds out of the Agricultural Loans Revolving Fund to increase its expenditure ceiling.

We support the increase in the Agricultural Loan Revolving Fund's expenditure ceiling. Access to capital is one of the top five issues restricting economic viability for Hawai'i farmers (HDOA, 2024). Farmers' most frequently identified solution for accessing capital is low-interest loans or grants (Hawaii Farmer Needs Assessment, 2018). The loan program modifications in Act 69 (2025) offer higher loan limits and favorable interest rates to encourage farmers and ranchers to expand their current operations. The increase to the Agricultural Loan Revolving Fund proposed in HB2216 HD1 will help more producers access these modified loan programs to expand operations and assist the state in becoming more self-sufficient in food production.

Thank you for the opportunity to provide testimony in **SUPPORT of HB2216 HD1**.

Respectfully,

Benson Medina
Director



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Tuesday, March 3, 2026 — 2:00 p.m.

Ulupono Initiative supports HB 2216 HD1, Relating to Agricultural Loans.

Dear Chair Todd and Members of the Committee:

My name is Micah Munekata, and I am the Vice President 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 2216 HD1, which authorizes the Department of Agriculture and Biosecurity to package and sell a portion of its agricultural loan portfolio to permitted third parties and appropriates funds out of the Agricultural Loans Revolving Fund to increase its expenditure ceiling.

Local farmers and ranchers have faced many challenges in recent years, from pandemic-related market disruptions to inflation to rising operational costs. To help agricultural businesses survive and grow, we support expanding access to financing as proposed in this bill.

Following the enactment of Act 69 in 2025, demand has far exceeded available funding. Within just two months, the Agricultural Loan Division approved \$5 million in loans but received an additional \$10 million in applications that could not be funded due to the existing annual ceiling. This backlog has left many qualified farmers unable to access needed capital.

By raising the fund ceiling and unlocking capital that is currently tied up in the existing loan portfolio, this bill will help more farmers scale up operations, adopt new technologies, and compete more effectively with imported products — strengthening Hawai'i's food security and advancing our goals for a more self-sufficient agricultural economy.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Vice President of Government Affairs

Investing in a Sustainable Hawai'i



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

March 3, 2026

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 2216, HD1
RELATING TO AGRICULTURAL LOANS

Conference Room 308 & Videoconference
2:00 PM

Aloha Chair Todd, Vice-Chair Takenouchi, 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 2216, HD1, which expands lending capacity within the Department of Agriculture and Biosecurity's Agricultural Loan Division by authorizing the sale of a portion of its loan portfolio and increasing the expenditure ceiling of the agricultural loan revolving fund.

Access to affordable capital remains one of the most significant challenges facing farmers and ranchers in Hawai'i. While Act 69 of 2025 expanded access to agricultural loans at favorable interest rates, demand has quickly exceeded available funding. As noted in the bill's findings, within a short period, the Agricultural Loan Division approved nearly \$5,000,000 in loans and received additional unfunded applications that were placed on hold due to the revolving fund's annual ceiling. This underscores the strong need for expanded financing options for agricultural producers.

HB 2216, HD1 provides a practical, fiscally responsible approach to increasing lending capacity by allowing the Agricultural Loan Division to reinvest proceeds from the sale of a portion of its existing loan portfolio into the revolving fund. This approach leverages existing assets to meet demand without reducing oversight or changing eligibility standards.

We support efforts that strengthen the State's agricultural financing programs and help farmers and ranchers invest in land preparation, equipment, infrastructure, diversification, and long-term productivity. Reliable access to capital is essential not only to sustain

existing operations but also to grow Hawai'i's agricultural sector, support new and beginning farmers, and advance broader goals such as increasing local food production and strengthening food system resilience.

HB 2216, HD1 represents an important step toward ensuring that State agricultural loan programs can continue to meet demand and support the viability of agriculture across Hawai'i.

Thank you for the opportunity to provide testimony.



PO Box 4, Kunia, Hawaii, 96759 || 808-622-9026 || www.agstewardshiphawaii.org

March 2, 2026

Aloha e Chair Todd, Vice Chair Takenouchi and Members of the House Committee on Finance,

Re: Testimony in Support of HB2216 HD1, Relating To Agricultural Loans

On behalf of Agriculture Stewardship Hawai'i, we write in support of HB2216 HD1, which allows the Agricultural Loan Division to sell portions of its loan portfolio to fund the Agricultural Loan Revolving Fund, increases the fund's expenditure ceiling, and expands access to agricultural loans to support local food production.

Agriculture Stewardship Hawai'i is a nonprofit organization dedicated to improving the viability and sustainability of Hawai'i's farmers and ranchers through technical assistance, resource coordination, business education, and policy support. **As the administrators of the Hawai'i Agricultural Finance Network, we work closely with farmers and ranchers across the state to help them access capital, and we consistently see demand far outpacing available resources.** We strongly support this measure because it directly addresses a critical and growing gap in agricultural financing in Hawai'i.

The Hawai'i Department of Agriculture's Agricultural Loan Division has already loaned out its available funds, underscoring both the effectiveness of the program and the severity of unmet need. At the same time, federal agricultural lending programs are becoming more limited and less accessible, particularly for small, beginning, and underserved producers. This has increased pressure on state-level financing tools to fill the gap.

By allowing the Agricultural Loan Division to sell portions of its loan portfolio and reinvest the proceeds into the Agricultural Loan Revolving Fund, **this measure responsibly increases lending capacity without weakening the program.** Increasing the fund's expenditure ceiling is essential to expanding access to capital, supporting local food production, and strengthening farm viability statewide.

Mahalo for your time and consideration,

A handwritten signature in black ink, appearing to read "A. Shaw".

Dr. Amanda Shaw, PhD, Statewide Food Systems Coordinator
Email: amanda@agstewardshiphawaii.org, Tel: 808 429 5310

HB-2216-HD-1

Submitted on: 2/28/2026 6:26:22 AM

Testimony for FIN on 3/3/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-------------------------|---------------------|---------------------------|------------------------|
| Richard "Buddy" Nichols | Individual | Support | Written Testimony Only |

Comments:

I would like to support HB2216.

The Department of Agriculture and Biosecurity offers a tremendous opportunity for the farmers and Agriculture Community by offering a reasonable, flexible, and accessible source of Capital. This was displayed in the first 2 months of 2026, when I was DAB Agriculture Loan Administrator, with 10 loans being approved and the \$5,000,000 ceiling limit being reached. At that time there was an additional 11 loan applications and with \$8M+ not being able to be approved or funded. Historically the average has been 6 loans and \$400,000 of loan volume. Furthermore, the entire loan fund only has approximately \$6M of unallocated funds remaining.

The DAB loan program is the most flexible and adaptable to the Hawaiian farms than the other 4 major loan programs that are offered on the islands to our farmers.

To meet the demand and need to make our state more food sustainable, meet the demand of the school lunch program, and decrease our reliance on off island food, more funds will be needed and the ceiling raised. Instead of asking the taxpayers for more tax dollars, the DAB can sell these loans, maintain control of these loans, and loan the proceeds of the sale to another farmer. These loan funds can be lent out again 6.5 times. This equates to the present pool of \$20M working like \$130M. Presently Hawaiian borrowed capital generates 3 times more in annual sales. This additional available capital, without additional tax dollars, would generate an additional \$330M of ag sales, approximately \$13.2M of GET taxes, additional jobs, and economic growth by utilizing the present staff and with minimal additional administration costs.

This is a win/win for everyone. The taxpayers wins, the state wins, the farmers win, and our people have more jobs and food.

However, I do not support the amendment with the effective date of 07/01/3000. Our farmers and our children need this capital to increase our economy and employ and feed our people sooner.

Please support this bill by voting yes with a more current effective date.

HB-2216-HD-1

Submitted on: 3/1/2026 7:03:54 PM

Testimony for FIN on 3/3/2026 2:00:00 PM

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

Comments:

SUPPORT!!!

MAHALO!

HB-2216-HD-1

Submitted on: 3/2/2026 5:04:22 PM

Testimony for FIN on 3/3/2026 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|-------------------|
| James McCully | Individual | Support | Remotely Via Zoom |

Comments:

Chair Todd

Vice Chair Takenouchi

Member of Finance Committee

I write in Strong Support for HB2216 HD1. The limitations on Agriculture in Hawaii, especially for new or expanding farms, are many but investment capital and operating funds are near the top on any list. I have been farming in Hawaii since 1976 and was only able to expand and build improvements after I qualified for a New Farmer Loan from the Federal government. With the current state of affairs in Washington it is even more critical for the State of Hawaii to use it's capacities to improve farmers ability to begin or expand their farms and provide local or export oriented agricultural crops and products.

An expanded and increased loan program is critical to the success of our farms and farm families.

Mahalo for your Support.

Jim McCully