



PO Box 168, Kealahou, HI 96750

April 6, 2020

Mr. Dave K. Chun
1433 Longworth House Office Building
Washington, DC 20515

RE: COVID-19 and Support for Hawaii's Coffee Industry

Aloha Dave,

Thank you for organizing the call on Thursday and for your outstanding communication throughout.

In response, we have outlined some impacts, challenges and suggested solutions from leaders in Hawaii's coffee industry.

1. SBA VS. USDA SILOS

- a) At present, eligibility for assistance from both agencies are mutually exclusive. Problems arise when businesses participate in both parts of the economy. Some examples include growers who also offer retail sales and farm tours. If the intent is to get stimulus funds into the economy, these barriers must be immediately removed.
- b) The implementation of these vital programs needs to be expedited. SBA took one week; USDA rollout is still unknown.
- c) A comprehensive cross-agency list of programs is necessary so growers and businesses can be made aware of the entirety of options available to them.
- d) Funding for NGO's to offer technical support for socially disadvantaged growers and rural communities. Growers who qualify for multiple programs need assistance to support their applications across the spectrum, whether it is USDA/SBA/State Unemployment Insurance.
- e) Programs should extend until or beyond when the pandemic emergency order is lifted, not just 30 or 60 days.
- f) Streamline the underwriting process for refinance of current loans (mortgage/FSA/farm credit) at the lower rates. Preference is to automatically adjust to the new rate without the full refi process.
- g) Relief for employees who have been furloughed or who have had hours reduced. Hawaii UI is presently unable to handle the volume of claims.

2. CROP INSURANCE

Green coffee sales have nearly completely ceased. The entire crop could be considered a total loss for the purpose of eligibility for crop insurance. The COVID-19 pandemic is a natural disaster and should be treated as such, irrespective of any physical damage to the crop.

3. BUY AMERICAN

The federal government should immediately stop procuring imported coffee and exclusively buy US-grown coffee.

4. US POSTAL SERVICE & SHIPPING

- a) The US Postal service should be fully funded. Uncertainty around private-sector carriers makes reliance on the US Postal service ever more important, particularly as producers transition from green wholesale to roasted retail business models.
- b) Assurances are needed that shipping of agricultural products will remain a priority (interisland barge/FedEx/USPS). This includes everything from inbound fertilizer to outbound coffee.

5. FARM LABOR SUPPORT

- a) Expansion and easement of H2A rules
 - i. Removal of requirement to limit H2A employee to work on one farm
 - ii. Removal or alteration of requirement for farms to accept “eligible referrals” from local workers.
 - iii. Further exemptions for small farms (easement of housing rules, waiver of fees.
- b) Establish and support work-to-learn programs to teach local labor in skills such as pruning and other activities.

6. LONGER-TERM STIMULUS

- a) Cash subsidies for lost value at farm-gate (cherry value). Essentially, a WHIP+ program.
- b) Cash subsidies for lost value-added sales in 2020 versus 2019 income.
- c) Continued support for CBB control

Thank you for your outreach. We appreciate your efforts to help Hawaii’s coffee industry survive. We look forward to assisting you in any way possible. Please don’t hesitate to contact me at any time via phone at 808-929-9550 or email at president@hawaiicoffeeassoc.org

With respect, Aloha and best wishes for your continued health,



Christopher A. Manfredi
President