

American Prosperity in Peril: Federal Funding Freeze Impacts on Hawai'i Food Systems

Updated: March 24, 2025

O'ahu Resource Conservation and Development Council (ORCD)



Hawai'i farmers face heightened uncertainty. Photo credit: Ronit Fahl & Hawai'i 'Ulu Cooperative

Executive Summary

This report summarizes the findings from the Federal Funding Impacts Survey organized by O'ahu Resource Conservation and Development Council (ORCD), which aims to assess the effects of recent or pending federal funding pauses, elimination or uncertainty on Hawai'i's food and agricultural sector. The survey was developed in response to concerns from agricultural producers and organizations regarding delays or ending in federal payments and their subsequent impacts on operational stability, project execution, and financial sustainability. Based on responses from 87 individuals, Hawai'i farmers and food system organizations are already reporting significant impacts including an estimated **\$88M in paused, eliminated, or uncertain federal funds** – or about **13% of the value of Hawai'i's annual agricultural economy**. With some farmers already reporting scaling back on their food production, **Hawai'i's food system faces a perilous outlook** in a place where [one third of families already worry](#) about where they will source their next meal.

This report is a draft for public comment and input and will be regularly updated as new information is received. Please share your feedback on this report [here](#).

Introduction

We are still operational knowing that it could change at any minute. We have reviewed our federal funding in detail and know if all is cut it will affect 1/4 of our staff.

Spending my savings to get things done.

Move slowly, doing our own labor with our current farm staff, which slows down production of actual farming.

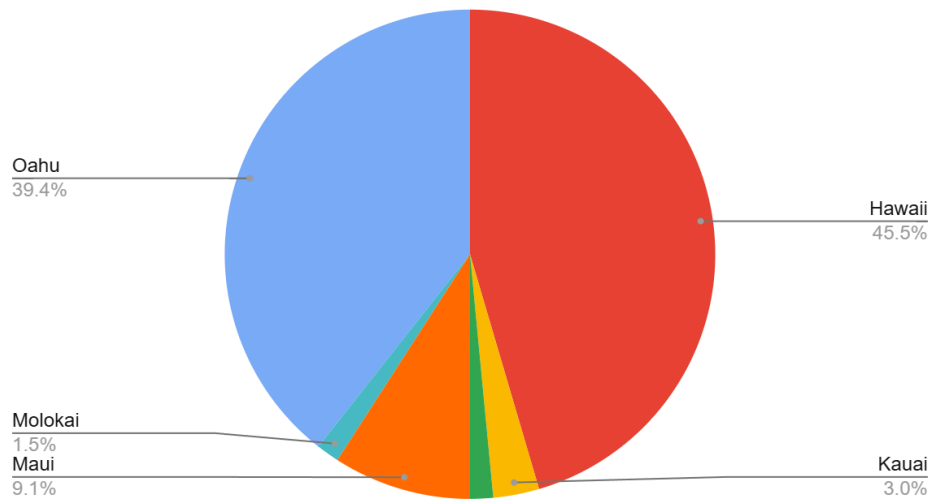
These are some of the words from Hawai'i farmers and food system organizations when asked how they are coping with federal funding freezes, elimination, or uncertainty. This report summarizes the findings from the **Federal Funding Impacts Survey** organized by O'ahu Resource Conservation and Development Council (ORCD), which aims to assess the [effects of recent or pending executive orders](#) on federal funding freezes. The survey was developed in response to concerns from agricultural producers and organizations regarding delays or ending in federal funding payments and their subsequent impacts on operational stability, project execution, and financial sustainability. It is notable that **respondents are already reporting significant impacts** to the Hawai'i food and agricultural supply chain at this early stage. In the words of one survey participant, we have "stopped all purchasing and **have halted all food production related to this project** [for which funding is paused]." This doesn't just affect funds for future projects but in some cases affects the reimbursements farmers were promised in their contracts with USDA agencies:

Our REAP application was accepted and project approved to move forward with installing an additional 30 solar panels and one additional inverter to our food hub roof. We spent a total of \$38,000 dollars (application was for \$33,000 and approved for that amount). Our contract was for a 50% reimbursement of the approved amount upon project completion and final site visit ...happened. Funds have been paused so we are out \$16,500.00.

Survey Responses

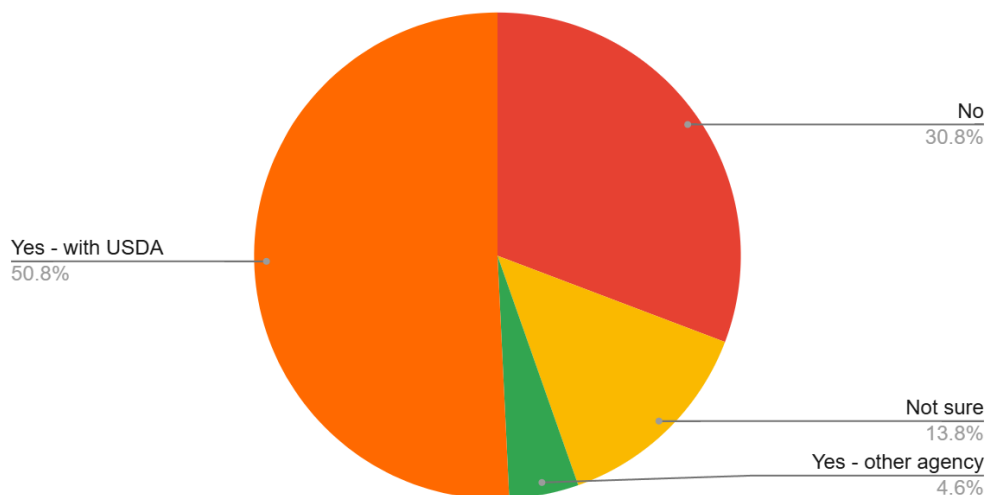
Out of the **87 survey respondents**, 65.5% identified as farmers or food producers and the remaining 34.5% represented farmer service and member organizations (i.e. researchers, outreach and extension professionals, nonprofit organizations, food systems organizations, and farmer service providers). The majority of respondents were from Hawai'i Island (45.5%) and O'ahu (39.4%), with additional respondents from Maui, Moloka'i, Kaua'i, and Lāna'i (1).

Where are you located? (Island)



Key findings indicate that federal funding disruptions have significantly impacted agricultural operations. Approximately **55.4% of respondents reported that payments for work completed had been paused or "frozen,"** primarily involving agreements with the U.S. Department of Agriculture (USDA). Affected funding sources include the Climate Smart Commodities Grant and multiple programs under the Natural Resources Conservation Service (NRCS), amongst others. These disruptions have led to financial strain, delays in project implementation, and uncertainty in future funding reliability.

For federal contract(s) or funding agreement(s), have payments for work completed been paused or "frozen"?

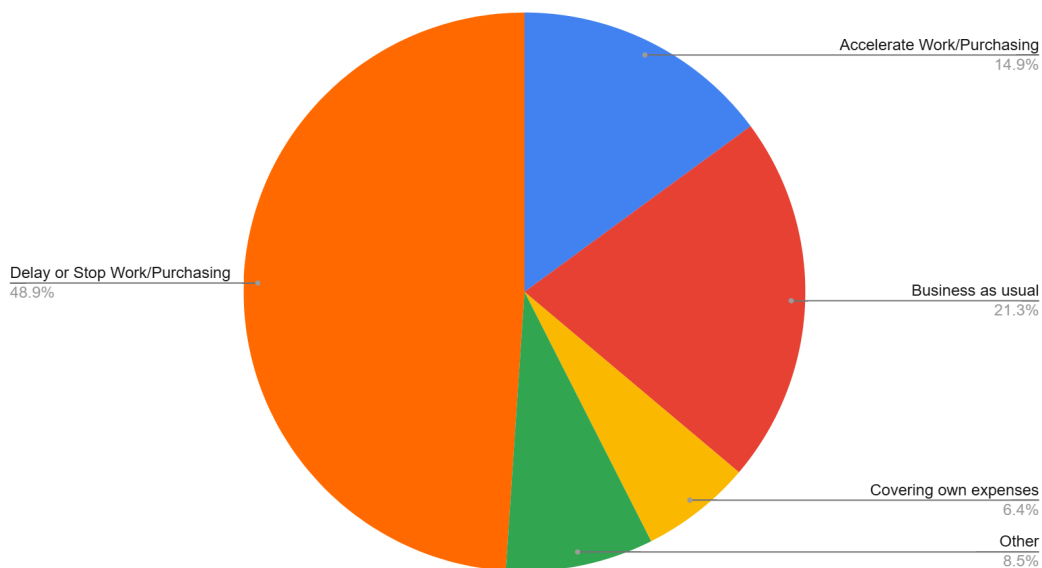


To mitigate the impact of these funding pauses, respondents have employed various strategies. Out of 87 responses across the food sector, **47 individuals and food systems organizations**

are already significantly modifying operations in order to navigate the current federal funding landscape. **Currently, 48.9% of respondents with paused funding are delaying or stopping work.** Other respondents are continuing with business as usual (21.3%), have accelerated work and purchasing to complete projects and submit invoices (14.9%), and 6.4% are covering expenses from personal funds.

Looking ahead, many organizations anticipate making further adjustments within the next 3 months, with 16.1% of respondents planning to **cut expenses** and **31% delaying or stopping work entirely**. Some will **shift priorities** (9.2%), **stop hiring** (11.5%), or even **lay off staff** (6.9%) if funding issues persist. These responses highlight the urgency of resolving funding freezes and ensuring financial stability for agricultural producers and stakeholders.

What are you already doing to mitigate the funding pause?



What will your business/organization do in the next 3 months without this funding?	Percentages
Delay or Stop work/purchasing	31.0%
Cut expenses	16.1%
Stop hiring	11.5%
Shift to other projects/priorities	9.2%
Business as usual	6.9%
Lay off staff	6.9%
Wait and see	6.9%
Cover own expenses	5.7%
Accelerate work/purchasing	2.3%
I don't know	2.3%
Take out loans/Look for other funding	1.1%



Photo credit: Ronit Fahl & Hawai'i 'Ulu Cooperative

Estimating the Value of Paused Funding

Estimating the exact dollar amount of paused funding in Hawai'i is challenging for multiple reasons, and the survey information gathered is not exhaustive. Its results do not speak to all of the **federal programs reported as delayed, frozen, or are impacted by uncertainty [at a national level](#)**. However, based on our analysis of national-level documentation, the survey, local news reports, and information reported by key stakeholders, the table below outlines some of the key programs that have reported freezes, pauses, elimination, or other impacts. They reveal a stark picture; there is at least **\$88 million in paused, eliminated, or uncertain funding at stake for the Hawai'i food and agriculture system**:

Grant/Program Name/Item	Agency/Organizations Affected	Status	Totals (\$)
Soil Fertility	USAID	Eliminated ▼	\$500,000
Crop Improvement Innovation Lab	USAID/Cornell University	Eliminated ▼	\$6,000,000
Innovation Lab on Perennial Crops	RFP USAID	Eliminated ▼	\$5,000,000
Local Food for Schools Cooperative Agreement Program	USDA AMS	Eliminated ▼	\$3,000,000
Rural Energy for America (REAP) - IRA-funded portion	USDA - Rural Development	Paused/Frozen ▼	\$6,754,205
Partnerships for Hawaii Climate-Smart Commodities	USDA	Paused/Frozen ▼	\$40,000,000
Environmental Quality Incentive Program (EQIP) in Pacific Islands Area*	USDA - NRCS	Paused/Frozen ▼	\$11,000,000
Regional Food Business Center	USDA - AMS	Paused/Frozen ▼	\$10,000,000
Partnerships for Hawaii Climate-Smart Commodities	USDA	Paused/Frozen ▼	\$6,000,000
Market Access Program 2025	USDA - FAS	Awaiting Further Guidance ▼	\$103,000
Regional Ag Promotion Program (RAPP) 2025	USDA - FAS	Awaiting Further Guidance ▼	\$176,000
*Note: Includes total amount of funding for Pacific Islands Area, not just Hawai'i			
TOTAL			\$88,533,205

The exact total is likely to be much higher, and this list of programs and amounts will be continually evolving and updated.

Within this total, there is **at least \$17 million dollars** in Inflation Reduction Act (IRA) funds on hold for Hawai'i and the Pacific Islands Area (PIA). IRA funding paused from NRCS EQIP included \$17,912,749, of which producers had already been selected for \$11M in awards as of February 12th, 2025. USDA IRA-funded Rural Development programs reported \$6,754,205 on hold. It was not known at the time of writing what amount of USDA FSA funding for Hawai'i or PIA has been paused.

Not included in this above total were respondents' reports of **federal financial commitments that have yet to be disbursed**. These values were self-reported by survey respondents and may include estimations and double counting from agency-reported totals. However, this information is useful for providing a window into the effects of the crisis on different food system organizations and farmer operations. Overall, the contracted amounts producers and organizations were waiting for ranged from \$14,500 to \$531,500, totalling at least **\$1,829,531 in stalled payments**. Responses may reflect combined values for multiple funding programs. Some of the largest reported amounts included the following programs and payment amounts:

Which branches/programs were affected?	What is the remaining value of the contract(s)?
Natural Resources Conservation Service (NRCS) - EQIP (Environmental Quality Incentives Program)	\$734,271
Natural Resources Conservation Service (NRCS) - EQIP (Environmental Quality Incentives Program), Natural Resources Conservation Service (NRCS) - CSP (Conservation Stewardship Program), Resilient Food System Infrastructure (RFSI)	\$231,608
Not sure	\$140,000
USDA - NIFA - SBIR	\$531,500

Conclusion

Farmers and agricultural organizations rely on these funds to maintain food production, implement conservation efforts, and sustain rural economies. Hawai'i farmers already face [input costs](#) that are up to 40% higher than the continental average, and **federal funds play an important role in leveling the playing field** for local producers. For their part, food system organizations provide critical services to agricultural operations and communities across the state. The survey results highlight the significant challenges faced by organizations throughout the system posed by disruptions in federal funding, including the high number of respondents reporting halting or slowing critical projects, cutting expenses, and, in some cases, laying off staff or suspending operations.

Taken as a whole, the estimated **\$88M in paused, eliminated or uncertain federal funds represent about 13% of Hawai'i's annual agricultural economy (\$0.7B annually)**, although

the funds mentioned may themselves be multi-year awards. To put those figures into perspective, as a result of the onset of the COVID-19 pandemic, from [2019-2020](#) Hawai'i's agricultural economy decreased by an estimated 17%.

As stated, the total amount of funding impacted is likely to be much higher, and this list of programs and amounts will be continually evolving and updated. That these impacts are already being felt across the sector at this relatively early stage and – combined with existing high food prices, uncertainty related to tariff impacts, and a shrinking safety net – signal a **perilous trajectory for Hawai'i food and agriculture in a place where [one third of families already worry](#) about where they will source their next meal.**

Appendix A: Survey Findings In Depth

1. Respondent Demographics:

- Farmers/Food Producers: 65.5%
- Farmer Service/Member Organizations: 34.5%

2. Geographic Distribution:

- Hawai'i Island: 45.5%
- O'ahu: 39.4%
- Maui: 9.1%
- Moloka'i: 1.5%
- Kaua'i: 3.0%
- Lāna'i: 1.5%

3. Federal Funding Disruptions:

- 55.4% of respondents reported paused or frozen payments
- USDA was the primary agency affected, with multiple funding programs experiencing delays
- 4.6% reported funding disruptions from agencies other than USDA

4. Impacted USDA Programs:

- Climate Smart Commodities Grant
- Agricultural Marketing Service (AMS)
- Office of Partnerships and Public Engagement (OPPE)
- Rural Development (RD)
- Farm Service Agency (FSA)
- NRCS Programs:
 - Environmental Quality Incentives Program (EQIP)
 - Conservation Stewardship Program (CSP)
 - Regional Conservation Partnership Program (RCPP)
 - Other NRCS
- Resilient Food Systems Infrastructure Program (RFSI)
- USDA - National Institute for Food and Agriculture (NIFA)
 - Small Business Innovation Research (SBIR)
 - Professional Development for Agricultural Literacy (PDAR)