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March 29, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HCR 38/HR 42

URGING THE NATIONAL INSTITUTE OF FOOD AND AGRICULTURE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE TO ISSUE ADDITIONAL FUNDING FOR THE GUS SCHUMACHER NUTRITION INCENTIVE PROGRAM TO PROVIDE MATCHING FUNDS FOR THE EXPANSION OF THE STATE DOUBLE UP FOOD BUCKS PROGRAM TO ALL APPROVED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM RETAIL OUTLETS THROUGHOUT THE STATE

Conference Room 325 & Videoconference
9:30 AM

Aloha Chair Gates, Vice-Chair Kahaloa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports HCR 38/HR 42, which urges the National Institute of Food and Agriculture of the United States Department of Agriculture to issue additional funding for the Gus Schumacher Nutrition Incentive Program to provide matching funds for the expansion of the state Double Up Food Bucks Program (DA BUX) to all approved Supplemental Nutrition Assistance Program retail outlets throughout the State.

SNAP offers nutrition assistance to eligible, low-income individuals and families, increasing their food purchasing power and improving their nutrition. SNAP also provides economic benefits to farmers participating at farmers' markets, roadside stands, CSA programs, grocery stores, and other food retailers.

Some of HFB's farmers' markets participate or have participated in the SNAP program. We believe that access to locally grown fresh fruits, vegetables, and protein to low-income individuals and families provides benefits to both SNAP participants and Hawaii farmers and ranchers.

The Double Up Food Bucks program works by doubling the value of federal Supplemental Nutrition Assistance Program (SNAP) benefits spent on locally grown fruits and vegetables at participating farmers' markets, grocery stores, food hubs, and community-supported agriculture projects. In Hawaii, the Double Up Food Bucks program is managed by The Food Basket and is known as "DA BUX" Double Up Food Bucks. The DA BUX program presents a "win-win" scenario by supporting local farmers with an increased customer base and low-income families who receive double the purchasing power for healthy, Hawaii-grown produce.

Thank you for this opportunity to testify in support of this Resolution.



To: The House Committee on Agriculture & Food Systems (AGR)
From: Sherry Pollack, Co-Founder, 350Hawaii.org
Date: Wednesday, March 29, 2023, 9:30am

In strong support of HCR38/HR42

Aloha Chair Gates, Vice Chair Kahaloa, and AGR Committee members;

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HCR38/HR42** that urges the National Institute of Food and Agriculture of the United States Department of Agriculture to issue additional funding for the Gus Schumacher Nutrition Incentive Program to provide matching funds for the expansion of the state Double Up Food Bucks Program to all approved Supplemental Nutrition Assistance Program retail outlets throughout the State.

The Hawaii Healthy Food Incentive Program helps keep federal funding circulating in the local economy and incentivizes the use of SNAP benefits for the purchase of fresh local produce. HCR38/HR42 will expand this important program to retailers in rural areas, and by doing so, help more low-income families bring home more healthy food, area farmers gain new customers and make more money, and more food dollars will stay in the local economy.

Supporting and expanding this successful program makes good sense. It promotes good health for families and our local economy, as well as improving the health of our planet by avoiding the greenhouse gases that would have been emitted from shipping produce in.

Please pass HCR38/HR42.

Mahalo for this opportunity to testify on this very important resolution.
Sherry Pollack
Co-Founder, 350Hawaii.org



Email: communications@ulupono.com

HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS
Wednesday, March 29, 2023 — 9:30 a.m.

Ulupono Initiative supports HCR 38/ HR 42.

Dear Chair Gates and Members of the Committee:

My name is Micah Munekata, and I am the Director 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 HCR 38/ HR 42, which urges the National Institute of Food and Agriculture of the United States Department of Agriculture to issue additional funding for the Gus Schumacher Nutrition Incentive Program to provide matching funds for the expansion of the state Double Up Food Bucks Program to all approved Supplemental Nutrition Assistance Program retail outlets throughout the State.

Ulupono strongly supports the Hawai'i Healthy Food Incentive Program within the DOA. This resolution seeks to shed some light on the importance of the "DA BUX" Double Up Food Bucks Program, administered by The Food Basket, Hawai'i Island's food bank, and find ways to expand dedicated resources to better serve our local community. With increased Federal and State support, this program can continue to serve as a triple-win solution for our communities as SNAP-eligible recipients double their spending power at point of purchase with healthy local produce, local farmers are able to expand their markets, and all money spent is kept right here in our state. In addition, this program leverages federal funding at a 1:1 match.

From 2020-2021, DA BUX has supported more than 470 farm producers and eight distributors through farm product sales. With rising inflation and Hawai'i's high cost of living, SNAP participation and benefits continue to climb since 2019 levels.¹ These numbers substantiate the need to support our local community as food insecurity continues to increase.

We are hopeful that the State can consider a \$3 million appropriation, per year, for the DOA program to support the continued efforts of DA BUX through HB 1248 or the Budget Bill. A

¹ 9% increase for those receiving benefits; 100% increase in total annual SNAP benefits paid; and, 26 times increase in the annual amount of DA BUX discounts issues to SNAP shoppers since 2019.



\$3 million investment by the State would receive a direct match of \$3 million in federal funding. Furthermore, our analysis shows that with that level of state funding in place, the potential economic impact created by DA BUX in Hawai'i reaches nearly \$19 million.

We appreciate the Legislature's attention to this highly impactful program and look forward to sustained funding to support our SNAP community and our local producers.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

See Attachment

OUR STATE HAS AN OPPORTUNITY TO UNLOCK SIGNIFICANT FEDERAL AND PHILANTHROPIC DOLLARS IN SUPPORT OF THIS PROVEN AND HIGHLY IMPACTFUL PROGRAM



“The most I saved in one trip was \$28 and some change. **I really love this program because I am diabetic and need fresh veggies and fruits to help keep me healthy.** Mahalo for this amazing program. Also, DA BUX helps me with my kids too. They love looking for the DA BUX label on produce & can choose what they want. They love to eat! Carrots, cabbage and cucumbers are their faves as well as local apple bananas to name a few.”

— Dawn Marquez
SNAP Shopper,
Waimanalo, HI

DA BUX

DOUBLE UP FOOD BUCKS PROVIDES A TRIPLE-WIN

“For over a century, KTA Super Stores has strived to serve as an essential source for locally grown produce for our Hawai‘i Island community. DA BUX provides us the opportunity to support our local growers. **Since launching DA BUX in September 2017, we have seen transactions associated with the DA BUX program more than quadruple at our seven store locations.** We see this as positive sign that DA BUX is motivating families to purchase and consume more healthy fruits and vegetables and that this increased demand will drive increases in agricultural production for the state.”

— Toby Taniguchi
President, KTA Super Stores

DA BUX continues to be an amazing way to connect our farm directly to the

consumers who need it most. Being able to offer the best quality fresh locally grown food in a very affordable way removes a big hurdle for people; [DA BUX] helps to make feeding them and their families easy. **This program helps to support local agriculture so we can more easily compete with imported food and gives us farmers a big incentive to produce more fruits and vegetables to satisfy the increased demand for our goods.**”

— Ryan Earehart
Farm Owner, Oko‘a Farms

DA BUX Double Up Food Bucks provides a Triple-Win

HAWAII IMPORTS APPROXIMATELY 85-90% of its food and has food costs that are 91% higher than the national average. Dependence on food imports threatens the sustainability of food producers throughout the islands and places the entire population directly at risk of food shortages in the event of pandemics, natural disasters, and economic disruptions. Furthermore, with the highest cost of living in the nation, Hawai'i is challenged with growing food costs and food insecurity, and 12% of its population receives Supplemental Nutrition Assistance Program (SNAP) in 2022.

THE PROBLEM

Overall, Hawai'i faces an estimated \$83 million in annual costs related to food insecurity and hunger. Due to the COVID-19 pandemic and the rising inflation, Hawai'i households are facing increasing food costs. Compared to the rest of the nation, Hawai'i households spend the highest percentage of their annual budget on food. This is compounded with the rising inflation that has increased food prices and overall cost of living in Hawai'i by 6.6% and 7.4%, respectively. Increasing food prices reinforces many residents' reliance on cheaper, less healthy fast food options that have long-range impacts on health and wellbeing. This situation creates a significant need to help feed low income families AND support local agricultural food producers.

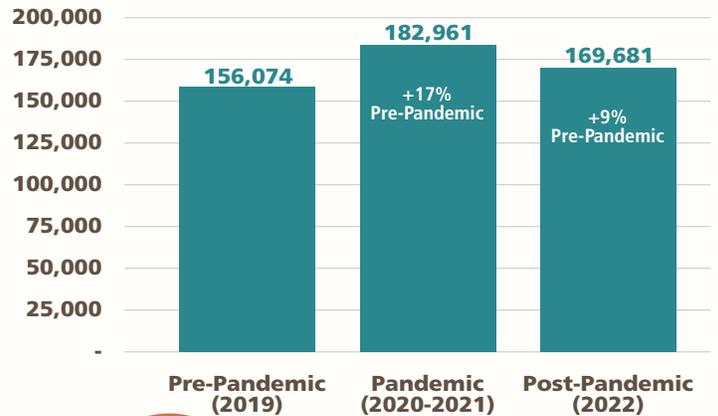
BY THE NUMBERS

- 90% Imported Food
- 91% Higher Food Costs (Refer to the graph for the increasing trend of Hawai'i's cost of food under the USDA Thrifty Food Plan compared to the national average cost of food)
- 12% Received Supplemental Nutrition Assistance in 2022

Hawai'i Monthly Thrifty Plan Cost vs. National Average



Monthly Average of Individual SNAP Recipients in Hawai'i



THE SOLUTION

DA BUX Double Up Food Bucks is a triple-win solution because it doubles the purchasing power of low-income SNAP families for healthy, Hawai'i-grown produce; it supports local farmers with an increased customer base; and it benefits the entire island community by keeping dollars in the local economy.

An appropriation of up to \$3 million in state funds will bring in additional federal funds to sustain, expand and extend the statewide DA BUX Double Up Food Bucks program. Given the broad benefits of DA BUX for our state, it is imperative to secure sustained funding for DA BUX and ensure it is a staple service providing economic relief to SNAP households and directly supporting local agricultural food producers across the state. Based on the projected spend down rate, current funding of the DA BUX program will only last through August 2024.

HOW IT WORKS

The program offers SNAP participants a DA BUX Access Card or voucher at point of sale that doubles their purchasing power when they buy locally



grown fruits and vegetables — \$10 of SNAP benefits would be worth \$20 of Hawai'i grown produce. Thus, each \$1 funded into the program provides \$2 worth of local food purchases.

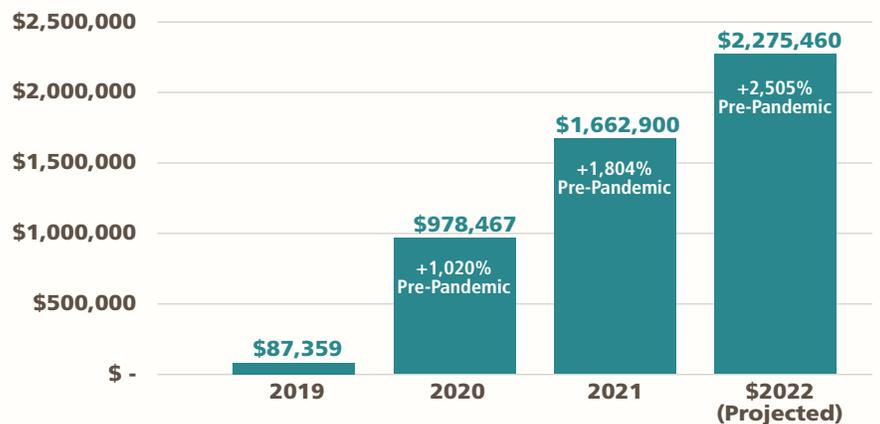
State Support is Key to Federal and Philanthropic Funding

| | State Investment of \$1M | State Investment of \$2M | State Investment of \$3M |
|--|--------------------------|--------------------------|--------------------------|
| State Funding | \$1,000,000 | \$2,000,000 | \$3,000,000 |
| Federal GusNIP grant | \$1,000,000 | \$2,000,000 | \$3,000,000 |
| Total Funding for DA BUX discounts | \$2,000,000 | \$4,000,000 | \$6,000,000 |
| Economic multiplier on DA BUX discounts ¹ | 1.7 | 1.7 | 1.7 |
| Potential economic impact of DA BUX discounts | \$3,328,020 | \$6,656,041 | \$9,984,061 |
| Federal SNAP benefits | \$2,000,000 | \$4,000,000 | \$6,000,000 |
| Economic multiplier of SNAP benefits ² | 1.5 | 1.5 | 1.5 |
| Potential economic impact of SNAP benefits | \$3,000,000 | \$6,000,000 | \$9,000,000 |
| Total funding for SNAP & DA BUX | \$4,000,000 | \$8,000,000 | \$12,000,000 |
| Potential economic impact | \$6,328,000 | \$12,656,041 | \$18,984,061 |
| Economic impact multiplier of state funding | 6.3 | 6.3 | 6.3 |

Over the course of the pandemic, DA BUX has become a critical service for low-income SNAP beneficiaries struggling with economic hardship and food insecurity. There has been significant growth and demand for the program due to the increase in SNAP participation and participating DA BUX retail locations across the state.



Annual DA BUX Discounts Issued to SNAP Shoppers



| Local Food Sales Driven By SNAP DA BUX | | | | |
|--|------------------|--------------------|--------------------|--------------------|
| County | 2019 | 2020 | 2021 | 2022 (Projected) |
| Honolulu | \$ - | \$929,217 | \$1,659,101 | \$2,397,563 |
| % increase | | 100% | 79% | 45% |
| Hawai'i | \$174,718 | \$842,482 | \$1,125,573 | \$1,244,464 |
| % increase | | 382% | 34% | 11% |
| Kaua'i | \$ - | \$87,574 | \$191,309 | \$211,498 |
| % increase | | 100% | 118% | 11% |
| Maui | \$ - | \$97,661 | \$349,817 | \$697,394 |
| % increase | | 100% | 258% | 99% |
| Statewide Total | \$174,718 | \$1,956,934 | \$3,325,800 | \$4,550,919 |

- From 2020 through 2021, DA BUX supported 470 farm producers and 8 distributors by incentivizing the sale of their farm products sold at participating farm direct retailers.
- In January 2022, local produce sales to SNAP shoppers at participating farm direct retailers increased an average of 531% from 2019
- DA BUX gives farmers the opportunity to feed local residents (rather than exporting product to the mainland) and to increase production towards a self-sufficient local food supply for the state. The program strengthens the relationship between local residents and food producers. Increasing local food production capacity can help to bring prices down, making healthy local food accessible and affordable to more people.

¹ Based on the "The Economic Contributions of Healthy Food Incentives" report prepared by Colorado State University, and the percentage of 2021 DA BUX discounts issued via farm-direct outlets and food retailers. Refer to the report at: https://fairfoodnetwork.org/wp-content/uploads/2021/01/Economic_Contributions_Incentives_2_2_21.pdf

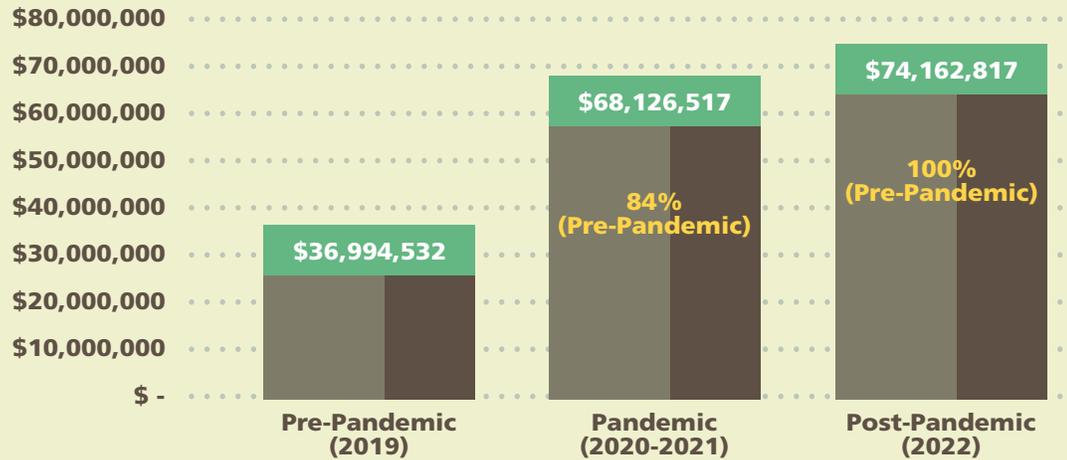
² Based on the "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier" report prepared by the United States Department of Agriculture's Economic Research Service. Refer to the report at: https://www.ers.usda.gov/webdocs/publications/93529/err265_summary.pdf

More Impact for State 'BUX'

Due to rising inflation and higher cost of living, SNAP participation and SNAP benefits in Hawai'i continue to be significantly higher compared to 2019 levels.

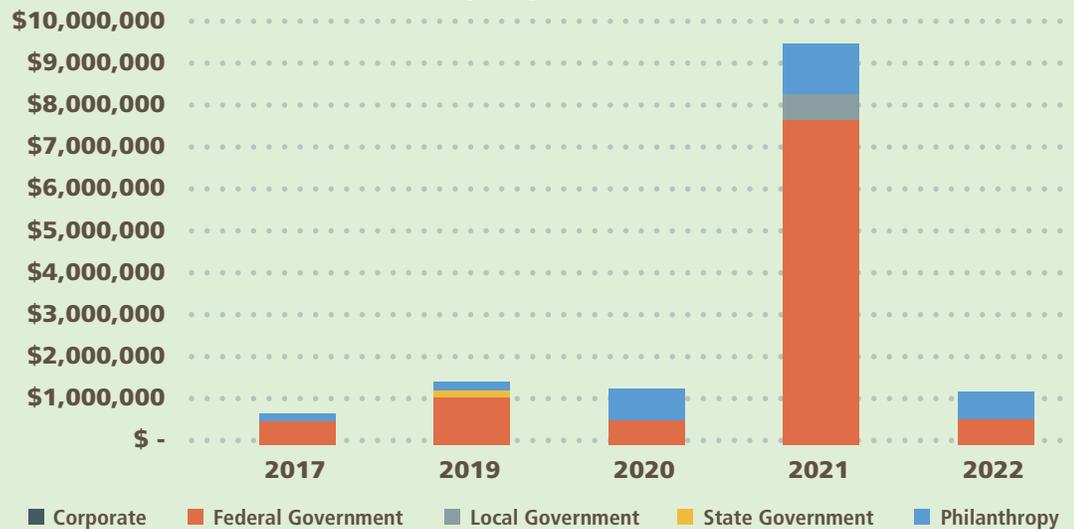
- 8th highest poverty rate (10.5% of the population living at or below the poverty line)
- 9% increase in the number of individuals in Hawai'i receiving SNAP benefits
- 100% increase in the annual total amount of SNAP benefits paid in Hawai'i
- 26x increase the annual total of DA BUX discounts issued to SNAP shoppers

Average Monthly SNAP Benefits Paid for Hawaii SNAP Participants



Historically, the DA BUX program has been primarily funded by Federal grants and philanthropic/private funding (representing almost all of total program funds). To date, the State of Hawaii has only provided \$94,000 in General Funds, and allocated \$500,000 in Federal CARES Act funds to the program.

DA BUX Fundings by Source (2017-2022)



Secure and sustained state funding for DA BUX program is the key to federal and philanthropic funding matches. State funds can generate significant leverage:

- Stimulate economic activity of \$19 million (6.3x of state funding) while increasing local food production for local consumption.
- \$3 million can be matched by \$3 million in federal dollars from a Gus Schumacher Nutrition Incentive Program (GusNIP) grant, as well as \$6 million from SNAP purchases, resulting in \$12 million going toward local food purchases and supporting local farmers
- Given the impact achieved and successful track record, state funding will be a worthwhile investment and position the DA BUX program for future federal funding.
- Other states have recognized the benefit and impact of double up food bucks programs by investing state funds in expanding and sustaining their programs. There are nine states that have invested state funds in their double up food bucks programs, totaling approximately \$94.5 million from 2015 through 2021.

HR-42

Submitted on: 3/22/2023 5:10:32 PM

Testimony for AGR on 3/29/2023 9:30:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Gerard Silva | Individual | Oppose | Written Testimony Only |

Comments:

Not For Hawaii!!!