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SENATE COMMITTEES ON AGRICULTURE & THE ENVIRONMENT AND HEALTH & HUMAN SERVICES

Wednesday, March 13, 2024 — 1:02 p.m.

Ulupono Initiative strongly supports HB 2771 HD1, Relating to Food Security.

Dear Chair Gabbard, Chair San Buenaventura, and Members of the Committees:

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 strongly supports HB 2771 HD1, which appropriates funds for the continued administration of the Hawai'i Healthy Food Incentive Program and provides matching funds to beneficiaries who participate in the Supplemental Nutrition Assistance Program (SNAP).

Ulupono strongly supports the Hawai'i Healthy Food Incentive Program within the DOA because of the program's transformative effects on community hunger and health, local agriculture, and overall economic vitality. At the heart of this program is the highly impactful "DA BUX" Double Up Food Bucks Program, ran statewide by The Food Basket and representing a triple-win solution for our communities. Through the program, SNAP-eligible participants are empowered to double their purchasing power toward healthy, locally grown fruits and vegetables, concurrently benefitting local farmers. Importantly, these dollars stay within our state, which benefits our local economy.

Furthermore, this program's leveraging of federal funding at a 1:1 match demonstrates a prudent approach to maximizing resources for optimal impact.

The impact is clear: Hawai'i residents have faced a 26% increase in food prices since January 2020. Through DA BUX, \$10 of SNAP benefits transforms into \$20 of Hawai'i-grown produce for individuals and families who most need it (Last year, 160,000 Hawai'i residents received SNAP assistance).

The impact is far reaching for local farmers: Since 2020, DA BUX purchases have benefitted more than 470 farm producers and eight distributors through farm product sales. This facilitates the expansion of markets for local ag producers.

The impact is growing: Local produce sales to SNAP shoppers at participating farm direct retailers increased an average of 531% from 2019 to 2021. These numbers substantiate the need to support our local community as food insecurity continues to increase.

Investing in a Sustainable Hawai'i

Additionally, DA BUX directly supports the Maui community recovery from the August 2023 wildfires.

- Prior to the wildfires, Maui County experienced the largest increase in poverty in the state as the percentage of households in Maui County living below the federal poverty line rose from 6% in 2018 to 16% in 2022.¹ Approximately 11% of Maui County residents face food insecurity, resulting in \$17 million in annual costs to address food insecurity and hunger in the county, based on data from Feeding America.²
- As of August 2023, there were 14,540 SNAP participants or 7,921 SNAP households on Maui Island. DA BUX alleviates food insecurity by reducing hunger and improving the overall well-being of Maui families by doubling their purchase power for fresh locally produced fruits and vegetables at 13 DA BUX retail locations across Maui Island, including grocers, food hubs, and farmers markets.
- DA BUX also expands the customer base of Maui Island producers, many of whom struggled with market closures following the wildfires.³ There are currently 72 Maui farmers/producers that are supported by the program with increased sales and farm profits. Food sales driven by the program on Maui Island has increased from \$97,661 in 2020 to \$768,225 projected in 2023 (based on the latest data)—nearly a 700% increase.

We are hopeful the State will consider a \$2 million appropriation, per year, for the DOA program to support DA BUX. A \$2 million investment by the State would receive a direct match of \$2 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 \$13 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.

Respectfully,

Micah Munekata
Director of Government Affairs

Attachment

¹ <https://www.mauinews.com/news/local-news/2022/12/52-of-maui-county-homes-live-below-alice-threshold/>

² <https://map.feedingamerica.org/county/2021/overall/hawaii/county/maui>

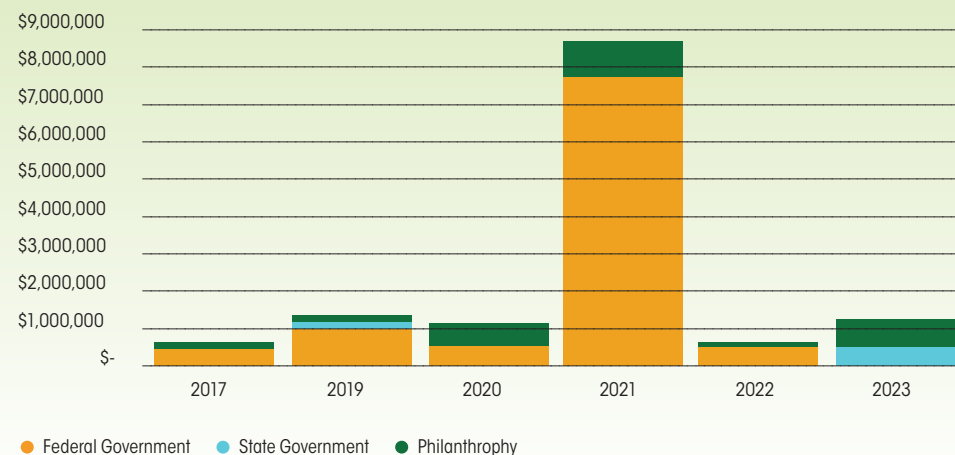
³ 80% of farmers lost their markets and half of them lost between 75% and 100% of their customers, based on a post-fire survey conducted by Hawai'i Farmers Union United.

<https://www.civilbeat.org/2023/11/hawaiis-food-banks-need-far-more-funding-before-the-next-disaster/>

Opportunity to Expand a Proven, Highly Impactful Program

DA BUX FUNDING BY SOURCE (2017 - 2023)

State funds have historically represented just 4% of total funding to DA BUX



\$2 MILLION IN STATE FUNDING HAS A POTENTIAL ECONOMIC IMPACT OF \$12.8 MILLION

Historically, the DA BUX program has been primarily funded by federal grants and philanthropic/private funding (representing almost all of total program funds). Since its inception, DA BUX has received **\$13.7 MILLION** in funding. The State funding of \$594,000 represents **4%** of total funding to the program to date.

Secure and sustained State funding for DA BUX program is the key to federal and philanthropic funding matches. An appropriation of \$2 million in State funds can generate significant leverage:

- Stimulate economic activity of about \$13 million (6.4x State funding) while increasing local food production for local consumption.
- \$2 million in State funds can be matched by \$2 million in federal dollars from a Gus Schumacher Nutrition Incentive Program (GusNIP) grant, as well as \$4 million from SNAP purchases, resulting in \$8 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 their state funds in expanding and sustaining their programs. There are 24 states that have invested state funds in their Double Up Food Bucks programs, totaling approximately \$158 million from 2015 through 2024.

HAWAII BY THE NUMBERS

16TH HIGHEST POVERTY RATE (10.0% OF THE POPULATION LIVING AT OR BELOW THE POVERTY LINE)

22X INCREASE IN THE ANNUAL TOTAL OF DA BUX DISCOUNTS ISSUED TO SNAP SHOPPERS

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 (Maui)



'DA BUX' Double Up Food Bucks Provides a Triple-Win



HOW 'DA BUX' WORKS

The DA BUX Double Up Food Bucks program offers each Supplemental Nutrition Assistance Program (SNAP) participant a DA BUX Access Card or voucher to be used at point of sale to double their purchasing power when they buy locally grown fruits and vegetables — \$10 of SNAP benefits is worth \$20 of Hawai'i grown produce. Thus, each \$1 funded into the program provides \$2 worth of local food purchases.

THE CHALLENGE

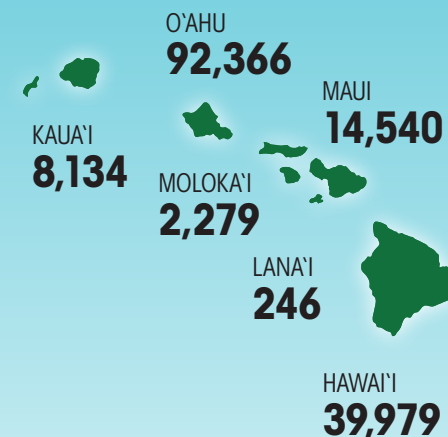
In fall 2023, the program was denied federal funding primarily due to a lack of a sustained State funding. Based on the projected spend down rate, current funding of the DA BUX program will only last through August 2024. Hawai'i SNAP beneficiaries have been hit with both increasing food costs and decreasing SNAP benefits. This situation creates a significant need to help feed low-income families AND support local agricultural food producers.

THE OPPORTUNITY

DA BUX 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 \$2 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 islands.



ISLAND BREAKDOWN OF SNAP PARTICIPANTS (as of August 2023)



HAWAII BY THE NUMBERS

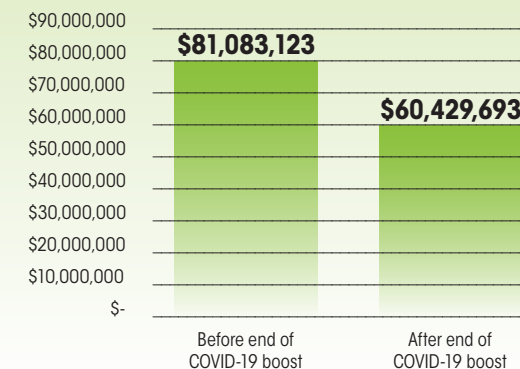
90% IMPORTED FOOD

91% HIGHER FOOD COSTS

26% INCREASE IN FOOD PRICES SINCE JANUARY 2020

With the highest cost of living in the nation, Hawai'i faces growing food costs and food insecurity. About 160,000 residents received SNAP assistance 2023.

THE END OF PANDEMIC-ERA FUNDING IN 2023 HAS DECREASED BENEFITS FOR HAWAII SNAP PARTICIPANTS BY 25%



State Support is Key to Federal and Philanthropic Funding



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.

	State Investment of \$2M	
State Funding	\$ 2,000,000	a
Federal GusNIP Grant	\$ 2,000,000	b
Total Funding for DA BUX Discounts	\$ 4,000,000	c = a+b
Economic Multiplier on DA BUX Discounts ¹	1.7	d
Potential Economic Impact of DA BUX Discounts	\$ 6,798,308	e = c*d
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Federal SNAP Benefits	\$ 4,000,000	f = c
Economic Multiplier on SNAP Benefits ²	1.5	g
Potential Economic Impact of SNAP Benefits	\$ 6,000,000	h = f*g
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Total Funding for SNAP & DA BUX	\$ 8,000,000	i = c+f
Potential Economic Impact	\$12,798,308	j = e+h
Economic Impact Multiplier of State Funding	6.4	k = j/a

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.

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.



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 Sept 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 (Hawai'i Island)



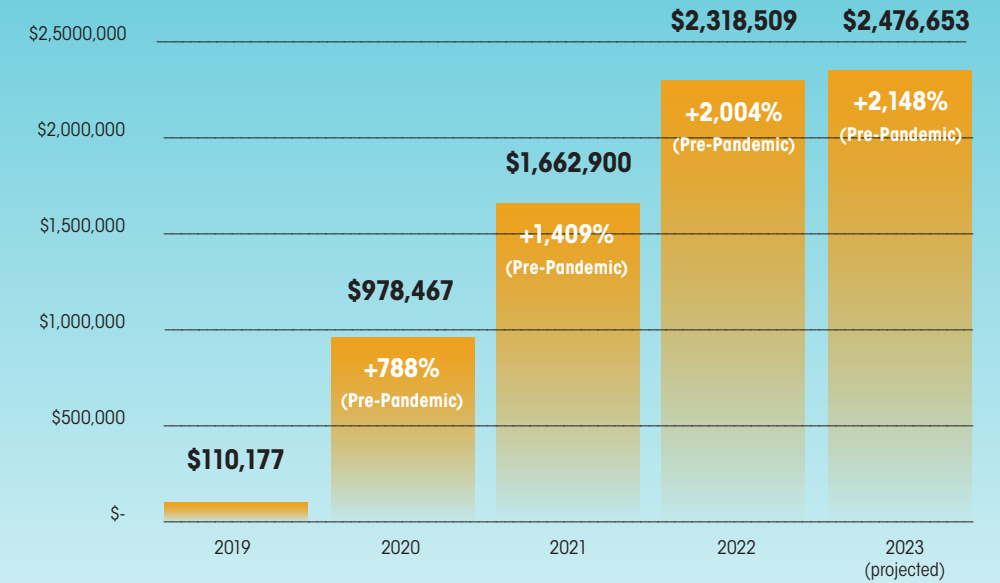
I really love this program because I am diabetic and need fresh veggies and fruits to help keep me healthy.

Mahalo for this amazing program. Also, DA BUX helps me with my kids too. They love looking for the DA BUX label on produce and 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, Waimānalo (O'ahu)

ANNUAL DA BUX DISCOUNTS ISSUED TO SNAP SHOPPERS

Participation has steadily increased in Hawai'i



- 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.
- Since the pandemic, DA BUX discounts have increased by 2,148%, totaling more than \$2.4 million.

LOCAL FOOD SALES DRIVEN BY SNAP DA BUX*

Local food sales driven by DA BUX has also steadily increased, especially on Maui

Projected growth in local food sales driven by DA BUX decreased due to a lack of sustained State funding

County	2019	2020	2021	2022	2023 (Annualized)
Honolulu	\$ -	\$ 929,217	\$ 1,659,101	\$ 2,443,673	\$ 2,499,684
% Increase	-	100%	79%	47%	2%
Hawai'i	\$ 220,354	\$ 842,483	\$ 1,125,573	\$ 1,238,329	\$ 1,295,901
% Increase	-	282%	34%	10%	5%
Kaua'i	\$ -	\$ 87,574	\$ 191,309	\$ 224,094	\$ 229,990
% Increase	-	100%	118%	17%	3%
Maui	\$ -	\$ 97,661	\$ 349,817	\$ 730,922	\$ 927,732
% Increase	-	100%	258%	109%	27%
Statewide Total	\$ 220,354	\$ 1,956,934	\$ 3,325,800	\$ 4,637,018	\$ 4,953,307

*50% of the sales include DA BUX incentives and the remaining 50% is comprised of SNAP



'DA BUX' ensures access to essential food resources during challenging times

DA BUX is a triple-win solution that helps low-income families, supports farmers, and benefits the entire community by keeping dollars local. This is especially impactful on Maui, where the August 2023 wildfires severely disrupted lives and livelihoods across the island.

A STATE INVESTMENT OF \$2 MILLION WILL HELP FAMILIES AND FARMERS STRUGGLING IN THE AFTERMATH OF THE WILDFIRES AS THEY WORK THEIR WAY THROUGH RECOVERY.

THE CHALLENGE

- 26% of households considered financial recovery to be their greatest need, according to the Hawai'i State Department of Health's Maui Wildfires Public Health Rapid Needs Assessment preliminary report.¹
- Prior to the wildfires, Maui County experienced the largest increase in poverty in the state as the percentage of households in Maui County living below the federal poverty line rose from 6% in 2018 to 16% in 2022.²
- Approximately 11% of Maui County residents face food insecurity, resulting in \$17 million in annual costs to address food insecurity and hunger in the county, based on data from Feeding America.³

THE OPPORTUNITY

- DA BUX provides economic relief to Supplemental Nutrition Assistance Program (SNAP) participants by doubling their purchasing power toward local produce. As of August 2023, there were 14,540 SNAP participants or 7,921 SNAP households on Maui Island.
- DA BUX improves access to affordable and healthy Hawai'i-grown produce. There are 13 DA BUX retail locations across Maui Island including grocers, food hubs, and farmers markets.
- DA BUX alleviates food insecurity by reducing hunger and improving the overall well-being of Maui families.

¹ <https://health.hawaii.gov/news/files/2023/10/Maui-Wildfire-RNA-Preliminary-Report.pdf>

² <https://www.mauinews.com/news/local-news/2022/12/52-of-maui-county-homes-live-below-alice-threshold/>

³ <https://map.feedingamerica.org/county/2021/overall/hawaii/county/maui>



INCREASE FOOD ACCESS FOR MAUI RESIDENTS

“I’ve been using SNAP this year for about five months. DA BUX is really giving a chance for people to come out and buy from the local farmers and to buy fresh produce that maybe they wouldn’t even have eaten before. DA BUX is good for families. It’s good for Hawai’i. It’s good for me.”

– Stacy Richards, SNAP shopper at Hana Farmers Market (Maui)





STIMULATE ECONOMIC RECOVERY FOR MAUI FARMERS

THE CHALLENGE

- Due to the wildfire’s impact on tourism, many farmers and ranchers have lost key markets such as hotels and restaurants.
- 80% of farmers lost their markets and half of them lost between 75% and 100% of their customers, based on a post-fire survey conducted by Hawai’i Farmers Union United.⁴

THE OPPORTUNITY

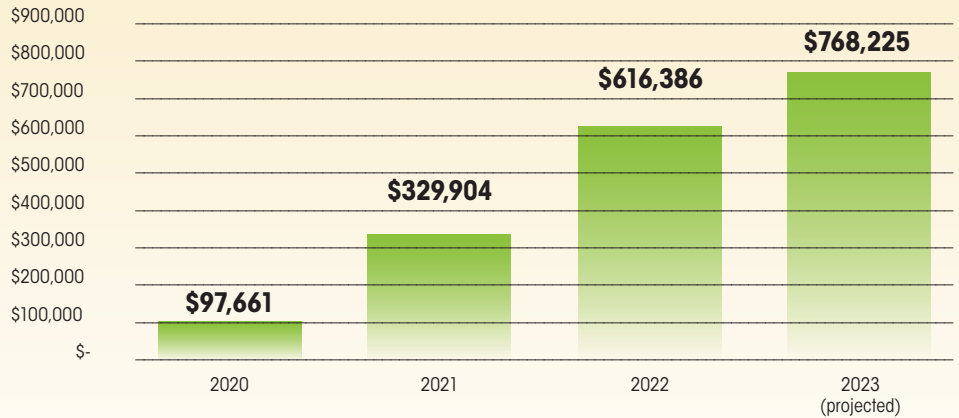
- DA BUX expands the customer base of Maui Island producers. There are currently 72 farmers/producers that are supported by the program.
- DA BUX supports Maui Island farmers and ranchers in continuing to operate by increasing sales and farm profits. Local food sales driven by the program on Maui Island has increased from \$97,661 in 2020 to \$768,225 projected in 2023, nearly a 700% increase.

⁴ <https://www.civilbeat.org/2023/11/hawaiis-food-banks-need-far-more-funding-before-the-next-disaster/>



MAUI ISLAND: LOCAL FOOD SALES DRIVEN BY SNAP DA BUX

(Annual Sales)



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– Ryan Earehart, Farm Owner, Oko’a Farms (Maui)



THE FOOD BASKET
HAWAII ISLAND’S FOOD BANK

13 DA BUX RETAIL LOCATIONS ACROSS MAUI ISLAND

