

SB594

Testimony

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SENATE COMMITTEE ON AGRICULTURE
Senator Clarence Nishihara, Chair
Tuesday, January 29, 2013 — 2:45 p.m. — Room 229

Ulupono Initiative supports SB 594, Relating to Agriculture

Dear Chair Nishihara, Vice Chair Kouchi and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono strongly supports SB 594, which would reduce the cost of processing poultry and livestock by exempting these activities from the General Excise Tax (GET).

The Legislature earlier exempted agricultural commodities from the GET and this bill includes a similar exemption for services paid for animal processing. These actions would support homegrown poultry, livestock and farm-raised seafood. Ulupono is concerned that the GET multiplies along the food supply chain, increasing the price which makes local food less competitive than imports. In addition, applying the GET at the processing level penalizes food processing, which is a wholesale transaction.



Ulupono has joined with a diverse group of organizations who have come together for the first time as the Local Food Coalition to support proposals designed to help grow more local food. The coalition brings together farmers, ranchers, livestock producers, investors and other organizations. The idea is that putting more local food on local plates can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

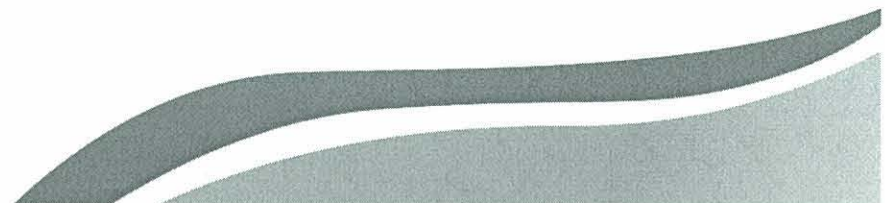
We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner

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January 29, 2013

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 594
RELATING TO AGRICULTURE

Room 229
2:45 PM

Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community

HFBF supports of SB 594 which exempts from the general excise tax the amounts received for the slaughter and processing of poultry and livestock.

Hawaii's livestock industry faces numerous challenges. These challenges have been a contributing factor to the decline of the state's livestock industry. Sustainability, self-sufficiency and growing agriculture are popular concepts seen in many of the measures before the legislature this year. This Legislative Session, there have been many bills introduced that support of Hawaii's Agricultural Industry.

This year, HFBF has introduced a package of measures addressing the real needs of our farmers and ranchers all associated with increasing farm and ranch viability. These include infrastructure needs, permitting, and regulatory assistance.

This measure will provide a GET exemption for services paid for animal processing. This will help to reduce the operating costs and eventually help reduce the cost of purchasing local livestock products to local consumers..

Thank you for this opportunity to provide our testimony on this important matter.