



**House Committee on Taxation
Testimony in Support of HB 2668
Thursday, March 8, 2018**

Chairman Johnson, Vice Chair Phillips, and Members of the Committee:

Kansas Farmers Union supports HB 2668 and the elimination of sales tax on farm products sold at Kansas farmers markets. KFU members formalized support for the elimination of state sales tax on groceries in our 2018 Policy Statement. While HB 2668 doesn't achieve this objective, we believe this bill will support Kansas' smaller, diversified family farms and strengthen local economies.

About Kansas Farmers Union

Kansas Farmers Union represents our members, who are engaged in diverse farming and ranching pursuits, through cooperation, legislation and education. We believe that family ownership of farmland is the basis for the most viable system of food and fiber production and that maintaining this family farm system will preserve our natural and human resources. Our primary objective is to help family farmers and ranchers add value to the food, fiber and energy they produce. Farmers Union assists producers to retain ownership of their farm products further into the processing channel and enhance market returns on their investment.

Kansas Farmers Markets

Kansas is home to approximately 100 farmers markets that provide multiple benefits to farms, shoppers, and local economies. Farmers markets:

- Offer vital direct marketing opportunities, especially for smaller family farms and beginning farmers;
- Encourage consumers to improve their diets and eat seasonally;
- Allow more money to circulate within the region and spill over to other local businesses.

The value of direct markets: Did you know that farmers and ranchers receive only 15.6 cents of every food dollar that consumers spend on food at home and away from home? According to USDA, off farm costs including marketing, processing, wholesaling, distribution and retailing account for more than \$0.80 of every food dollar spent in the United States. National Farmers Union's Farmer's Share tracks the price of 16 grocery store items and uses USDA data to determine the amount the farmer receives for each item they grow or raise. For lettuce selling at \$2.79, the farmer received only \$0.31. *When selling directly to shoppers at a farmers market, the farmer captures 100% of the sale.*

The importance of seasonal eating: We've all grown accustomed to relying on a core group of fruits and vegetable for meal planning. Grocery stores aim to always have certain produce items available and are often ill-equipped or unwilling to carry locally-raised seasonal crops. As a result, the diversity of fruits and vegetables in our diets is small in comparison to what is available at farmers markets today. *Farmers markets inspire Kansans to eat more fruits and vegetables.*

The economic ripple effects of direct-to-consumer farm sales: Numerous studies over the past decade have documented the positive impacts of local food sales. Farmers markets have been found to have positive impacts on local economies in terms of job creation, increased revenue and income, and business incubation. In studies conducted at Kansas farmers markets, we've found there to be valuable spillover sales generated by farmers market shoppers who also make purchases at neighboring businesses. *Farmers market boost the retention of dollars in their local communities.*

For these reasons, Kansas Farmers Union advocates for the elimination of sales tax on farm products sold at Kansas farmers markets and strongly supports the passage of HB 2668.

Thank you for the opportunity to submit testimony.

Mercedes Taylor-Puckett
Kansas Farmers Union
kfu.mercedes@gmail.com
785.840.6202