

# **Written Testimony of Ms. Lilly Rocha, Executive Director Latino Restaurant Association**

**July 23, 2025**

The U.S. economy has long benefited from the sheer size and influence of the Latino consumer segment. With an estimated 65 million Latinos representing nearly 20% of the U.S. population, Latinos possess significant economic purchasing power. The Latino community includes entrepreneurial leaders, driving job creation and fueling economic development in their communities and across the nation. Foremost among these contributions is the thriving Latino and Hispanic foods sector, which not only provides jobs and business opportunities but also serves as a source of cultural pride, nourishment, and community connection.

Mexican food, in particular, has surged in popularity; today, approximately one in every ten restaurants in America serves Mexican cuisine. While enjoyed nationwide, nearly a quarter of all Mexican restaurants are concentrated in California, with Los Angeles alone accounting for 30% of the state's total. Predominantly small, family-owned, and affordably priced, these restaurants are especially vital to the working-class neighborhoods in which they operate.

It's important to note that Latinos, particularly Mexican Americans, are not newcomers to the region. Many families have lived in California and the greater Southwest for generations, long before these areas became part of the United States. Their deep roots and cultural traditions are woven into the very fabric of the state, and their small businesses are more than just economic drivers, they are enduring expressions of heritage and resilience. Yet it is precisely these, and other small ethnic establishments, that have been disproportionately harmed by California's Proposition 12, bearing the heaviest costs of this misguided and destructive policy.

## **Witness Background**

My name is Lilly Rocha and I am the Executive Director of the Latino Restaurant Association (LRA). Since our start the LRA has been a beacon for Latino culinary entrepreneurs. From the vibrant streets of Los Angeles to nationwide acclaim, we've grown together with the rise in popularity of Latino foods into a powerhouse business network fueled by passion, community, and a zest for flavor.

Headquartered in Los Angeles, the LRA represents the thousands of mostly small, family owned and operated Latino restaurants and related businesses across the country. We grew out of the vibrant community in Southern California, where the majority of our members continue to operate and serve their communities today. But as America's taste of Latino culture and flavors expands, we have seen our footprint grow as well. LRA now has a presence not just in Los Angeles, but throughout California and across the entire country with dedicated community hubs in Chicago, Houston and New York to serve Latino entrepreneurs and the growing sectors there. LRA promotes and supports restaurateurs, small businesses and our entire community to ensure the equitable economic growth of the sector.

LRA is a founding member of the Food Equity Alliance (FEA), a broad, California-based coalition of grocery stores, restaurants, retailers, business associations, food processors, and consumer advocates. FEA's membership reflects the full diversity of California's ethnic and minority communities, alongside restaurants, grocers, and other retailers. The Alliance was formed to advocate for the communities most burdened by the implementation of Proposition 12. As part of this coalition, we work closely with organizations to promote equitable food access. In the past, FEA has specifically highlighted how Proposition 12 disproportionately harms minority-owned businesses and low-income communities by creating supply chain disruptions and driving up the cost of culturally significant foods like pork. FEA continues to champion the interests of its constituents, particularly small Latino and Asian owned restaurants and grocery stores, and the neighborhoods they serve.

In addition to serving as the executive director of LRA, I have also recently been reelected President of the Latino Food Industry Association (LFIA), which advocates on behalf of all Latinos throughout the food industry, including grocers, distributors food service and both retail and street vendors. Among these efforts is assisting in the production of the Latino Food Industry Trade Expo, the largest business growth event for the Latino food service and retail industry.

I am here today on behalf of the thousands of small, family-owned, and predominantly minority-owned businesses across California, whether restaurants, grocers, distributors, or the customers they serve, who continue to face significant economic harm from Proposition 12. These businesses, many run by first and second generation immigrant families, play a vital role in preserving cultural heritage, providing affordable food for all, and creating economic opportunity for the 65% of Californians who are of Latino and Asian descent. I am here to testify about the devastating impact Proposition 12 has had on these businesses and their communities, and to urge Congress to address the law's unintended consequences: consequences that now threaten food equity, cultural identity, and the economic survival of countless American families.

## **Cultural Significance of Pork in Hispanic and Asian Communities**

Pork is not just a protein, it is a culinary staple and cultural connector within Latino and Asian communities. The absence or unaffordability of pork severs important cultural and familial ties. For many of the 65% of Californians of Latino or Asian descent, pork based dishes are not just food but a link to heritage, often prepared for family gatherings and celebrations. For Latinos that could be Carnitas, Pupusas de chicharrón, or Lechona. For Asian's it might be Korean Samgyeopsal, Filipino Lechon, or any multitude of Chinese dishes from dumplings and pork fried rice to Char Siu.

These dishes, passed down through generations, are vital for cultural continuity but also for helping to feed the over 3 million food insecure households in California, including more than 1.25 million children living in poverty in the state<sup>1</sup>. Proposition 12's impact threatens to sever these traditions, forcing families to forgo culturally significant meals or turn to less nutritious alternatives, undermining both cultural identity and food security.

## **Background on California Proposition 12**

California Proposition 12, fully implemented on January 1, 2024, after being upheld by the U.S. Supreme Court in May 2023, establishes stringent animal welfare standards for pork, eggs, and veal sold in the state. While Proposition 12 aims to improve animal welfare, it has sparked significant disruption to the communities I represent due to its economic and cultural implications, particularly for small, family owned businesses. Despite being the nation's largest agricultural state, California doesn't produce any pork. However, it consumes about 13% of the nation's pork. The law's requirements affect out of state pig farmers and have led to significant supply chain disruptions and price increases.

Overall, retail pork prices in California have risen by an average of 20% since July 2023, with specific cuts like pork loins increasing by 41%. These changes disproportionately burden minority communities, particularly Hispanic and Asian families, who make up roughly 65% of California's population and rely heavily on pork as a cultural and nutritional staple.

This is not a surprise. In 2021, as we were first learning about Proposition 12's impacts, the FEA commissioned the Hatamiya Group to undertake a study on the likely impact that Prop 12 would have on our communities. Mr. Hatamiya is a well respected economist in California, having served as both the Administrator of USDA's Agricultural Marketing Service and the Foreign Agricultural Service under President Bill Clinton. He was later appointed by California Gov. Gray Davis to serve as Secretary of the California Technology, Trade and Commerce Agency.

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<sup>1</sup> <https://www.ppic.org/publication/poverty-in-california/>

At the time he concluded that:

“Proposition 12 will result in greater consumer expenditures on pork and/or lower demand for the various pork products. Increased pork producers would have the combined negative impact of greater financial burden on California pork consumers and lower demand for pork products on pork producers. Moreover, more market access restrictions due to Prop 12 regulations would further limit available supply into California, thereby driving up pork prices for all consumers.

More specifically, the negative financial burden falls largely on the diverse ethnic consumers and communities that make up California, with pork being an important source of protein for African American, Asian American, and Hispanic households, businesses, and restaurants.”<sup>2</sup>

Three years later, following the Supreme Court’s 2023 decision upholding Proposition 12, Mr. Hatamiya revisited his study to better understand the direct impacts of Proposition 12. Relying on data from the United States Department of Agriculture, he found that Prop 12 had caused major disruption to the marketplace for pork in California, increasing prices significantly, on average nearly 20% with prices for loins increasing 41%. Worse, for our communities he noted that:

“43.8% of all California pork consumers are Millennials and Gen Z. Also, the vast majority of California pork consumers (63.5%) are Black/African American, Hispanic/Latino, Asian and other. Not only are California pork consumers younger and more ethnically diverse than all U.S. pork consumers, but there is also a larger percentage of low-income California pork consumers than the rest of the U.S. (25.5%). Therefore, the burden of higher retail pork prices in California falls mainly upon the younger, diverse, and lower income consumers across the state.”<sup>3</sup>

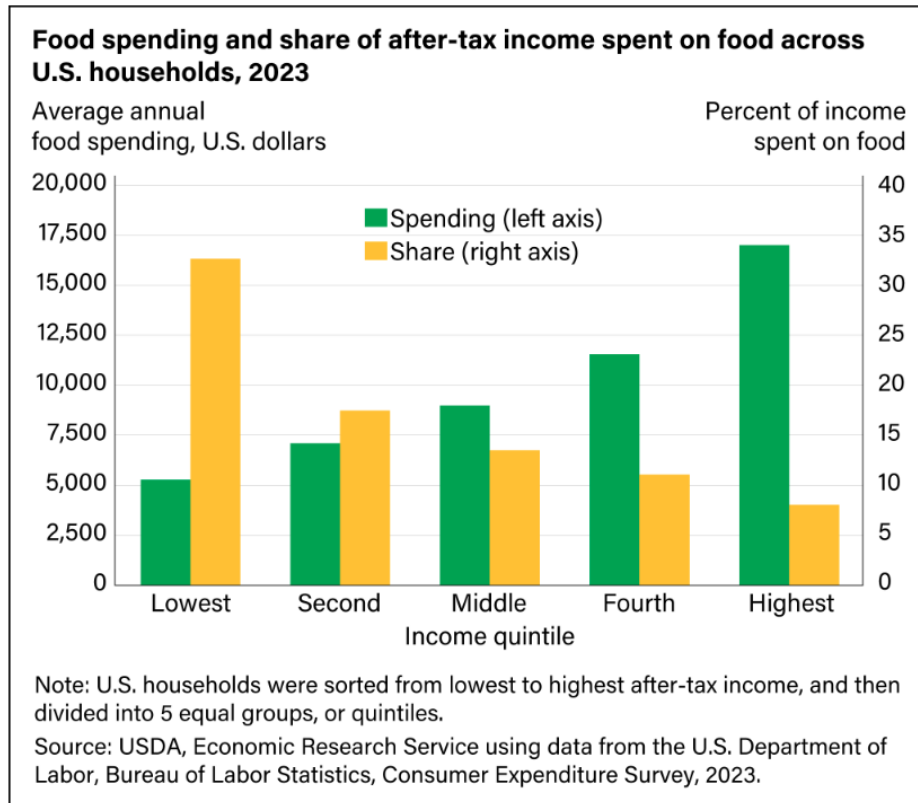
Proposition 12 is not something that the people of California understood when it was passed. It was, and remains, a pet project of the very wealthy, financed by the Silicon Valley billionaires and Hollywood stars who can afford it but who will not be burdened by the consequences of the law. As others have noted in the past, the richest 20% spend approximately as much on food in a year as the poorest 20% earn.<sup>4</sup>

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<sup>2</sup> Hatamiya Group, Analysis of Economic Impact of Proposition 12 on Pork Pricing and Consumption in California (June 11, 2021).

<sup>3 3</sup> Hatamiya Group, Reanalysis of Economic Impact of Proposition 12 on Pork Pricing and Consumption in California After Implementation (March 29, 2024).

<sup>4</sup> <https://www.ers.usda.gov/data-products/chart-gallery/chart-detail?chartId=58372>



## Economic Devastation for Small Businesses

Proposition 12's requirements have created "massive disruptions" in supply chains, particularly for small businesses unable to manage costly segregation and certification processes. The small, family-owned restaurants that I represent operate on razor-thin margins, serving working class communities that cannot absorb price increases. Proposition 12 has driven pork prices up significantly - pork loins by 41%, bacon by 16% - making it impossible for many restaurants to maintain affordable menus. A carnitas taco, once \$1.50, now costs \$3 to \$4, pricing out loyal customers.

Restaurants face an impossible choice. Do they raise prices, alienating their low income customer base? Do they reduce portion sizes, diminishing customer satisfaction? Do they remove pork dishes, eroding cultural authenticity and brand identity? For ethnic restaurants, removing these long established dishes is not just a menu change; it's a cultural loss that risks alienating their community and driving them toward closure.

Despite recent claims by some that the market has adjusted to the demands of Prop 12, this is simply not true. National chains possess the purchasing power to demand access from their suppliers to Prop 12 compliant pork. In other cases, they have directly invested the many millions of dollars required for the construction of Prop 12 compliant farms. The small community based businesses I represent do not have that luxury. Neither are they able to negotiate bulk contracts or spread costs across their operations nationwide.

Even if they could afford these price increases, access to Proposition 12-compliant pork remains another significant hurdle. Like their customers, large national distributors serving national chains can invest in compliant facilities or absorb losses to ensure supply. Small restaurants and local grocers, reliant on independent distributors, find compliant pork scarce or even impossible to obtain. Often they are forced to resort to buying pork at retail from the large national chains that have access to the scarce pork in the marketplace. These are the same large chains they are often competing directly against, paying inflated retail prices and then having to mark up pricing further to cover costs. This practice erodes profitability and forces restaurants to compete with the very chains that dominate the compliant pork market, creating a vicious cycle that threatens their survival and raises costs for consumers within their community.

## **Conclusion**

California Proposition 12 has created a cascade of challenges for small, family owned Hispanic and Asian restaurants and grocery stores, threatening their economic viability and the cultural fabric of the communities they serve. The 20% rise in pork prices and supply shortages force restaurants to alter culturally significant menus and grocers to reduce offerings, alienating customers and eroding profits. These small businesses lack the resources to secure compliant pork or absorb its high costs, creating a two-tiered market that disadvantages minority-owned enterprises. For the 65% of Californians of Hispanic and Asian descent, the loss of affordable pork threatens cultural traditions and food security, as dishes like carnitas, char siu, and lechon become less accessible. The warnings of both former USDA Secretary Tom Vilsack and current USDA Secretary Brooke Rollins about supply chain disruptions underscore the broader implications: Proposition 12 risks dismantling the ability of small businesses to serve their communities, potentially reshaping California and the nation's food and business landscape to the detriment of its most diverse and vulnerable populations. Without intervention, it will continue to dismantle the cultural and economic fabric of California's communities, leaving families without access to their heritage and businesses on the brink of collapse.

Thank you for your attention to this critical issue. I am happy to answer any questions.