

The Challenges

The value of accepting SNAP/food stamps at farmers' markets is clear: the ability to process EBT transactions at a farmers' market improves access to healthy foods among the community's lower-income residents and adds to the farmers' revenues. And the Clark Park Farmers' Market pilot project showed that the easier it is to use an ACCESS card or other SNAP/food stamp swipe card, the more the customers will avail themselves of these important benefits, creating a vibrant farmers' market and a healthier community.

However, the EBT system is not designed for the farmers' market environment, requiring farmers' markets to invest start-up and monthly subscription costs not shouldered in a traditional supermarket environment. For instance, farmers' markets often require more expensive wireless point-of-sale technology, and, as the pilot program showed, multiple point-of-sale machines are ideal to encourage use of SNAP/food stamps. In addition, there is no current federal or Pennsylvania government program providing point-of-sale machines or EBT transaction fee relief, as there is for supermarkets. (See "Supermarkets vs. Farmers' Markets," at right.)

In the pilot program, The Food Trust absorbed those costs – upwards of \$3,500 in wireless point-of-sale machine rentals and EBT transaction fees (\$0.10 per transaction). Feedback indicated that farmers in the pilot program – even those who enthusiastically embraced EBT transactions – would be unlikely to undertake these costs themselves.

Accepting credit and debit added another \$1,200 to the cost of the pilot program due to high transaction (credit: 1.78 percent; debit: \$0.35) and processing (averaging 4.1 percent) fees. But this expenditure had the important benefit of removing any stigma associated with EBT transactions; credit and debit card customers were served the same way as ACCESS card customers.

Farmers' markets have long been an important source of healthy foods, particularly in lower-income neighborhoods underserved by supermarkets. With proper policy changes and funding of an EBT system for farmers' markets, these markets can be an even better resource for customers most in need of access to fruits and vegetables.

The First Steps

Should I accept SNAP/food stamps at the farmers' market I manage?

Yes. Although there are challenges to accepting SNAP/food stamps at farmers' markets, the benefits are many, including improving access to healthy foods among lower-income customers and increasing available revenue sources for farmers.

How do I begin accepting SNAP/food stamps?

SNAP/food stamps are issued through USDA Food and Nutrition Services. The program's local field offices are

the first stop in the process of accepting SNAP/food stamps at your market. The USDA website, fns.usda.gov/snap, has general resources on SNAP/food stamps but there are other farmers' market-specific questions to consider.

Where can I find more information specifically for farmers' market managers?

See The Food Trust's Farmers' Market SNAP/Food Stamp Resource Guide at our website, thefoodtrust.org, for more information.

Supermarkets vs. Farmers' Markets

Supermarkets can apply for point-of-sale machines through USDA Food and Nutrition Services, which provides the EBT-only machines free of charge to eligible stores that average \$100 in monthly EBT sales and covers all transaction fees (\$0.10 per transaction).

Large supermarkets often process EBT transactions through the same point-of-sale machine and machine that handles credit and debit transactions, choosing to pay the \$0.10-per-transaction fee for the convenience.

Farmers' markets must purchase (about \$900) or rent (about \$30 per month) wireless point-of-sale machines and pay a wireless subscription fee and other associated fees (about \$65 per month), in addition to a \$0.10-per-transaction fee.

Increasing Access

THE CLARK PARK FARMERS' MARKET SNAP/FOOD STAMP PILOT PROGRAM

The Need for SNAP/Food Stamps at Farmers' Markets

For Rochelle Crespo, shopping at the Clark Park Farmers' Market is a no brainer. "I love the farmers' market. It has prompted me to try a whole lot of fruits and vegetables I would not have ordinarily tried," says Rochelle, who lives West Philadelphia. Rochelle uses an ACCESS card, the Pennsylvania-issued swipe card to redeem federal SNAP/food stamps, to buy fresh produce like butter lettuce and dandelion greens for her family.

In many lower-income neighborhoods, farmers' markets like the Clark Park market are the only source of fresh produce. The establishment of a farmers' market is also the quickest way to introduce healthier foods into communities that lack access to good food choices because they are underserved by supermarkets.

Lack of access to healthy, affordable foods has a direct, measureable impact on the health of all a community's residents – especially its children. According to the Centers for Disease Control and Prevention, almost one out of every six children is obese, a number that has tripled since 1980, and the statistics are even more worrisome among lower-income families living in poor food environments.

But the presence of healthy food in a community is not enough. Lower-income residents must also be able to afford these foods. For this, many turn to the SNAP/food stamp program. (Supplemental Nutrition Assistance Program (SNAP) is the official name for the program commonly known as food stamps.) In 2009, nearly 1 in 9 Americans relied on these benefits.

In 2002, the SNAP/food stamp program transitioned from offering benefits in the form of paper vouchers to an electronic swipe card, similar to a debit card. Government subsidies made this transition a free investment for traditional supermarkets, and the change made shopping in supermarkets more convenient for lower-income residents. But most farmers' markets are



The Clark Park Farmers' Market pilot program showed that making SNAP/food stamp redemption easier leads to increased access to healthy foods.

not equipped to accept SNAP/food stamp swipe cards – and few government programs exist to remedy this situation. As a result, many SNAP/food stamp customers do not have access the healthy food choices at their local farmers' market.

Since 2004, The Food Trust has accepted ACCESS cards at its Pennsylvania markets through wireless point-of-sale machines. However, the expense of the machines and related costs means that only one machine is available per market – an inconvenient and possibly stigmatizing process for accepting SNAP/food stamps. A recent pilot program undertaken at Clark Park Farmers' Market showed that making the SNAP/food stamp redemption process easier leads to increased consumption of healthy foods.

Clark Park
Pilot Program
Model
Page 2

Customer
And Farmer
Feedback
Pages 2 & 3

First Steps
To Accepting
SNAP/Food Stamps
Page 4



The Food Trust

The Pilot Program

Responding to the needs of the West Philadelphia Clark Park community, The Food Trust conducted a pilot program designed to increase the use of SNAP/food stamps at the Clark Park Farmers' Market. The 10-year-old Clark Park market, which operates Saturday mornings year-round and Thursday afternoons from June to November, is a community hub for this economically and ethnically diverse West Philadelphia neighborhood.

To serve the area's lower-income residents, the market accepts SNAP/food stamps in the form of a swipe card, similar to a debit card, known in Pennsylvania as an ACCESS card.

Prior to the pilot program, ACCESS cards were accepted at the Clark Park market – as at other Food Trust farmers' markets – at one central location. To make an ACCESS purchase, a customer would select produce and receive a receipt from each farmer. Using those receipts, the customer would then checkout with the market manager, who operated the single point-of-sale wireless machine needed to complete the sale, a process called Electronic Benefits Transfer (EBT). After the sale was complete, the ACCESS customer returned to each farmer to collect the purchased produce.

In this pilot program, supported by a USDA Farmers' Market Promotion Program grant and conducted from June 2008 to February 2009, The Food Trust provided each of the Clark Park markets' 21

The Food Trust rented and maintained point-of-sale wireless machines which allowed every farmer at the Clark Park Farmers' Market to accept SNAP/food stamps and credit and debit cards.

farmers with a point-of-sale wireless machine, to be used at their stand. The Food Trust rented and stored the machines, offered training to the farmers on their operation and advertised the increased ease of shopping at the farmers' market with ACCESS cards.

In addition, the pilot program marked the first time that credit and debit cards would be accepted at any Philadelphia-area market, utilizing the same point-of-sale wireless machines.

For both EBT and credit and debit transactions, The Food Trust served as the middleman in the process. The Food Trust's farmers' market managers and finance department tracked sales, accepted electronic payment, covered associated fees and reimbursed farmers.

The Results

The first goal of The Food Trust's nine-month pilot program was to improve access to healthy foods among lower-income customers by making shopping with an ACCESS (SNAP/food stamp) card more convenient and removing any stigma attached to the transaction.

During the pilot program, Clark Park market vendors saw a substantial increase in ACCESS card sales – and in ACCESS card users. Notably, one-third of ACCESS card users were new customers to the market. Overall, ACCESS card purchases at the Thursday market increased 74 percent over the previous year; ACCESS card purchases at the Saturday market increased 116 percent. And individual farmers reported even more dramatic increases, with some reporting a 200 percent increase in ACCESS card sales.

A secondary goal of the Clark Park Farmers' Market pilot program was to increase revenues for the market's farmers. Wider ACCESS card acceptance did increase sales, but ACCESS card sales still remained a small percentage of the farmers' overall monthly sales, averaging less than 1 percent of the total. Credit and debit card transactions were a slightly larger source of income for the farmers – averaging 4 percent of sales – with farmers reporting that customers using credit and debit cards spent \$15 to \$17 more per market visit.

Anecdotally, the response to the pilot program was positive. Although some farmers were initially reluctant

Farmers at the Clark Park market saw a substantial increase in their SNAP/food stamp sales, with most reporting more than a 100 percent increase.

to use the point-of-sale wireless machine – particularly the market's Amish farmers – and a few expressed concern about the time it would take to complete a transaction, most embraced it after training. Customers were enthusiastic about the additional payment options, commenting on the increased convenience of shopping with ACCESS and credit and debit cards.

ACCESS card sales, while lower in dollar amounts compared to credit and debit sales, accounted for a significant number of transactions. For example, in August 2008, ACCESS card sales accounted for 34 percent of money collected through wireless sales, but the number of ACCESS card transactions was almost equal to the number of credit and debit transactions. Although the amounts being spent were less, ACCESS cards were used just as often as credit cards for purchases of healthy foods during the pilot program.



The Food Trust's Clark Park Farmers' Market is a community hub for this economically and ethnically diverse West Philadelphia neighborhood.



"I had thought about [wireless] machines before but wasn't sure if I wanted to risk it...it was very worthwhile to see how many people would use it, especially the EBT folks."
– Lem Christophel, Eden Garden Farm



"[The wireless pilot program] made shopping quicker... and it gave me time to speak with the farmers. They are able to tell you so much."
– Rochelle Crespo, Clark Park ACCESS customer



Additional wireless machines made it more convenient for customers to shop with ACCESS cards at the Clark Park Farmers' Market – and increased the number of ACCESS card customers.



"For me, the Clark Park market is a wonderful resource for great fresh foods."
– Thomas Dichter, Clark Park ACCESS customer



"I was able to serve so many more customers when we were able to accept ACCESS cards directly at our stand."
– Lisa Hunt, Pennypack Farm