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## Food Assistance Programs and Mississippi Farmers Markets

Emily Broad

Elizabeth Bailey

Myra Blake

Lee Brand

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# Food Assistance Programs and Mississippi Farmers Markets

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Increasing Federal Food Assistance Access at Farmers  
Markets in Mississippi: Analysis and Recommendations

Updated November 2010  
Prepared May 2010 by

Emily Broad, Esq.  
Elizabeth Bailey  
Myra Blake  
Lee Brand  
Jared Policicchio  
Matthew Greenfield  
Jennifer Klein  
Jared Knicley  
Erica Kraus

# Table of Contents

<b>I. EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>II. INTRODUCTION AND OVERALL RECOMMENDATIONS .....</b>	<b>4</b>
INTRODUCTION AND BACKGROUND .....	4
REPORT GOALS .....	5
INTENDED AUDIENCE AND HOW TO USE THIS REPORT.....	6
ORGANIZING PRINCIPLES UNDERLYING THE REPORT.....	6
OUR RECOMMENDATIONS .....	7
CONCLUSION .....	8
<b>III. STATE-LEVEL ACTIONS REGARDING THE SNAP PROGRAM: ANALYSIS AND RECOMMENDATIONS ....</b>	<b>9</b>
OVERVIEW OF SNAP .....	9
SNAP IN MISSISSIPPI .....	9
PROPOSED WIRELESS DEVICE PLAN FOR SNAP BENEFITS AT MISSISSIPPI FARMERS MARKETS.....	10
SNAP BEST PRACTICES FROM OTHER STATES .....	11
<i>State Government Direct Actions</i> .....	11
<i>State Government Partnerships</i> .....	12
SNAP RECOMMENDATIONS FOR MISSISSIPPI .....	13
CONCLUSION .....	17
<b>IV. STATE-LEVEL ACTIONS REGARDING THE WIC FMNP AND SFMNP PROGRAMS: ANALYSIS AND RECOMMENDATIONS.....</b>	<b>18</b>
OVERVIEW OF THE WIC FMNP AND SFMNP .....	18
WIC FMNP AND SFMNP IN MISSISSIPPI.....	19
WIC FMNP BEST PRACTICES FROM OTHER STATES .....	20
FMNP RECOMMENDATIONS FOR MISSISSIPPI .....	21
CONCLUSION .....	24
<b>V. LOCAL AND NON-PROFIT LEVEL ACTIONS: SNAP &amp; WIC FMNP ANALYSIS &amp; RECOMMENDATIONS..</b>	<b>25</b>
NATIONAL ORGANIZATIONS.....	25
LOCAL NON-PROFITS .....	26
LOCAL EDUCATIONAL INSTITUTIONS.....	27
COMMUNITY ORGANIZATIONS FUNDED BY FEDERAL GRANTS .....	27
LOCAL GOVERNMENT .....	28
RECOMMENDATIONS .....	28
<b>VI. FEDERAL GOVERNMENT-LEVEL ACTIONS: SNAP AND FMNP ANALYSIS AND RECOMMENDATIONS 30</b>	
THE SNAP AUTHORIZATION PROCESS.....	30
SNAP FEDERAL RECOMMENDATIONS .....	31
WIC REAUTHORIZATION.....	31
WIC FEDERAL RECOMMENDATIONS .....	32
CONCLUSION .....	33
<b>VII. PRACTICAL GUIDE FOR MARKET MANAGERS AND VENDORS: HOW TO ACCEPT SNAP AND WIC FMNP AND SFMNP AT A MISSISSIPPI FARMERS MARKET .....</b>	<b>34</b>
BECOMING A SNAP-READY RETAILER AND OBTAINING A FREE WIRED EBT DEVICE .....	34
OPTIONS FOR ACCEPTING SNAP BENEFITS ONCE APPROVED AS AN AUTHORIZED SNAP VENDOR .....	38
<i>Getting a Point of Service EBT Machine</i> .....	38
<i>Processing the Sale with Your EBT System</i> .....	39
<i>Sources of Grant Funding for EBT Machine Purchase</i> .....	40
ACCEPTING WIC FMNP AND SFMNP VOUCHERS AT MISSISSIPPI FARMERS MARKETS .....	40
FEDERAL LAW: HOW FARMERS CAN ADVOCATE FOR INCREASED FOOD ASSISTANCE ACCESS.....	42
<b>APPENDIX A: CURRENT FNS SNAP VENDOR APPLICATION FORM AS OF MAY 2010.....</b>	<b>43</b>

## I. Executive Summary\*

At a time when money is tight everywhere, things are particularly tough in Mississippi. The budget problems and high rates of unemployment that challenge other states are compounded in Mississippi by alarmingly high rates of obesity. One of the main causes of this dangerous health issue is that Mississippi's poorest people have very little access to fresh fruits, vegetables, and other local farm products, despite recent growth in farmers markets across the state. Without access to healthy foods, this vulnerable population is left with unhealthy food alternatives that contribute to unhealthy weight gain. Barriers at the local, state and national level have either limited or entirely blocked the use of federal Supplemental Nutrition Assistance Program (SNAP formerly known as food stamps) benefits at Mississippi farmers markets. In addition, federal funding for the Women Infants and Children (WIC) farmers market voucher programs in Mississippi has remained stagnant in recent years. Thus, the poorest Mississippians are unable to use their government benefits to purchase healthy food, and are forced to resort to less healthy alternatives. This is a serious problem requiring immediate action by our elected officials and government agencies.

The problem is not unwillingness on the part of the government, or the farmers, to accept these benefits in exchange for farm produce. Instead, the principle barriers are technology and funding. To accept SNAP benefits, which are overseen at the state level by the Mississippi Department of Human Services (MDHS), a farmers market must have an Electronic Benefits Transfer (EBT) terminal, a device much like the credit card machines in grocery stores. EBT machines are either "wired" (requiring a phone line and an electrical outlet) or "wireless." While wired machines are relatively simple to acquire (and are made available for free), most farmers markets do not have on-site phone lines or electrical outlets. Unfortunately, wireless machines are far more expensive, and government promotions providing free EBT machines are still only offering the wired variety. While MDHS is taking steps to establish a way to provide wireless machines free of charge to individual farmers, *we believe that MDHS should market these machines directly to farmers markets in order to ensure the broadest access.* In addition, *state agencies should promote and incentivize food assistance voucher use at markets, using promotional materials, trainings, and value-boosting programs.*

WIC, which is overseen at the state level by the Mississippi Department of Agriculture and Commerce (MDAC), has two designated voucher programs to allow recipients to use benefits at farmers markets (the Farmers Market Nutrition Program (FMNP) and the Senior Farmers Market Nutrition Program (SFMNP)). However, the programs are under-funded at the federal level, leaving the state government to do the best it can with limited funds. In addition to *using value-boosting strategies like a double voucher incentive program*, MDAC should consider *over-issuing FMNP vouchers and creatively using FMP administrative funds in order to minimize obstacles to voucher redemption.*

For both SNAP and WIC, the poorest families are unable to purchase fresh farm foods despite receiving benefits through federal food assistance programs.

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\* This paper is the product of the efforts of several individuals. The project was led by Emily Broad, Esq. of Delta Directions Consortium ("DDC"). The research and writing of the report was conducted by Harvard Law School students: Myra Blake, Lee Brand, Matthew Greenfield, Jennifer Klein, Jared Knicley, Erica Kraus, and Jared Policicchio. The report was updated in fall 2010 by Harvard Law School student Elizabeth Bailey. The research builds on portions of the report entitled "Mississippi Farmers Markets: Legislative Recommendations and Innovations to Promote and Sustain Farmers Market Development" prepared in December 2009 by students from Harvard Law School working with DDC. We thank Purvie Green and staff at MDAC, the staff at MDHS, and staff at agriculture and health departments around the country for their assistance in providing information for the research underlying this report.

The attached report provides reachable solutions that can be implemented immediately. These recommendations focus on increasing access to fresh food through farmers markets and, once access is established, encouraging people to do their regular food shopping at the markets. Food benefits programs are jointly overseen by the federal and state governments, so the report includes specific suggestions for federal and state officials, as well as local and regional nonprofits and the farmers markets themselves. In addition, the report provides supplemental statistics and best practice examples from other states and a how-to manual for farmers/farmers markets.

Mississippi has all the ingredients for success. Nonprofits and local universities can help by assisting with the development of individualized Farmers Market Food Assistance Access and Usage Plans, and by studying the potential for farmers markets to play an enhanced role in WIC's newly enhanced fruit and vegetable Cash Value Voucher component. State agencies can assist by implementing the recommendations included in this report in order to promote access and usage of farmers markets across Mississippi. With some creativity and the collaborative efforts of stakeholders across the public and private sector, Mississippi has the potential to become a national leader in connecting its most vulnerable populations with locally grown and produced food products by 2012.

## II. Introduction and Overall Recommendations

### Introduction and Background

Mississippi, like many states across the country, faces severe budget challenges and continuing high unemployment. Yet at the same time, it also faces an obesity epidemic due in part to the dearth of healthy, fresh food options. However, the future may not be as bleak as it sounds. Mississippi has also seen robust and encouraging growth in small, locally-based farmers markets selling the fresh fruits, vegetables, and other products of area farmers. Unfortunately, in this time of economic crisis, food assistance recipients who are some of Mississippi's neediest residents cannot spend their federal Supplemental Nutrition Assistance Program ("SNAP") benefits at farmers markets in the state. In addition, those residents who receive farmers market vouchers through the Women, Infants, and Children ("WIC") program are limited by insufficient federal funding, yielding a benefit whose value tends to be worth less than the trouble of redeeming this voucher.

SNAP<sup>1</sup> recipients face an unlikely culprit for their inability to use benefits at Mississippi farmers markets: technology. Nationally, federal nutrition statutes phased in the use of electronic benefit transfers ("EBT")<sup>2</sup> powered by an automated state-level system. Such a system has clear benefits: it is more efficient, less prone to fraud, and allows benefit recipients to avoid the stigma of using paper food stamps. Nonetheless, it represents a dramatic administrative change to a system in operation since the 1960s. To ease this transition, successive farm bills provided funding so that most retailers received a free, wired EBT terminal when they registered with the federal Food and Nutrition Service ("FNS"), allowing them to process SNAP transactions in a manner similar to the process used for credit and debit cards. While authorized retailers received wired EBT terminals free of charge, their operation requires two things: a source of electricity and a working phone line.

Thus, a dilemma arose for the nation's rapidly growing network of farmers markets since many farmers markets operate in green spaces, parking lots, and along the sidewalks of Main Street. Typically, these locations do not have electricity or phone lines available. Other non-electronic methods for accepting SNAP benefits are very limited and time-consuming. The problem is especially pronounced in states like Mississippi where farmers markets have increased in popularity only within the past five years and tend to be small groupings of farmers in open fields or lots. To put things simply, in Mississippi, 17.4 percent of residents received SNAP benefits in 2009, the third-highest SNAP population of any state.<sup>3</sup> *None* of these recipients could use *any* of their benefit dollars at the best options for healthy, whole food that support local economies: Mississippi's 50+ farmers markets.<sup>4</sup>

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<sup>1</sup> SNAP is the modern name for the major federal food assistance program, the Food Stamp Program. "Food stamps" continues to be a popular colloquial name for the program. However, given the negative connotations sometimes associated with that term, all references are to SNAP throughout this report.

<sup>2</sup> EBT transactions are also referred to by the name of the machines that power the transaction at the retail level: point of service ("POS") machines. Throughout this report, for simplicity, we use EBT in referring to both the overall system and the machines used for retail transactions.

<sup>3</sup> Food Research and Action Council, "Supplemental Nutrition Assistance Program: Number of Persons Participating" (July 2009), available at [http://www.frac.org/html/news/fsp/2009.05\\_FSP.htm](http://www.frac.org/html/news/fsp/2009.05_FSP.htm).

<sup>4</sup> At the time of this report's publication, the Mississippi Farmers Market in Jackson began a pilot program where several of its vendors will accept SNAP benefits by utilizing wireless EBT machines during the 2010 market season.

Fortunately, a dilemma created by technological change can also be solved by technology. In the past few years, *wireless* EBT devices have become widespread, reliable, and relatively less expensive (although still prohibitively expensive for nearly all Mississippi markets). These devices eliminate the need for electricity and telephone service but, unlike *wired* EBT devices, their deployment is not funded by FNS at the time of SNAP retailer registration. One solution to the problem would be congressional action appropriating funds so that FNS could provide wireless devices to all retailers (such as farmers markets), who lack the means to use a wired EBT device. Along these lines, the Obama Administration has proposed a \$4 million appropriation that would provide EBT devices to all farmers markets currently unable to accept SNAP benefits.<sup>5</sup> However, it is unclear if this provision will make it into the final law. Many states, regional health groups, and individual markets have decided not to wait for Congress to act. They are developing their own solutions so that farmers markets within their borders can accept SNAP benefits.

Mississippi itself is developing a plan to increase access starting in the spring of 2011. The state plans to sign a new contract with its electronic benefits administration contractor. That contract will contain a provision obligating the private contractor to provide wireless EBT devices to farmers meeting certain eligibility requirements<sup>6</sup>. We applaud this vital leap forward and are encouraged by policymakers' interest in this issue. At the same time, we are concerned that the plan, as described to us by state officials, will end up being a missed opportunity to support local farmers markets and offer increased access to fresh foods because it is targeted to farmers and not farmers markets. Above all else, a farmers market EBT access plan should be directed at expanding access market-by-market rather than by focusing on individual farmers. We realize the logistical and financial difficulties faced by Mississippi's fledgling farmers market sector. Nonetheless, we conclude, based on our comparative analysis of other states, that a market-based approach is both most efficient and most likely to successfully expand access.

In addition to the SNAP program, Mississippi also participates in two other federal food assistance programs, the WIC Farmers' Market Nutrition Program (FMNP) and the Senior Farmers' Market Nutrition Program (SFMNP). These programs provide modest cash vouchers to WIC recipient in order to purchase fresh fruits and vegetables at farmers markets. In both cases, Mississippi has done an admirable job despite the constraints of flat federal funding over the past several years. Unfortunately, we see little evidence that the Obama administration is ready to take the necessary step of increasing overall FMNP and SFMNP funding. Nonetheless, our research suggests that Mississippi can improve how it allocates the federal funding it receives through strategic use of existing funding as well as creative educational and promotional tools that can leverage federal and non-profit grant programs. Perhaps even more importantly, Mississippi must begin serious study as to how it can integrate the newly-expanded WIC Cash Value Voucher ("CVV") program into the farmers market system. CVV is exponentially larger than FMNP and, as a federal entitlement program, is funded through a stable, guaranteed federal outlay. We acknowledge significant logistical and administrative hurdles in allowing farmers markets to accept CVV benefits. However, we believe the program's possible positive impact is so great that at the very least the state must move to conduct a limited pilot project.

## Report Goals

This report aims to address the following goals:

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<sup>5</sup> See U.S. Department of Agriculture, "Fiscal Year 2011 Budget Summary and Annual Performance Plan," at 73 (Feb. 2010), available at <http://www.obpa.usda.gov/budsum/FY11budsum.pdf>.

<sup>6</sup> Requirements were not determined at the time this report was written.

- **Describe** the major federal food assistance programs used in Mississippi and explain how those programs interact (or do not interact) with the state’s farmers markets.
- **Analyze** efforts by Mississippi Department of Agriculture and Commerce (“MDAC”) and Mississippi Department of Human Services (“MDHS”) to increase access for federal food assistance recipients at farmers markets. Particular attention will be paid to MDHS’s plan to offer wireless devices to certain SNAP vendors beginning in 2011.
- **Suggest** actions MDAC, MDHS, local markets, and local and regional non-profits can take to increase access and usage of food assistance benefits at farmers markets.
- **Guide** farmers market managers and vendors through the process of becoming an authorized SNAP retailer, explain options for connecting into the Mississippi EBT payment system, and lay out the process by which markets can accept WIC FMNP and SFMNP vouchers.

## Intended Audience and How to Use this Report

We address the following stakeholders in different sections of this report:

- **State-level decision makers**, including MDAC, MDHS, other state executive agencies, and the state Senate and House of Representatives.
  - ➔ State level decision-makers should focus on *Section II: State Level Recommendations on SNAP* and *Section III: State Level Recommendations on WIC*. State level officials will also be interested in the SNAP portion of *Section VI: Practical Guide to Accepting SNAP and WIC*.
- **Local and regional non-profits** working on issues relating to farmers markets, food access, public health, and local economic development.
  - ➔ Local and regional non-profits will want to focus on *Section IV: Local and Nonprofit Level Actions*. They may also want to review *Section VI: Practical Guide to Accepting SNAP and WIC* in order to learn about particular barriers facing farmers markets and farmers that hope to make SNAP and WIC accessible at their markets.
- **Federal decision makers**, including U.S. Senators and Representatives and federal agriculture officials such as those at the U.S. Department of Agriculture (“USDA”) and Food and Nutrition Service (“FNS”) responsible for food and nutrition policymaking
  - ➔ Federal officials will want to focus on *Section V: Federal Government Level Actions*.
- **Mississippi farmers market managers and vendors**.
  - ➔ Farmers markets managers and vendors will find helpful information throughout this report on ways that they can advocate for change at the local, state, and federal level. For a more hands-on practical guide to bringing food assistance access to a farmers market, focus on *Section VI: Practical Guide to Accepting SNAP and WIC*.

## Organizing Principles Underlying the Report

Throughout this report, we are guided by two overarching principles: First, each farmers market in the state is **unique**, offering its own advantages and challenges. Statewide strategies to increase food assistance access at farmers markets must take these differences into account. These strategies must be flexible and supportive of all markets, whether urban and professionally run or rural and primarily loose groupings of local farmers. To realize this principle, state policies and actions must be holistic; they must strive to provide options for food assistance access that can be utilized by all the relevant stakeholders: individual farmers, both large and small; markets and their managers, whether voluntary, part-time, or full-time; food assistance beneficiaries; and the range of state and local agencies, including non-profits that support the farmers market system. None of these constituencies should be excluded from efforts to solve this policy challenge.



Second, we are guided by a belief that action must be taken to improve both food assistance **access** and **usage**. We give both terms specific meanings in this report. **Access** refers to the physical ability to use federal food assistance benefits at a farmers market. For SNAP, this means helping farmers markets to register as authorized vendors with FNS and to obtain the necessary equipment, most likely wireless EBT devices, allowing benefit dollars to be processed. For the WIC Farmers Market Nutrition Program (FMNP) and the Senior Farmers Market Nutrition Program (SFMNP), this means expanding the number of individuals eligible to redeem vouchers at the farmers market and increasing the value of those vouchers. **Usage** refers to all efforts that encourage benefit users to do their food shopping at a farmers market, once physical access is possible. Such efforts might range from education campaigns, to incentive programs boosting the value of benefits used at the market, to programs designed to reduce problems like lack of transportation.

## Our Recommendations

We argue for a bold and creative strategy driven by state-level actions and supported by non-profits and the federal government in pursuit of the following goal: If a Mississippi food assistance recipient lives near a farmers market (and many now do), he or she will be able to purchase fresh, healthy food at that farmers market by using meaningful federal benefits, ideally enhanced by incentive programs. This goal is good for public health and it is also good for local economies. It will only be met, however, if the state helps to remove technical hurdles currently preventing benefit redemption at markets. Just as importantly, the state and its partners must increase activity that educates, informs, and encourages benefit-holders to use their benefits at farmers markets.

Our most important suggestions and conclusions include:

- Allow *both* farmers markets *and* individual farmers the ability to receive a free wireless EBT device under the state's new EBT system contract.
- Promote the availability of free wireless devices through promotional materials and training sessions throughout the state. Food assistance benefit dollars should be seen as a valuable new revenue source for markets and their vendors.
- Using the experiences of markets across the country, teach market managers and volunteers various methods to operate a centralized SNAP farmers market system, such as implementing a scrip or token system. If an individual farmer signs up as a SNAP vendor, guide that farmer through the process of receiving an EBT terminal and accepting SNAP benefits with that terminal.
- Incentivize SNAP, FMNP, and SFMNP usage by boosting the value of benefits used at a farmers market, ie through a double voucher incentive program.
- Consider over-issuance of FMNP vouchers to decrease the amount of FMNP benefit funds returned to FNS each year.
- Creatively use FMNP administrative funds in order to minimize obstacles for WIC recipient redemption of FMNP vouchers.
- Study the possibility of an enhanced partnership with farmers markets in supplying the WIC food package's newly enhanced fruit and vegetable component. Utilizing Mississippi's unique WIC distribution center model, launch a pilot program by spring 2011 authorizing select farmers markets to accept the WIC Cash Value Voucher ("CVV") for fruits and vegetables.
- Working with non-profit and university partners, assist each state farmers market in developing a Farmers Market Food Assistance Access and Usage Plan ("Food Assistance Plan") that crafts a set of concrete actions tailored to the needs and circumstances of that individual market.

- Aggressively pursue governmental and non-profit grants and partnerships at the state, regional, and local levels to facilitate the above actions.
- In particular, pursue USDA and private foundation grants in order to pilot the use of Community Supported Agriculture for food assistance recipients in rural areas.

## Conclusion

While we propose a localized problem-solving effort, we also spend much of this report suggesting action at the state and regional level. MDAC and MDHS should implement programs that can support markets with sufficient access and usage options to meet their needs. In moving forward, we believe that Mississippi can become a national leader by 2012 in access to locally grown and produced food products for its neediest residents.

In order to facilitate the recommendations regarding food assistance benefits at farmers markets in Mississippi, the Harvard Law School Delta Project will offer its services to help interested farmers markets increase food assistance access and usage at their market. We recognize the unique challenges each market faces in meeting this challenge, and we can offer help in addressing these challenges by working with markets to develop individualized Farmers Market Food Assistance Access and Usage Plans. In offering such assistance, we will look to our partners such as the Delta Directions Consortium, Mississippi State University, Delta State University, and MDAC for guidance and leadership. For more information or to seek assistance, please contact us at [harvarddeltaproject@gmail.com](mailto:harvarddeltaproject@gmail.com) or email Emily Broad, Director of Delta Directions, at [emilybroad@deltadirections.org](mailto:emilybroad@deltadirections.org) or 610-952-0393.

### III. State-Level Actions Regarding the SNAP Program: Analysis and Recommendations

#### Overview of SNAP

Federal food assistance programs are increasingly important for families both in Mississippi and nationally.<sup>7</sup> The Supplemental Nutrition Assistance Program (SNAP) provided more than 28 million people with \$34.6 billion in food assistance in 2008.<sup>8</sup> SNAP is the new name for the Food Stamp Program, which was established initially by the Food Stamp Act of 1964. Responsibility for administering the program is divided between the state governments and the federal government through the Food and Nutrition Service (FNS). State governments are charged with administrative duties dealing with certifying eligibility and delivering benefits to recipients, but the federal government establishes mandatory eligibility rules and manages the approval for vendors or retailers to accept SNAP benefits. States, in their administrative capacities, are authorized to aid retailers in promoting SNAP acceptance or in obtaining necessary technology for the processing of benefits at the time of sale. FNS regulations generally require states to be reimbursed for 50% of these administrative costs.<sup>9</sup> The federal government pays for all of the benefit costs.

#### SNAP in Mississippi

As of February 2010, 243,434 Mississippi households and 566,321 individuals received a total of over \$69 million in monthly SNAP food assistance benefits.<sup>10</sup> Since 2007, thousands of individuals and families have been added to the state's SNAP benefit rolls.<sup>11</sup> The state's ratio of actual recipients versus those who are eligible for SNAP benefits still remains below the national average of 60%.<sup>12</sup> As noted above, currently no one in Mississippi can use their SNAP benefits at state farmers markets. Thus, recipients are losing an opportunity to buy fresh, healthy, and inexpensive food. Farmers and other vendors are also losing an opportunity to take advantage of this potential market for their products.<sup>13</sup>

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<sup>7</sup> See Jason DeParle & Robert Gebeloff, "Food Stamp Use Soars, and Stigma Fades," *New York Times*, at A1 (Nov. 28, 2009), available at <http://www.nytimes.com/2009/11/29/us/29foodstamps.html>; Gary Pettus, "Food Stamp Recipients Up in Mississippi," *The Clarion-Ledger*, (Dec. 15, 2009), available at <http://www.clarionledger.com/article/20091215/NEWS/912150350/-1/archive/Food-stamp-recipients-up-in-Mississippi> (reporting 91,000 additional food stamp recipients in October 2009, a 19 percent increase from the previous year).

<sup>8</sup> U.S. Department of Agriculture, "SNAP Program Participation and Costs," available at: <http://www.fns.usda.gov/pd/SNAPsummary.htm>.

<sup>9</sup> See Payments of Certain Administrative Costs of State Agencies, 7 C.F.R. § 277.4 (2010).

<sup>10</sup> Mississippi Department of Human Services, "February 2010 Monthly Statistical Report," at 1, available at <http://www.mdhs.state.ms.us/agcystats.htm>.

<sup>11</sup> *Id.* at 5.

<sup>12</sup> Some states have actual receipt rates in excess of 75%. See U.S. Food and Nutrition Service, *Reaching Those In Need: State Supplemental Nutrition Assistance Program Participation Rates in 2007 – Summary* (Nov. 2009).

<sup>13</sup> That potential market could be even larger still if Mississippi chose to make concentrated efforts to increase its actual receipt rate of SNAP benefits versus those eligible for SNAP benefits.

## Proposed Wireless Device Plan for SNAP Benefits at Mississippi Farmers Markets<sup>14</sup>

Mississippi was one of the last states in the Southeast to implement EBT technology for SNAP recipients and is currently working to catch up with the rest of the region in adapting that technology to the needs of farmers markets. The focus of this work is a pilot program now operating at the Mississippi Farmers Market in Jackson, where three selected farmer-vendors now have free access to wireless EBT payment devices. This is the first time wireless technology has actually been utilized on the state's EBT system and it is not otherwise in use. State officials believe that a market possessing or purchasing a wireless EBT device could likely tie into the state's benefit processing system but have no knowledge of any markets or farmers currently making this attempt.<sup>15</sup> In Mississippi, SNAP access and management of SNAP retailers is done through the Mississippi Department of Human Services (MDHS), unlike WIC FMNP or SFMNP, which are run through the Mississippi Department of Agriculture and Commerce (MDAC).

The Jackson pilot program is focused on supplying individual vendors, as opposed to a market itself, with wireless devices. MDHS believes that most Mississippi farmers markets have little to no administrative help, which would prevent them from operating the kind of token program that a shared market device would require. MDHS also offers the following reasons for favoring a program that targets individual farmers to receive EBT devices: under a centralized system, one vendor's violation of SNAP regulations could cause the entire market to lose its SNAP certification; if individual farmers register with FNS and receive wireless devices, they can take the machines wherever they sell their products such as other markets or roadside stands; and a centralized system would create a longer delay in reimbursing farmers with benefit money from FNS.<sup>16</sup> We acknowledge certain obstacles to a centralized system but argue above that both models should be supported by MDHS and MDAC: a centralized system with one machine per market and a less organized system where interested farmers sign up for their own devices. The choice should be made by individual markets based on what best suits their situation.

The pilot program also involves walking individual farmers through the process of being federally authorized to accept EBT. Pilot program farmers were chosen based on seniority, interest, and a product mix that meets the nutrition goals of SNAP. The program seeks to develop empirical data in three major areas: technical issues associated with wireless EBT devices, the volume of SNAP transactions conducted on these devices, and general usage trends for SNAP customers at farmers markets. State officials hope that increased sales by pilot program vendors will result in "peer envy" leading to increased interest next year amongst other Jackson market vendors.<sup>17</sup> Finally, MDHS notes it will maintain a requirement similar to the FNS \$100 minimum monthly SNAP sales expectation when giving out free wireless EBT devices (meaning that vendors must make \$100 worth of sales on their EBT machine per month). MDHS does intend to be flexible on the \$100, and is in fact considering waiving the requirement for farmers, but no final decision has been made as of yet.<sup>18</sup>

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<sup>14</sup> Our description of the proposed Mississippi wireless EBT program below is based on conversations with MDHS officials. It is our hope that this report can contribute to the discussion occurring as MDHS and MDAC finalize their plans in the coming months. Telephone Interview with David Noble, Policy Director, Division of Economic Assistance, Mississippi Department of Human Services (Apr. 21, 2010) and emails with David Noble (October 26-28, 2010).

<sup>15</sup> Telephone Interview with David Noble, Policy Director, Division of Economic Assistance, Mississippi Department of Human Services (Apr. 21, 2010).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Email from David Noble, Policy Director, Division of Economic Assistance, Mississippi Department of Human Services (October 28, 2010).

Results from this pilot will be taken into account as MDHS negotiates a new agreement with ACS, the primary contractor for the state's EBT program. Free wireless devices will only accept EBT payments. MDHS notes it will consider adjustments to the minimum sales requirement based on sales volume during the pilot program. Farmers and markets will also have the option of purchasing a wireless device from a Third Party Processor (TPP), which will allow the farmer to accept traditional electronic credit and debit payments in addition to EBT payments. The estimated cost of such TPP equipment is in the range of \$300 to \$1000 and also involves paying fees to the TPP for every transaction processed. This range is large because, not unlike cell phone plans, various third party providers offer different upfront prices for their equipment. Some are willing to provide the actual wireless EBT device for little or no upfront cost but then charge higher monthly transaction and maintenance fees. MDHS is aiming for statewide availability of free ACS-provided EBT devices by February 1, 2011.

Note that if a market or farmer decides to buy a TPP machine or to use a free wired device from FNS, they can do so immediately, as long as they receive FNS vendor approval. However, if they are hoping to get a free or reduced rate wireless EBT machine from MDHS, they will have to wait until the program is unveiled in February 2011.

## SNAP Best Practices from Other States

Many states have developed programs to effectively make the benefits of farmers markets available to SNAP recipients. These initiatives address logistical, educational, or budgetary needs specific to each state's growers and low-income consumers. Due to their creativity, relationships with local organizations, resourcefulness among other areas of state government, and awareness of the specific needs that had suppressed the use of markets by SNAP beneficiaries, many states have increased SNAP usage to the advantage of farmers and consumers alike.

### *State Government Direct Actions*

In a willing state, resourceful administrators can find farmers market allies throughout the government. Much like partnerships with non-profit organizations and universities, even other arms of state government can aid agriculture departments in encouraging SNAP usage at farmers markets. The **Massachusetts** Department of Agricultural Resources offers grants for markets (up to \$2,500 per market per year) to rent EBT machines and to pay monthly service fees, and the state's Department of Transitional Assistance funds the grants.<sup>19</sup> A broader initiative in **Wisconsin**, through its Public Services Commission, offers grants to farmers markets that need resources in order to put worthwhile innovations regarding EBT into effect.<sup>20</sup> In both of these cases, and in most other state-managed programs that allow for wireless EBT use, the state government targeted markets and their managers as the best way to offer SNAP access at farmers markets (as opposed to relying on individual farmers to become FNS-certified vendors and then to obtain a machine).

Some states have found it helpful to use legislative channels as a means of establishing a mandate or providing a dedicated funding source. The **Washington** state legislature passed the Farmers Market Technology Improvement Pilot Program in 2008, which dedicated \$50,000 of state funding to the state

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<sup>19</sup> Massachusetts Department of Agricultural Resources, Cost Share for Electronic Benefit Transfer (EBT) Terminals and Supplemental Nutrition Assistance Program (SNAP) Outreach at Massachusetts Farmers' Markets, *available at* <http://www.mass.gov/agr/news/docs/ebt-rfr-2010.pdf>.

<sup>20</sup> Wisconsin Food Security Consortium, A Guide to Accepting Electronic Benefits Transfer (EBT) Payments at Farmers Markets in Wisconsin, *available at* <http://wi-farmers-market-guide.wikidot.com/>.

Farmers Market Association in order that government benefits would be accepted at 20 participating pilot project markets.<sup>21</sup> In the first year of the program, government benefit recipients bought 319% more food at farmers markets than in the year before.<sup>22</sup> Far-reaching legislation currently pending in **Texas** would require that any government benefit administered by the state be accepted at farmers markets.<sup>23</sup> Again, in states whose legislatures have decided to act, pending or enacted bills have focused on working with markets to increase access, rather than working with individual farmers. Some states, like Washington, acknowledge challenges that markets have faced, such as ensuring sufficient staffing to run a centralized SNAP redemption table. Nonetheless, we struggled to find evidence of states that focused their formal SNAP access efforts on individual vendors.<sup>24</sup>

### *State Government Partnerships*

The states that have produced the most innovative programs at the least expense have done so by collaborating with non-profit organizations and universities. Meaningful cooperation between states and these local resources has resulted in many successful initiatives to avail the benefits of farmers markets to low-income consumers. Below, we discuss several state-wide efforts partnering state executive agencies with non-profits and foundations. Later in our report, we discuss local and regional possibilities for collaboration between markets and non-profits.

Many local and national organizations are eager to work with state governments to improve access to farmers markets. Their resources and unique capabilities make them excellent partners for projects that require larger capital investments. In **Arizona**, Community Food Connections has committed to buying 20 EBT devices, paying monthly service fees, and covering wireless charges for state-certified markets.<sup>25</sup> Where no single organization could afford such measures in **North Carolina**, a collection of several non-profits led by Leaflight joined together to buy terminals for farmers markets and to offer supplies, training, promotional materials, and accounting services to participating markets.<sup>26</sup> **Kentucky** uses a hybrid of state and non-profit funding: when the state offered cost-sharing with farmers markets for the purchase of EBT machines, the non-profit Kentucky Farmers Market Association stepped in to pay the markets' half of costs.<sup>27</sup> Elsewhere, organizations are connecting low-income consumers with farmers markets in ways that go beyond funding: a **Louisiana** organization, Partners for Healthy Babies, offered WIC and SNAP beneficiaries free transportation to farmers markets for a short-term pilot program, and during the course of that program redemption rates for government benefits at farmers markets increased significantly.<sup>28</sup>

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<sup>21</sup> Local Food Production Act of 2008, ch. 215, § 9, 2007-2008 Wash. Sess. Laws 1056, 1065 (2008).

<sup>22</sup> Washington State Department of Social & Health Services, Report to the Legislature: Farmers Market Technology Improvement Pilot Program, *available at* <http://www.docstoc.com/docs/27019228/Farmers-Market-Technology-Improvement-Pilot-Program>.

<sup>23</sup> 2009 Tex. S.B. 1088, *available at* <http://www.legis.state.tx.us/tlodocs/81R/analysis/html/SB01088I.htm>.

<sup>24</sup> One possible exception is Alabama. A representative of that state's Farmers Market Authority reports a proposed effort to require that each farmers market vendor be able to accept food assistance EBT dollars. There is concern in Alabama, though, that such a requirement would be undesirable and burdensome for many individual farmers. Telephone interview by with representative of Alabama Farmers Market Authority (Mar. 2010).

<sup>25</sup> Community Food Connections, Arizona Farmers Markets Working with Food Stamp Customers, <http://www.foodconnect.org/programs/foodstamps.asp> (last visited April 26, 2010).

<sup>26</sup> The Leaflight, Inc., SNAP the Food Stamp Program, <http://www.leaflight.org/ella/viewtopic.php?f=3&t=80> (last visited April 26, 2010).

<sup>27</sup> Kentucky Farmers' Market Association. Technology and Food Safety Manual, *available at* <http://www.kentuckyfarmersmarket.org/Content/Documents/Document.ashx?DocId=92416>.

<sup>28</sup> Telephone Interview with Rebecca Riecke, Louisiana Department of Agriculture & Forestry (Mar. 18, 2010).

Some states have used their universities, as significant state-affiliated centers of human capital and knowledge, for the education and promotion of farmers market programs. For example, the **Idaho** Department of Agriculture engaged the University of Idaho to collaborate on a seminar for growers on how to establish a local market, how to become licensed to sell prepared foods, and how to accept SNAP benefits.<sup>29</sup> As a service to **New Hampshire** farmers markets and the state’s Department of Health and Human Services, the University of New Hampshire Cooperative Extension created a comprehensive guide on how and why to establish EBT systems at markets, including descriptions of alternative non-cash systems like scrip. The New Hampshire Cooperative Extension even helps with the use of SNAP benefits at some markets by setting up booths at markets with an EBT machine to allow customers to pre-swipe and receive vouchers for a specific amount before going into the market (unused tokens can be returned to their EBT cards afterward).<sup>30</sup>

It is important to note that even without a formal program in place, non-governmental benefactors can help out. **Wisconsin** in particular notes that churches and individual benefactors have helped their local farmers markets become accessible to the entire community by funding EBT terminals.<sup>31</sup> Every state has a different group of institutions and individuals interested in connecting low-income neighbors with healthy lifestyles and local farmers, and states that actively capitalize on those resources put themselves in the best position to effect change without making large capital outlays.

## SNAP Recommendations for Mississippi

MDAC and MDHS should pursue a variety of strategies to expand the use of SNAP benefits at farmers markets in the state. Our recommendations are grouped around the two overarching principles, access and usage, as we discussed above in Section I. Before all else, SNAP recipients need increased **access**, which means increasing the deployment of wired or wireless EBT machines to markets throughout the state. But just as importantly, SNAP recipient **usage** must be encouraged through creative educational, incentive-based, and operational strategies designed to eliminate barriers that prevent a SNAP recipient from using his or her benefits at a market once the market is equipped to accept that benefit.

For more information about the specifics of implementing a SNAP program at a farmers market in Mississippi, see below in the Practical Guide section entitled “Becoming a SNAP-Ready Retailer and Obtaining a Free Wired EBT Device” and subsequent sections.

### *Increase **access** to EBT machines (wired and wireless) at farmers markets*

Most importantly, as MDHS implements its new EBT contract providing wireless machines to qualifying farmers market participants, we urge it to maintain a flexible approach. This means offering wireless EBT machines both to farmers markets equipped to manage the machine at the market level and to individual farmers or vendors in locations where a market is not equipped to manage a SNAP acceptance program for all its vendors.

In some cases, there are legitimate reasons that it makes sense to offer wireless machines only to those farmers who voluntarily wish to accept SNAP benefits. Such reasons include: the market is managed by

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<sup>29</sup> USDA Food and Nutrition Service, EBT Status Highlights, [https://www.fns.usda.gov/snap/ebt/ebt\\_farmers\\_marketstatus.htm](https://www.fns.usda.gov/snap/ebt/ebt_farmers_marketstatus.htm) (last visited April 26, 2010).

<sup>30</sup> University of New Hampshire Cooperative Extension, Accepting Food Stamp Electronic Benefit Transfer (EBT) Cards at Farmers’ Markets and Farm stands: A Primer for Farmers and Market Managers, *available at* [http://extension.unh.edu/resources/files/Resource000816\\_Rep852.pdf](http://extension.unh.edu/resources/files/Resource000816_Rep852.pdf).

<sup>31</sup> Wisconsin Food Security Consortium, A Guide to Accepting Electronic Benefits Transfer (EBT) Payments at Farmers Markets in Wisconsin, <http://wi-farmers-market-guide.wikidot.com/> (last visited April 26, 2010).

MDAC or another government entity concerned about its liability in becoming the “retailer” of SNAP benefits; the market may lack necessary paid staff or volunteers to handle the logistics of a centralized market SNAP processing operation; or a majority of vendors at the particular market desire their own machine *and* actually go through the process of registering with FNS to actually receive that machine.

In most other cases, however, we believe it is preferable to operate a centralized market-based SNAP benefit redemption system. We settled on this recommendation for the following reasons:

- We are concerned that many markets, especially those whose farmers are generally small, will end up with no SNAP benefit access. While we should pursue the least onerous system possible for farmers and markets, we should also remember the overarching policy goal: to allow SNAP benefit recipients to spend their dollars at every farmers market in Mississippi. Excluding markets from obtaining wireless machines may very well leave a number of markets outside the system if no vendors at that market sign up for a machine.
- Deploying machines to the markets themselves will reduce confusion for SNAP recipients. By implementing a centralized market system, SNAP recipients will be able to shop at all stands selling SNAP-acceptable products, whether the stand is large or small. They will also not face embarrassment by preparing to purchase a farmer’s products only to find out that the particular farmer does not accept SNAP.
- Most advertising and publicity is done at the market level rather than at the individual vendor level, so markets on the whole are more likely to advertise to the community when a new service such as SNAP is available. If only individual vendors have machines, the people using SNAP benefits may never know that this new service is available at their local market.
- Whether the state offers EBT devices for free or for reduced cost, there are still costs involved in offering SNAP benefits, and these costs are more likely to be borne at the market level rather than at the individual vendor level. In addition, there may be prerequisites to get an EBT device based on the amount of business done monthly, and markets are more likely to reach this level of business in a month than are individual vendors.
- Most markets in the state of Mississippi are not managed by government entities, so the worry about liability for a government agency handling the money should not exist in most cases.
- Even though SNAP-authorized retailers do face serious consequences if caught engaging in fraud, risk of potential legal liability should not overshadow the benefits of centralized SNAP redemption at the market. An action violating SNAP regulations by an individual vendor (ie, accepting SNAP benefits for the purchase of inappropriate food items, such as hot food items, along with appropriate food like fresh produce) will be treated by FNS as a violation for the market as a whole. However, the most serious penalties are reserved for SNAP trafficking fraud, defined as “the buying or selling of [SNAP benefits] for cash or consideration other than eligible food.”<sup>32</sup> Such actions can result in criminal penalties and civil fines<sup>33</sup> as well as federal money laundering charges.<sup>34</sup> These are undeniably very serious consequences but they should not scare

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<sup>32</sup> 7 C.F.R. § 271.2 (2010).

<sup>33</sup> See 7 U.S.C. § 2024 (b) (2006).

<sup>34</sup> See 18 U.S.C. § 1956 (c)(7)(D) (2006).



markets, or MDHS, away from pursuing EBT machines for farmers markets. If a violation does occur at a farmers market, it is much more likely to be one of the type covered by the less severe FNS regulations concerning SNAP retailer violations.<sup>35</sup> Under these regulations, the applicable penalty is generally a warning or, for serious violations, loss of SNAP retailer privileges.<sup>36</sup> Further, in our opinion, centralized EBT transactions at one market table should actually reduce the risk of serious violations by keeping transactions under the control of the market manager and other leaders. Finally, we believe simple, effective training could be conducted for vendors and market managers so that everyone involved understands their responsibilities. In fact, as noted earlier, most states with SNAP access at farmers markets have done so using a centralized “one machine per market” model and none have cited liability issues as a preclusive concern.

Again, we emphasize that in some cases an individual farmer will want his or her own wireless EBT machine. We encourage a policy that allows this eager farmer to obtain a machine and assists him in fulfilling our shared goal of making fresh, healthy food more widely available to individuals using SNAP benefits. However, we also ask MDHS to offer wireless machines to those markets where a centralized system makes more sense and may be the only way to achieve SNAP benefit access at the location. Our research spanned nearly all 50 states and we only found a few cases where states or non-profits have pursued a strategy of exclusively outfitting individual vendors with EBT machines. The vast majority of states have focused on first making sure that every market has SNAP access through a centralized system.

This approach was also validated through discussions we held with the market manager of a small farmers market located in a working and lower-class Boston, MA neighborhood.<sup>37</sup> The manager reported \$700 worth of 2008 SNAP sales during the three-month market season. She noted that while a centralized system does require staff time and organization, it also reduced the administrative burden on individual farmers, allowed for market-wide promotion of SNAP acceptance, and made sense for the market’s mix of mostly small farmers.<sup>38</sup> She confirmed that there is a time lag between a SNAP purchase at the market and the time when these funds are transferred to a vendor’s own bank account but noted that this turnaround can be as fast as one week.

MDHS and MDAC should also explore creative ways of increasing SNAP access by deployment of wired EBT machines, already available free from the state’s EBT vendor under the existing EBT program. Determining how, or if, a market could use a wired EBT machine even if its actual location lacks electric and telephone service may require different strategies in different communities. Thus, the program should maintain a level of flexibility that would allow it to address unique challenges. Some possible options to explore include:

- Consider linkages between farmers markets and WIC distribution centers. WIC centers are more likely to have electricity and the infrastructure to support a wired EBT machine. Combining administrative resources with the WIC food centers may be mutually beneficial as all SNAP benefit recipients meeting WIC program demographic requirements automatically qualify for

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<sup>35</sup> See 7 C.F.R. § 278.6 (2010).

<sup>36</sup> See 7 C.F.R. § 278.6 (e) (2010).

<sup>37</sup> Interview with Theresa McCulla, Market Manager, Allston Farmers Market, Boston, MA (Apr. 26, 2010).

<sup>38</sup> *Id.*

WIC benefits. Encouraging markets to locate at WIC distribution centers (or to establish satellite locations there) may increase redemption rates for both SNAP and WIC FMNP.

- Consider partnerships between farmers markets and local stores or other organizations with physical space. If a market is near a store that does not sell produce, the market may be able to share a wired EBT machine with the store. Recipients could obtain scrip tokens at the store to bring to the market. This could potentially increase both business for the store and access to the market. We would encourage any market or local business/organization to first clear up any liability concerns before proceeding.
- Consider linkages between markets and churches by placing a wired EBT machine in the church community center. Markets could implement a scrip system, possibly staffed by a church volunteer. It may be possible to coordinate so that the market is held at a time convenient for churchgoers.

### *Increase SNAP recipient benefit usage at farmers markets*

MDAC and MDHS should explore strategies to increase the convenience of visiting a market and awareness of the markets as a viable food source option. Currently, there are significant barriers preventing SNAP recipients from using their benefits<sup>39</sup> at farmers markets. These barriers include: limited transportation options for SNAP recipients; lack of education about farmers markets; and insufficient incentives to use SNAP benefits at farmers markets. In order to increase SNAP benefit usage at farmers markets, we recommend increasing transportation options, enhancing the efforts to educate SNAP recipients on where and how they can use their SNAP benefits, and increasing incentives to entice more SNAP recipients to use their benefits. We support these recommendations for the following reasons:

- Through making it more convenient for SNAP recipients to shop at local markets, SNAP benefit redemption at markets could increase. Transportation could be provided from places frequented by SNAP recipients to local markets. Possible transportation hubs could include WIC distribution centers, public health clinics, local shopping centers, churches, and other local community hubs. This is another way for markets to take advantage of the resources and assets of community establishments, and it has the potential to be mutually beneficial. Yet another way to solve Mississippi's rural transportation challenges might be to put the farmers market itself on wheels by operating a mobile market with a truck or van that visits the aforementioned locations and/or other areas of need where transportation poses a barrier.<sup>40</sup>
- Once access is achieved, SNAP recipients need to know that they can use SNAP benefits at farmers markets. They should also learn that prices at farmers markets are often equal to or lower than those at grocery stores. Cost effective education initiatives could include posters at places where EBT machines or transportation is provided, as discussed above. Information provided should clarify that SNAP benefits can be used at farmers markets and that the markets can be more affordable than conventional stores, especially if the market operates a matching incentive program (see below).

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<sup>39</sup> Similar barriers may also limit FMNP voucher redemption. We explore those challenges in Section III, *infra*.

<sup>40</sup> See, e.g., Central Detroit Christian Community Development Corporation, Peaches and Greens Produce Truck, [http://www.centraldetroitchristian.org/Peaches\\_and\\_Greens\\_Truck.htm](http://www.centraldetroitchristian.org/Peaches_and_Greens_Truck.htm) (last visited May 12, 2010).

- Farmers markets can certainly be more work than a quick visit to Wal-Mart where climate is controlled and food is conveniently prepackaged. Incentives may be necessary to encourage SNAP benefit usage at farmers markets. To improve the value of shopping at the market, the state should explore matching programs to increase the value of SNAP benefits at the market. For example, as we describe in more detail below, the Wholesome Wave Foundation runs a “doubling” program in a number of locations where, up to a specified cap, \$1 in SNAP benefits redeemed at a farmers market yields \$2 of purchasing power through an incentive program.<sup>41</sup> For individuals receiving both SNAP and WIC benefits, increasing the amount of WIC FMNP vouchers may also encourage recipients to travel to a market, and once they are at the market, they can use SNAP benefits in addition to the FMNP vouchers.

## Conclusion

We urge a strategy of flexible approaches to foster SNAP benefit access at every farmers market in the state. This includes allowing markets, in addition to individual farmers, to obtain wireless machines under the state’s new ACS contract taking effect in February 2011. We also urge creative strategies at the state and local level to encourage usage of SNAP benefits at farmers markets once those markets have been opened up to SNAP recipients. Transportation, education, and the right incentives are just as important as the need for a way to physically process SNAP transactions.

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<sup>41</sup> Wholesome Wave Foundation, Double Value Coupon Program, <http://wholesomewave.org/what-we-do/double-value-coupon-program/> (last visited May 12, 2010).

## IV. State-Level Actions Regarding the WIC FMNP and SFMNP Programs: Analysis and Recommendations

### Overview of the WIC FMNP and SFMNP

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federal program started in 1974 to provide supplemental foods, health care and social service referrals, and nutrition education to low-income pregnant and parenting women and children up to age five who are found to be at nutritional risk.<sup>42</sup> The WIC Farmers' Market Nutrition Program was created in 1992 to provide fresh, locally-grown fruits and vegetables to WIC participants and expand awareness of and sales at farmers markets.<sup>43</sup> WIC participants are issued FMNP coupons in addition to their regular WIC benefits and may use these coupons to buy foods from eligible farmers, farmers markets and roadside stands approved by the state. The federal government funds 100% of the food cost and 70% of the administrative cost of the program, with states responsible for 30% of administrative cost.<sup>44</sup> The federal food benefit level for FMNP recipients is between \$10 and \$30 per recipient per year; however, state agencies may supplement this benefit level.<sup>45</sup> WIC FMNP receives its statutory authorization through the Child Nutrition Act (currently before the U.S. Senate for reauthorization) but actual funds are subject to the annual federal budget appropriation process. National funding has remained stagnant for several years now at \$20 million per year with no signs that this amount is likely to increase in the near future. Both the current Child Nutrition Act and the pending bill before the Senate merely authorize federal funding for FMNP, without specifying a floor or ceiling of support.

The Senior Farmers' Market Nutrition Program, also administered by FNS, provides low-income seniors with vouchers to purchase fresh fruits and vegetables at farmers markets and roadside stands.<sup>46</sup> The program was established in 2002, following a pilot in 2001. SFMNP is available to individuals who are at least 60 years old and have household incomes of not more than 185% of the federal poverty guidelines.<sup>47</sup> In 2008, nearly \$22 million in vouchers were made available to seniors nationwide for use at more than 3,900 farmers markets.<sup>48</sup> States may allocate up to 10% of their annual federal SFMNP grant toward administrative costs; any costs over this percentage must be covered with state funds.<sup>49</sup> Unlike FMNP, SFMNP is authorized via the omnibus "Farm Bill" enacted by Congress generally every 5 years. However, similar to FMNP, actual benefit funds must be appropriated annually during the budget process. SFMNP federal funding increased after passage of the 2008 Farm Bill but has remained constant since then and is not projected to increase in the near future.

Finally, it is important to note here recent program enhancements to a third federal nutrition benefit, the WIC Cash Value Voucher ("CVV"). FNS issued an interim final rule adjusting the required food combinations, known as the "food package," that states must allow in constructing their statewide WIC

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<sup>42</sup> Food & Nutrition Service, "WIC at a Glance," <http://www.fns.usda.gov/wic/aboutwic/wicataglance.htm> (last visited Apr. 26, 2010).

<sup>43</sup> 7 C.F.R. § 248.1 (2010).

<sup>44</sup> Elizabeth Frazão & Victor Oliveira, "The WIC Program: Background, Trends, and Economic Issues, 2009 Edition," Economic Research Report (ERR No. 73), April 2009, *available at* <http://www.ers.usda.gov/Publications/ERR73/ERR73.pdf>.

<sup>45</sup> *Id.*

<sup>46</sup> See MDAC, Mississippi Farmers Market Nutrition Program Overview, [http://www.mdac.state.ms.us/n\\_library/programs/mfmnp/mfmnp\\_program.html](http://www.mdac.state.ms.us/n_library/programs/mfmnp/mfmnp_program.html) (last visited May 12, 2010).

<sup>47</sup> Food & Nutrition Service, "Senior Farmers Market Nutrition Program," *available at* <http://www.fns.usda.gov/wic/SeniorFMNP/SeniorFMNPOverview.htm>.

<sup>48</sup> USDA, "SFMNP Profile – FY2008," *available at* <http://www.fns.usda.gov/wic/SeniorFMNP/SFMNPFY2008Profile.htm>.

<sup>49</sup> See 7 C.F.R. § 249.12(a)(i) (2010).

programs.<sup>50</sup> States are given flexibility so as to construct food packages that meet local needs but in general food packages now must contain more fruits and vegetables.<sup>51</sup> Additionally, last year Congress appropriated funds raising, for most WIC recipients, the value of the voucher enabling the purchase of these fruits and vegetables from \$8 to \$10 per month.<sup>52</sup> FNS is allowing, but not *requiring*, states to authorize farmers markets and their vendors as approved WIC CVV retailers.<sup>53</sup> A key issue moving forward will be whether states choose to authorize WIC CVV acceptance at farmers markets. This is especially important for markets, given large aggregate value of WIC CVV benefits as compared to WIC FMNP benefits.<sup>54</sup>

## WIC FMNP and SFMNP in Mississippi

Mississippi has participated in WIC FMNP since 1998. The program started small, targeting a few counties and limiting benefits to \$14 per recipient. However, before the program could grow, the USDA changed the WIC state funding structure and as a result froze state funding levels. For the past eight years Mississippi has received \$75,000 from the USDA. In 2008, this funding was made available in \$14 vouchers for 7,978 recipients.<sup>55</sup> In 2009 the voucher amount per participant was adjusted to \$15.<sup>56</sup> Vouchers are distributed in \$3 increments. Farmers or market vendors authorized to accept FMNP vouchers deposit them into a bank account just as they would a normal personal check.

In general, the Mississippi system depends upon handing out FMNP vouchers at state-run WIC distribution facilities in counties selected to participate in FMNP. (These centers are also where WIC recipients receive their food under the regular WIC benefit. Since these state centers distribute all WIC food, Mississippi WIC recipients do not receive the WIC CVV noted above but instead have had more fruits, vegetables, and whole grains added to their box of goods under the new program.) Recipients can currently use vouchers in only five markets and one farm stand and the most recent annual redemption rate for the state stands at 44%.<sup>57</sup> Due to limited funding, Mississippi must continue to be selective in not only where FMNP is implemented (both in terms of which counties and which markets) but also who gets the benefits (mothers, children or both). In the past, with few markets in the state, it was efficient for MDAC to simply wait for markets to opt-in to the program. However, as the total number of markets in the state approaches sixty, the need for an actual application system is apparent. In market selection, MDAC considers many factors, including, but not limited to: the location of the market relative to WIC participants, the stability and viability of the market, market hours, produce variety, and past market performance in FMNP or other WIC programs.<sup>58</sup> In selecting participants, financial resources are the limiting factor as well; if Mississippi offered all WIC participants FMNP vouchers at the current rate, the state could only cover three counties with the program. Participating markets are identified and

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<sup>50</sup> See FNS, "Interim Rule – Revisions to the WIC Food Packages" (Dec. 6, 2007), *available at* <http://www.fns.usda.gov/wic/regspublished/foodpackages-interimrule.htm>.

<sup>51</sup> *Id.*

<sup>52</sup> Revisions in the WIC Food Packages Rule to Increase Cash Value Vouchers for Women, 74 Fed. Reg. 69243 (proposed Dec. 31, 2009).

<sup>53</sup> Revisions in the WIC Food Package, 72 Fed. Reg. 68966, 68971 (Dec. 6, 2007) (to be codified at 7 C.F.R. § 246).

<sup>54</sup> See Nell Tessman and Andy Fisher, Community Food Security Coalition, State Implementation of the New WIC Produce Package: Opportunities and Barriers for WIC Clients to Use Their Benefits at Farmers' Markets 2 (2009), *available at* <http://www.foodsecurity.org/pubs.html#books>.

<sup>55</sup> Food and Nutrition Service, "WIC Farmers' Market Nutrition Program: FMNP Profile – FY 2008," <http://www.fns.usda.gov/wic/fmnp/FMNP2008.htm> (last visited Apr. 28, 2010).

<sup>56</sup> Telephone Interview with Purvie Green, FMNP Coordinator, Mississippi Department of Agriculture and Commerce (MDAC) (Apr. 13, 2010).

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

selected by MDAC through a State Nutrition Plan subject to FNS approval. MDAC then notifies farmers and vendors at selected markets and works to register and train these vendors.

SFMNP voucher distribution works in much the same way as FMNP. However, higher federal appropriations since the 2008 Farm Bill have allowed MDAC to reach more low-income senior residents, approximately 4,500 in 2008, with a higher yearly voucher value, \$28 distributed in \$4 increments.<sup>59</sup> Eligible seniors are identified and registered by Mississippi's regional Agencies on Aging while MDAC selects and registers farmers and vendors at certain markets in a process similar to FMNP. Mississippi, like most states, has a noticeably higher redemption rate for SFMNP vouchers compared to FMNP: 71.5% for SFMNP versus FMNP's 44% redemption rate.<sup>60</sup>

### **WIC FMNP Best Practices from Other States**

Thirty-seven states (plus the District of Columbia and several Indian nations) participate in FMNP. While the rules regarding the program are uniform across all states, the scale and methods of implementation are as diverse as the markets that the program supports. The median annual funding level for a state FMNP is around \$300,000, and, in general, there is a correlation between state population and FMNP funding.<sup>61</sup> Large states like California, Texas and New York boast annual funding of well over \$1 million.<sup>62</sup> However, there are notable exceptions to this general trend. Georgia's FMNP receives over \$1 million annually, while Florida's FMNP receives less than \$300,000.<sup>63</sup>

Current funding levels are largely an artifact of an earlier federal funding system where FNS would match state funding on the actual FMNP benefit. However, that policy later changed to the current system where all benefit funds are provided by FNS with a 70% federal government to 30% state government split of administrative costs. At the same time as the policy was changed on cost matching, overall federal funding for the program stagnated around \$20 million. The interaction between these changes meant that states that provided greater state funding were able to see the full amount of their higher funding picked up by FNS when funding levels were frozen and the state match was eliminated. As a result, the states that were most proactive in funding and promoting their FMNP efforts several years ago are also those that currently receive the most funding.<sup>64</sup>

The annual value of vouchers varies greatly from state to state, ranging from the minimum \$10 per year to the maximum \$30 per year. The annual voucher value per participant is considered in light of the state's redemption rate as well. Many states, including Mississippi, have low redemption rates (below 50%) and therefore return a portion of the programs' funding to FNS annually. Because of the relative stagnancy in funding levels since the early 2000s, many states focus on developing efficient frameworks

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<sup>59</sup> Food and Nutrition Service, "Senior Farmers' Market Nutrition Program: SFMNP Profile – FY 2008," <http://www.fns.usda.gov/wic/SeniorFMNP/SFMNPFY2008Profile.htm> (last visited May 10, 2010); Telephone Interview with Purvie Green, SFMNP Coordinator, MDAC (May 10, 2010).

<sup>60</sup> Telephone Interview with Purvie Green, SFMNP Coordinator, MDAC (May 10, 2010).

<sup>61</sup> See Food and Nutrition Service, "WIC Farmers' Market Nutrition Program: Grant Levels by State as of July 2009," <http://www.fns.usda.gov/wic/fmnp/FMNPgrantlevels.htm> (last visited Apr. 27, 2010).

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

<sup>64</sup> In other words, federal allocations are "frozen" where they were when the benefit matching scheme ended and FNS began covering all direct benefit costs. But the stagnate level of overall funding means that no funds are available to expand the program in those states that were not providing significant matching funds at the time of the funding formula switch. In fact, this situation is codified by FNS FMNP regulations. See 7 C.F.R. § 248.14(a) (2010) (stipulating that maintaining funding at the same level for those states already participating in FMNP takes priority in allocation of funds over program expansion either by increasing funding in existing states or by funding new states hoping to participate in the program).

for the administration of FMNP in order to increase redemption rates and thus predictability in the future. Two of the best models for promoting high FMNP voucher redemption rates are those programs in Georgia and Louisiana.

- **Georgia** claims the highest redemption rate for FMNP vouchers thanks to a system that places farmers markets at health departments on the days that the vouchers are handed out. About 75% of the 70 clinics in the state participate in this model.<sup>65</sup> While the scale of these temporary markets is small (often consisting of just a few farmers), the system provides an instant opportunity for voucher recipients to utilize their \$30 voucher. Georgia boasts a 95% redemption rate under this system (up from a 70% redemption rate under the traditional model). This system of bringing the market to the recipients has grown without much centralized guidance from the state; clinics decide on their own terms if they want to follow this model. Because of its high redemption rate and its policy of over-issuance (meaning that the state issues more vouchers than it technically has federal funds to cover, anticipating that some vouchers will go unused), Georgia typically utilizes its full grant, dipping into administrative funds to cover any extra costs.<sup>66</sup> While the distribution model in Georgia is theoretically replicable anywhere where local farmers can come to the voucher distribution center, Georgia is also uniquely situated as having one of the best funded FMNPs per capita.<sup>67</sup>
- While Georgia brings the farmers to the vouchers, **Louisiana** has been piloting a program to distribute vouchers at participating farmers markets. Marketing and promotional efforts encourage WIC recipients near authorized locations to visit the farmers market in order to receive their FMNP vouchers. Each participant then gets a voucher book with six \$4 coupons that act like checks at the market. The program is expanding from one to five parishes in 2010.<sup>68</sup> Louisiana has also had success in the past partnering with nonprofits to address access issues for WIC participants. In working with Partners for Healthy Babies, Louisiana used a small grant to pay for transportation to take WIC recipients to nearby farmers markets.<sup>69</sup> The redemption rate was significantly higher during this initiative.<sup>70</sup>

## FMNP Recommendations for Mississippi

Mississippi is undoubtedly in a difficult position in promoting and growing its FMNP. The farmers market culture is still in its nascent phase. However, the ability of MDAC to keep up with the growth in both the number of markets and interest in those markets among WIC participants is limited by the fiscal inflexibility of the program. In looking toward the future of FMNP, Mississippi has a clear interest in consistently providing as much aid as possible to as many participants as possible. Thus, these recommendations focus on exploring administrative efficiencies that better promote the high redemption rates and predictability as well as the specifically tailored goals of Mississippi's FMNP.

For more information about the specifics of implementing a WIC FMNP or SFMNP program at a farmers market in Mississippi, see below in the Practical Guide section entitled "Accepting WIC FMNP and SFMNP Vouchers at Mississippi Farmers Markets."

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<sup>65</sup> Telephone Interview with Doris Evans-Gates, FMNP Manager, Georgia Department of Human Resources (Mar. 10, 2010).

<sup>66</sup> *Id.*

<sup>67</sup> See "WIC Farmers' Market Nutrition Program: Grant Levels by State as of July 2009," *supra* note 61.

<sup>68</sup> Telephone Interview with Rebecca Riecke, FMNP and SFMNP Director, Louisiana Department of Agriculture and Forestry (Mar. 10, 2010).

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

### *Develop state-specific policy goals for WIC FMNP administration in Mississippi*

The enabling legislation of the federal WIC FMNP states the dual policy goals of “provid[ing] resources in the form of fresh, nutritious, unprepared foods (fruits and vegetables) from farmers’ markets” to WIC participants and “expand[ing] the awareness, use of and sales at farmers’ markets.”<sup>71</sup> While both ambitious and worthy, these goals provide little in the way of direction in prioritization of markets and WIC participants when resources are scarce. By developing, either legislatively or administratively, its own set of policy-goals, Mississippi would gain both direction in the continued development of its FMNP and a defense for any criticism of those developments. In particular, Mississippi’s state-specific policy goals could be used to spell out priority areas for the state’s scarce FMNP resources. For example, the policy goals might list urban areas as the most important geographical locations for FMNP, due to economies of scale gained from the higher density of WIC participants and the potentially greater impact of such density on the farmers markets in the area. Conversely, the state might wish to prioritize more rural areas, especially those that are both “food poor” and below the state median in income per participant. Indeed, the policy goals need not be geographic; the purpose could be narrowed to be particularly focused on education, in which much of the administrative costs could be devoted to increasing local knowledge of the existence and benefits of farmers markets.

Overall, the greater rationale for clear policy goals is to create a set of specific and concrete norms that supplement the broad and vague federal goals. This will provide MDAC with guidance in how to utilize Mississippi’s limited funding and it will help farmers and farmers markets in the state understand the decisions made by MDAC concerning the use of these scarce resources. We also urge Mississippi to develop similar policy goals for SFMNP, as its federal guidance is also broad and generally vague and presents similar distribution challenges given flat federal funding.

### *Utilize the flexibility of the framework of “administrative costs”*

Under the WIC FMNP the federal government provides 100% of food costs and 70% of “administrative costs” proposed by the state (and approved by the USDA FNS).<sup>72</sup> In the statutory language, administrative costs are defined as:

“ . . . those direct and indirect costs, exclusive of food costs . . . which states determine to be necessary to support FMNP operations. Administrative costs *include, but are not limited to*, the cost of administration, start-up, training, monitoring, auditing, the development of and accountability for coupon and market management, nutrition education, outreach, eligibility determination, and developing, printing and distributing coupons.”<sup>73</sup>

With such an inclusive definition of administrative costs, the federal FMNP framework provides states with flexibility in running their own programs while still receiving proportional funding. While the availability of increased administrative funding for Mississippi (in order to fund new initiatives or procedures) might be limited to an extent by the relatively small amount of food funding the state receives, it is still important for Mississippi to seize this potential source of funding when it is available. In its annual State Plan, Mississippi provides detailed descriptions of administrative costs and policies.<sup>74</sup> True, federal approval of any new administrative policies and costs in the State Plan is not ensured;

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<sup>71</sup> 7 C.F.R. § 248.1 (2010).

<sup>72</sup> 7 C.F.R. § 248.2 (2010).

<sup>73</sup> *Id.* (emphasis added).

<sup>74</sup> 7 C.F.R. § 248.4 (2010).



however, the potential benefits of gaining funding for these new administrative policies justifies the cost of proposing increases in the administrative budget through the State Plan.

Expanding the idea of administrative costs to include money spent in providing short-distance transportation to participating farmers markets or developing synergistic relationships between other food assistance programs are just two examples of potentially untapped sources of federal funding that have the potential to greatly increase redemption rates. Once again, the creation of a well-defined set of state FMNP policy goals may help in showing federal decision makers how serious and well-developed Mississippi's policies are and how providing even marginal increases in administrative funding might help Mississippi to achieve those goals.

*Recognize the situational factors that affect redemption rates and compensate for them through the administrative framework of the FMNP*

The correlation between market accessibility and voucher redemption rates is fairly clear.<sup>75</sup> Both Georgia and Louisiana recognized this correlation in their novel initiatives to either bring the market to the FMNP participants or to bring the vouchers and participants to the market. Mississippi has a unique opportunity, with its state-run brick-and-mortar WIC distribution centers, to bring the market directly to participants. Coordination costs of bringing markets to the WIC distribution centers would be funded as a basic administrative cost and incentives could potentially be developed to bring farmers to the market out of that same administrative budget. This recommendation is similar to ones made in the "SNAP Recommendations for Mississippi" section of the report and we encourage coordination between SNAP and FMNP access efforts.

Another benefit of the WIC distribution center model in Mississippi is the unique opportunity of having a truly captive audience for education purposes. Every mother and child entering the distribution center should be encouraged through a variety of media and personal interactions to look into the FMNP (or even just farmers markets in general, without regard to any benefits provided through WIC) as a valuable way to supplement diets and connect with the community.

*Consider over-issuance of FMNP benefits in order to increase the program's redemption rate*

Finally, because Mississippi's FMNP has a relatively stable redemption rate (ranging between 40-50%) and it has consistently had to return money to FNS due to low redemption, it may be in MDAC's best interest to over-issue, as many states are known to do, based on the expected redemption rate. While over-issuing could be risky, years in which over-redemption occurs (which may not occur at all) can be covered, as other states have, through extra administrative funding. Overall, the value of providing maximum benefits to the community (WIC participants and farmers) necessitates the utilization of as much of the food funding as possible. Additionally, as long as Mississippi is continually returning money to FNS, Mississippi's program may continue to appear weak and underdeveloped, perhaps hurting its chances of gaining additional funding if the federal funding model changes in the near future.

*Explore the possibility of allowing WIC Cash Value Vouchers (WIC CVV) to be redeemed at farmers markets*

Given the unlikelihood of federal FMNP funding levels significantly increasing in the near-term, MDAC should urge Mississippi State Department of Health ("MSDH") to seriously consider allowing WIC CVV usage at farmers markets. We fully acknowledge the complexities of this issue and the numerous

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<sup>75</sup> Telephone Interview with Rebecca Riecke, *supra* note 68.

program differences between WIC FMNP and WIC CVV. However, the much larger size of WIC CVV (WIC recipients receive \$10 per *month* in vouchers to purchase approved fresh fruits and vegetables, as opposed to \$15 per *year* under FMNP) means it could make an enormous difference both in terms of public health outcomes and in expanding revenues for Mississippi farmers. MSDH currently believes that the following reasons push against allowing WIC CVV at farmers markets: numerous technical hurdles and complexity in certifying farmers and in running a redemption system; the fact that farmers markets are not available all year; and the fact that a uniform system could not be operated since each county does not yet have a farmers market.<sup>76</sup> Again, we acknowledge that these are significant concerns but urge MSDH to work with MDAC on a spring 2011 pilot WIC CVV program at a farmers market in the state.

## Conclusion

Mississippi is undeniably restricted by an inadequate level of federal funding in support of WIC FMNP and SFMNP benefits. Nonetheless, we believe actions can be taken to make the best of the situation. Strategic deployment of existing federal dollars could help to increase redemption rates. State administrative funds can be reallocated in order to expand promotional and educational programs complementing actual voucher benefits. The state must also aggressively pursue federal and non-profit grants so that it can begin an incentive program for usage of FMNP and SFMNP vouchers. Finally, the considerable size and prominence of the WIC CVV program suggests Mississippi must begin serious study of ways it could be integrated into both the state WIC distribution model and farmers markets.

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<sup>76</sup> Telephone Interview with Purvie Green, FMNP Coordinator, MDAC (May 10, 2010).

## V. Local and Non-Profit Level Actions: SNAP and WIC FMNP Analysis and Recommendations

Local governments and non-profits in many states have helped both to provide necessary funding for EBT capacity at farmers markets and to incentivize the use of SNAP and WIC benefits at markets. These groups may be a fruitful source both of funding and organizational expertise, particularly through partnerships among each other and with the federal government.

### National Organizations

There are many national and regional foundations and organizations that are interested in supporting and promoting SNAP access at farmers markets. Two major sources of grant funding for farmers market EBT projects have been the Project for Public Spaces, with funding from the Kellogg Foundation, and the Wholesome Wave Foundation.

The Kellogg Foundation funding for the Project for Public Spaces expired in 2007, but it enabled several innovative programs. In **Maryland**, for example, the grant covered transactions fees for EBT use at the Crossroads Farmers Market, as well as “double voucher” incentive payments for SNAP and WIC clients, which provided double the value of benefits spent on produce at the market, up to a set amount.<sup>77</sup> In **Minnesota**, it covered start-up costs for a wireless EBT system at the Midtown Market, including the purchase of an EBT retail terminal.<sup>78</sup> That market subsequently became financially self-sustaining by charging credit card users a small transaction fee (note that not all EBT machines are able to accept credit and debit cards, but some are able to accept all three types of transactions, EBT, credit, and debit; the machines that accept all three transactions are more expensive to purchase).<sup>79</sup> The program also provided EBT support in **Florida, Missouri, Washington, Massachusetts, Ohio, and South Carolina**.<sup>80</sup> If further funding becomes available, this program presents extraordinary opportunities for expanding EBT. Although Kellogg Foundation no longer funds the Project for Public Spaces, they are a major funder in Mississippi and might be interested in funding similar programs to assist in the use of food benefits at markets in Mississippi.

The Wholesome Wave Foundation has provided funds to many communities to start EBT programs and to provide incentives for SNAP and WIC use at markets. In **California**, the Wholesome Wave Foundation funds the Fresh Fund incentive program at the City Heights Market in San Diego, which adds an additional \$5 to every SNAP purchase, essentially giving any purchaser \$5 extra to spend at the market for any purchase made with SNAP.<sup>81</sup> At the FRESHFARM H Street Market in **Washington, DC**, it funded the “Double Dollars” initiative, which provided food subsidy recipients with \$2 of produce for every \$1 in District-sponsored food subsidies they spent.<sup>82</sup> The Foundation has also committed \$10,000 in matching

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<sup>77</sup> August Schumacher, Suzanne Briggs, and George Krumbhaar, *Wireless Card Services: Supporting SNAP, WIC, and Senior Farmers Market Nutrition Programs*, Kresge Foundation, May 2009, p.16. *available at* <http://farmersmarketcoalition.org/resources/home/article/1-resource-library/302-wireless-card-services-supporting-snap-food-stamp-wic-and-senior-farmers-market-nutrition-programs>.

<sup>78</sup> EBT and Credit Cards at the Midtown Farmers’ Market, *available at* <http://www.docstoc.com/docs/14441939/EBT-Pilot-Project-Report/>.

<sup>79</sup> *Id.*

<sup>80</sup> Project for Public Spaces, Markets, <http://www.pps.org/markets/> (last visited May 12, 2010).

<sup>81</sup> Food Stamps – EBT at the City Heights Farmers Market, <http://cityheightsfarmersmarket.com/wb/pages/food-stamps---ebt.php> (last visited May 10, 2010).

<sup>82</sup> Mayor Fenty, DHS Announce Use of EBT Machines at Local Farmers' Markets. News Release, July 27, 2009, *available at*

funds to the farmers market pilot on the grounds of Jackson Memorial Hospital in Miami, **Florida** to introduce EBT terminals for SNAP clients.<sup>83</sup> Wholesome Wave only provides funds to communities identified by its donors, but markets are invited to contact local community foundations, which may contact Wholesome Wave if there is an interest in partnering.<sup>84</sup> The Foundation's experience in designing and implementing EBT incentive programs could be a boon to any similar initiative in Mississippi.

## Local Non-Profits

Many markets have successfully partnered with local community organizations for support in implementing EBT programs.<sup>85</sup> This support has taken many forms. For example, in **California**, the San Diego Hunger Coalition at the City Heights Market identifies food stamp eligibility and helps qualified candidates fill out and mail in the initial round of paperwork on site.<sup>86</sup> Meanwhile, in **Massachusetts**, The Food Project and the City of Boston sponsor an incentive program for SNAP participants at markets, to increase the value of their vouchers.<sup>87</sup>

Non-profit participation in expanding EBT has sometimes been substantial, but is often limited to small-scale projects. **Pennsylvania** has one of the most developed systems of non-profit support for markets. The Food Trust operates over 30 farmers markets in eastern Pennsylvania in underserved areas, with each of its markets served by a wireless EBT machine.<sup>88</sup> Other organizations may work with only one or a few markets to develop EBT systems. For example, the **New Hampshire** Coop Extension has established booths at three markets where they provide an EBT machine and allow customers to pre-swipe and receive vouchers for a specific amount before going into the market.<sup>89</sup> In **Florida**, the Second Harvest 'Fresh Food for Families' Program at the Jacksonville Farmers Market helped fund the purchase of EBT machines.<sup>90</sup> The Institute for Community Resource Development (ICRD) in Chicago, **Illinois** sponsored a scrip project in the Austin Farmers' Market.<sup>91</sup> In **Wisconsin**, several markets have gotten funding from churches or individual benefactors.<sup>92</sup>

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<http://dc.gov/mayor/news/release.asp?id=1642&mon=200907>; D.C. Hunger Solutions, "What's Happening with Food Stamps in D.C.?", <http://www.dchunger.org/projects/farmers.html> (last visited May 10, 2010); FRESHFARM Markets, EBT/Food Stamps, [http://www.freshfarmmarkets.org/programs/ebt\\_wic\\_programs.php](http://www.freshfarmmarkets.org/programs/ebt_wic_programs.php) (last visited May 10, 2010).

<sup>83</sup> Florida Partnership to End Childhood Hunger. "The Wholesome Wave Foundation has committed \$10,000 in matching funds to our farmers market pilot on the grounds of Jackson Memorial Hospital--Miami." (Oct. 2009) <http://www.flimpact.org/partnership/news.html> (last visited May 10, 2010).

<sup>84</sup> Wholesome Wave Foundation, Frequently Asked Questions, <http://wholesomewave.org/frequently-asked-questions/> (last visited May 12, 2010).

<sup>85</sup> For some examples, see August Schumacher, Rachel Winch, and Angel Park, Fresh, Local and Affordable: Nutrition Incentives at Farmers' Markets 2009 Update, available at <http://wholesomewave.org/wp-content/uploads/winch-full.pdf>.

<sup>86</sup> San Diego Hunger Coalition, 2008 Year in Review, <http://www.sandiegohungercoalition.org/2008AnnualReport.pdf> (last visited May 12, 2010).

<sup>87</sup> See The Food Project, Boston Bounty Bucks, <http://thefoodproject.org/boston-bounty-bucks> (last visited May 12, 2010).

<sup>88</sup> The Food Trust, <http://www.thefoodtrust.org> (last visited May 10, 2010).

<sup>89</sup> Marcia Hahn, "EBTs Bring More Revenue to Farmers' Markets," Farmers' Markets Today, [http://www.farmersmarketstoday.com/fmt/index.php?option=com\\_content&task=view&id=34&Itemid=1](http://www.farmersmarketstoday.com/fmt/index.php?option=com_content&task=view&id=34&Itemid=1) (last visited May 10, 2010).

<sup>90</sup> Second Harvest, "Fresh Food For Families program to offer fresh food access to EBT/SNAP users," (Nov. 6, 2009) <http://www.wenourishhope.org/node/514/> (last visited May 10, 2010).

<sup>91</sup> Food and Nutrition Service, Food Stamp Electronic Benefit Transfer Systems: A Report to Congress, (Oct. 2003) available at [http://www.fns.usda.gov/SNAP/ebt/pdfs/2003\\_congress.pdf](http://www.fns.usda.gov/SNAP/ebt/pdfs/2003_congress.pdf).

<sup>92</sup> Wisconsin Food Security Consortium, A Guide to Accepting Electronic Benefits Transfer (EBT) Payments at Farmers' Markets in Wisconsin, (June 2009) <http://wi-farmers-market-guide.wikidot.com/funding-ideas-to-help-offset-equipment-costs> (last visited May 10, 2010).

## Local Educational Institutions

Local educational institutions can also provide valuable sources of organizational and educational support. In **California**, the Berkeley Ecology Center often works with the state to provide start-up information to new markets.<sup>93</sup> In **Idaho**, as noted in our section on State Government Partnerships, the Moscow Farmers Market worked with the University of Idaho and the Idaho Department of Agriculture to sponsor a seminar for growers in the region on how to establish a local market, how to become licensed to sell prepared foods, and how to accept SNAP benefits at the market.<sup>94</sup> Local colleges or other educational initiatives may be very helpful in educating growers and markets about EBT and mobilizing markets to identify and pursue funding.

## Community Organizations Funded by Federal Grants

Many non-profits have helped to expand EBT at markets by pursuing and utilizing federal grants, often in combination with their own funds. Community Food Connections in **Arizona**, for example, provides EBT terminals and pays monthly service fees and wireless charges for farmers markets, using both community and federal funds.<sup>95</sup> The **Kentucky** Farmers' Market Association, with approval from the FMPP (see below) and funded by the Agricultural Development Fund, will purchase wireless EBT machines for five rural markets, using Fund money for fifty percent of the machines and drawing on other sources to cover the rest of the start up costs.<sup>96</sup> A partnership between Community CROPS, Open Harvest, and Lincoln Parks and Recreation in **Nebraska** will use USDA funds and a grant from the Community Health Endowment to establish the first farmers market in the state that will accept EBT.<sup>97</sup>

Significant federal farmers market grant programs include the following:

- The **Farmers Market Promotion Program Grant** ("FMPP"), administered by USDA's Agricultural Marketing Service, offers grants of up to \$100,000 to improve and expand farmers markets.<sup>98</sup> Under the 2008 Farm Bill, 10% of total funding allocated under FMPP must be used for new EBT projects at farmers markets.<sup>99</sup> Several markets in Mississippi have already received funding from this grant. In 2009, FMPP granted \$31,075 to Delta State University to support infrastructure improvements and implement a promotional campaign for the Cleveland Farmers Market and \$85,800 to Hancock County to provide infrastructure, education, and other training workshops at the new Hancock County Farmers Market.
- **FNS discretionary grants** are awarded to eligible grantees, usually on the basis of a competitive review process.<sup>100</sup> Specific grant requirements vary; each grant originated in an annual budget bill or a statute such as the Child Nutrition Act. In 2006, FNS awarded nearly \$1 million in food

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<sup>93</sup> Berkeley Ecology Center, <http://www.ecologycenter.org/ebt> (last visited May 10, 2010).

<sup>94</sup> FNS, Farmers' Market SNAP Participants: 2008 Status Report, *available at* [https://www.fns.usda.gov/snap/ebt/ebt\\_farmers\\_markstatus.htm](https://www.fns.usda.gov/snap/ebt/ebt_farmers_markstatus.htm).

<sup>95</sup> Community Food Connections, Arizona Farmers' Markets Welcome Food Stamp Customers, <http://www.foodconnect.org/programs/foodstamps.asp> (last visited May 10, 2010).

<sup>96</sup> Kentucky Farmers' Market Association, EBT/Debit Packet, *available at* <http://www.kentuckyfarmersmarket.org/Default.aspx?pageld=500973> (click on link for "KFMA's EBT/Debit Manual").

<sup>97</sup> Jackie Barnhardt and Elizabeth Wolf, "The Harvest of 'From Garden to Table,'" [http://www.openharvest.coop/events\\_grant.php](http://www.openharvest.coop/events_grant.php) (last visited May 10, 2010).

<sup>98</sup> Agricultural Marketing Service, Farmers' Market Promotion Program, <http://www.ams.usda.gov/AMSV1.0/FMPP> (last visited May 10, 2010).

<sup>99</sup> Agricultural Marketing Service, Farmers' Market Promotion Program 2010 Guidelines, *available at* <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5082926&acct=fmpp>.

<sup>100</sup> FNS, Grants, <http://www.fns.usda.gov/fns/grants.htm> (last visited May 10, 2010).

stamp outreach grants to various faith-based and community organizations.<sup>101</sup> In that grant cohort, opportunities were available to public entities and private non-profit organizations, including faith-based and community organizations, to assist in educating eligible low-income individuals who were not participating in SNAP at the time.<sup>102</sup>

Federal grants are an important means of supplementing the often limited funds of community organizations. By supplementing federal grants with their own financial resources, community organizations also expand the pool of resources available to markets. Organizations with interests in food, public health, or community development issues that have been successful in securing federal grants in the past may be especially valuable partners for markets looking to maximize their EBT possibilities.

## Local Government

Local government has been a less fruitful source of EBT funding than the state or federal government. While local governments are often involved with organizing or sponsoring markets, they are less likely to provide separate funding for EBT start-up or incentive programs. Many have, however, been active in partnering with non-profits or soliciting federal grants to expand EBT. For example, the City of Sanford in **Florida**, the City of Moscow in **Idaho**, and Harford County in **Maryland** all received federal grants to help expand and promote EBT systems at their farmers markets.<sup>103</sup> The most successful approach to utilizing local government may be to exploit its assistance in pursuing and developing these outside funding relationships.

## Recommendations

Relationships with local community organizations are central to funding and implementing EBT systems. These groups may be best able to interface with national non-profits like the Wholesome Wave Foundation and with the federal government, as well as contributing their own support, expertise, and resources. Local government may also be a useful partner, but particularly in light of increasingly tight local budgets, may need to combine efforts with the financial resources of non-profits or the federal government to promote effective EBT implementation. Thus, we recommend that markets in Mississippi do the following:

### *Make connections with local community organizations*

Local community organizations represent an important source of support. Markets should identify organizations working on food or health issues and invite them to help expand EBT systems through defraying start-up costs or creating incentive programs for food assistance recipients. Particularly when projects are scaled manageably and flexibly by working with non-profits, these organizations may be able to substantially contribute to available resources.

### *Partner with regional or national non-profit organizations*

While funds from national organizations may be hard to secure, these groups may have deeper pockets than local groups. Moreover, they bring a wealth of expertise in expanding EBT systems on which local

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<sup>101</sup> Press Release, FNS, USDA Awards Nearly \$1 Million in Food Stamp Outreach Grants to Faith-Based and Community Organizations (Dec. 11, 2006), <http://www.fns.usda.gov/cga/PressReleases/2006/PR-0465.htm> (last visited May 10, 2010).

<sup>102</sup> *Id.*

<sup>103</sup> Agricultural Marketing Service. FY-2009 Farmers' Market Promotion Program Grants, <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5079551> (last visited May 10, 2010).

markets could draw. Opportunities to partner with Wholesome Wave or other national non-profits are worth investigating.

### *Investigate federal grants*

Federal grants are an important way to supplement the limited funds of community organizations. By supplementing federal grants with their own financial resources, community organizations also expand the pool of resources available to markets. Organizations with interests in food, health, or community development that have been successful in securing federal grants in the past may be especially valuable partners for markets looking to maximize their EBT possibilities.

## VI. Federal Government-Level Actions: SNAP and FMNP Analysis and Recommendations

### The SNAP Authorization Process

In February 2010, FNS took two major steps to help more farmers become licensed SNAP merchants. First, FNS streamlined the procedures for the authorization of two common, SNAP-related farmers market programs. Second, they launched a website offering detailed, step-by-step instructions on SNAP authorization specifically geared towards farmers.<sup>104</sup> These steps represent a tremendous gain in making SNAP more user-friendly for farmers and farmers markets seeking to participate in the program. For more information about the specifics of implementing a SNAP program at a farmers market in Mississippi, see below in the Practical Guide section entitled “Becoming a SNAP-Ready Retailer and Obtaining a Free Wired EBT Device” and subsequent sections.

FNS’s procedural reform relates to both the scrip and incentive programs that are often used at farmers markets. **Scrip programs** are the token and receipt systems in place at many markets that allow all of the individual farmers to accept SNAP and EBT payment through a single FNS license and a shared EBT device, both of which are obtained and managed by a market staffer or volunteer. **Incentive programs** are a way of encouraging SNAP customers to shop at farmers markets by increasing the purchasing power of SNAP benefits, usually through matching funds provided by a local government or a private charitable organization.

Prior to the FNS reform, the state agency charged with implementing SNAP (MDHS in Mississippi) was tasked with authorizing and overseeing both scrip and incentive programs within its state.<sup>105</sup> These agencies were responsible for the initial approval of any such program and were then required to request a waiver from FNS to allow the program to actually operate.<sup>106</sup> Once the program was up and running, the state agency was also required by FNS to collect transaction and operating data from the market on an ongoing basis. Post-reform, state agencies are entirely removed from the authorization and oversight of these programs and markets are no longer required to submit formal initial proposals or ongoing operating reports to state agencies or anyone else. Instead, markets are simply required to notify their local FNS Field Operation Office when they commence a scrip or incentive program. Unless a market fails to comply with SNAP rules, further reporting is unnecessary.

While this reform vastly simplifies programs that are integral to the successful use of SNAP at farmers markets, application for an initial license to accept SNAP is still a fairly complicated process. Further, there is a single form for all merchants seeking to accept SNAP, so a farmer or market manager is asked to complete the same form he would if he was a supermarket owner, even though many of the questions are wholly inapplicable to a farmers market business. The new FNS website (<http://www.fns.usda.gov/snap/ebt/fm.htm>) finally addresses this issue, providing instructions specifically geared to the licensing of farmers markets. It provides the SNAP definition of an eligible farmers market, step-by-step instructions for navigating the online license application process, and a way to check the status of a pending application. Further, the website offers explanations of common practices at SNAP-authorized farmers markets, like scrip and incentive programs, as well as more

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<sup>104</sup> Farmers Market Coalition, “Food & Nutrition Service Takes Steps to Streamline SNAP Procedures for Farmers Markets,” [http://farmersmarketcoalition.org/snap\\_memo\\_feb\\_2010/](http://farmersmarketcoalition.org/snap_memo_feb_2010/) (last visited April 26, 2010).

<sup>105</sup> *Id.*

<sup>106</sup> *Id.*



general resources like marketing suggestions, grant opportunities, and success stories from other markets.

## **SNAP Federal Recommendations**

Many changes can be made at the federal level to help support and promote the use of SNAP benefits at farmers markets. We recommend the following changes:

### *Move towards a national incentive program*

Our primary suggestion is that FNS should institute a nationwide incentive program for every SNAP dollar spent buying produce directly from farmers and farmers markets. While state and local governments and non-profits across the country have created a host of valuable incentive programs, there is simply no substitute for the commitment and publicity that would be created by a federal matching program. In guaranteeing this kind of expanded value for SNAP benefits, the federal government would be both taking a major step to address the public health crisis of the nation's working class and lower-income population and, at the same time, providing crucial support to the small family farms that are on the brink of extinction throughout the country. Ideally, the federal government would provide the resources for matching SNAP beneficiaries dollar for dollar for payments to farmers, but even a program offering fifty cents on the dollar could have a tremendous impact. Congress should act now, but certainly no later than the next Farm Bill, with two necessary statutory changes: 1) Necessary funding for a national incentive program, utilizing creative revenue streams; and 2) Clear statutory exemptions for such an incentive program, making it explicit that such a program would not violate the SNAP principle of "equal treatment for coupon customers," when comparing a purchase by a SNAP recipient and a non-SNAP recipient.<sup>107</sup> This provision was designed to prevent price-gouging and discrimination against SNAP recipients and should not be an obstacle to the use of positive incentives.

### *Promote community-supported agriculture*

Though this recent FNS activity is greatly encouraging, there is still far more that the federal government can do. One major suggestion is that FNS should take steps to facilitate SNAP participation at Community Supported Agriculture programs (CSA) in addition to traditional farmers markets.<sup>108</sup> A CSA structure allows local farmers to sell shares of their output in advance of the farming season and then provide produce to the customers that have purchased these shares on a weekly or other periodic basis over the course of the season. For predominantly rural communities like many in Mississippi, CSAs can provide tremendous advantages in terms of consumer access. For SNAP beneficiaries who may work during market hours and have limited transportation resources, shopping at a fixed-site market may very well be impossible. CSAs, however, have the ability to offer multiple distribution centers, or even direct delivery of produce. Further, prearranged distribution is far more conducive to scheduling around the work obligations of a specific group of customers than a market system that requires keeping traditional business hours. With hardly any CSAs currently operating in Mississippi, this could be a valuable opportunity for a federal grant program to demonstrate the benefits of this arrangement for both farmers and consumers, and might be something that Mississippi could work towards in the future.

## **WIC Reauthorization**

The Child Nutrition and WIC Reauthorization Act of 2004 was originally set to expire at the end of

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<sup>107</sup> See 7 C.F.R. § 278.2(b) (2010).

<sup>108</sup> For an excellent overview of CSAs with extensive links to further information, see U.S. Department of Agriculture, Alternative Farming Systems Information Center, Community Supported Agriculture, <http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml> (last visited May 12, 2010).

September 2009, but was extended through September 2010.<sup>109</sup> In contemplating a new reauthorization act this summer, Congress has an important opportunity to improve WIC. One significant way to improve this program is through expansion and improvement of its component Farmers' Market Nutrition Program. FMNP was initially created in 1992 with the dual goals of promoting nutrition among WIC beneficiaries and supporting local farmers and farmers markets. All current WIC beneficiaries, as well as those on a waiting list for WIC certification, are federally eligible for FMNP coupons but in Mississippi, limited federal funding means that MDAC only provides coupons in certain designated counties. The federal benefit level must range from \$10 to \$30 per year per recipient, an amount that the state agency can supplement at its discretion, a difficult prospect during times of tight state budgets. As mentioned above, the benefit is \$15 per year in Mississippi.

## **WIC Federal Recommendations**

Many changes can be made at the federal level to help support and promote the use of WIC benefits at farmers markets. We recommend the following changes:

### *Increase WIC FMNP*

One obvious but essential way for the federal government to expand FMNP is to increase the federal benefit level. \$15 per year is simply not a significant enough amount of money to have a major impact on the consumption trends of WIC participants or, consequently, to adequately promote the sustainability of local farming. We note with disapproval the lack of any of the following provisions in the Child Nutrition Reauthorization Act:

- 1) statutory language that pressures Congress to increase its annual appropriations for FMNP, currently stuck around \$20 million and not scheduled to increase in USDA proposed budgets<sup>110</sup>;
- 2) statutory language recognizing the success of FMNP and thus making it an uncapped entitlement program based on recipient need formulas rather than subject to the limited and arbitrary amount appropriated by Congress each year;
- or 3) language mandating that states allow and encourage farmers and farmers markets to become regular WIC CVV retailers, given the expansion of that program.

At least one of these three measures is necessary in order to continue positive momentum generated by the FMNP over the past decade.

### *Better integrate WIC FMNP and SNAP*

There are a number of ways in which the federal government could integrate FMNP and SNAP in order to realize administrative efficiencies and improve both the customer and merchant experience. For instance, a new law could designate any farmer or market licensed to accept SNAP benefits as automatically authorized to accept FMNP coupons.<sup>111</sup> This would save farmers from having to endure multiple application processes and state agencies from unnecessary and duplicative authorization inquiries. FMNP coupons could also be credited on the same EBT card on which SNAP benefits are received (Texas has already taken steps to create this type of single EBT card that is funded separately

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<sup>109</sup> School Nutrition Association, "2010 Child Nutrition Reauthorization," <http://www.schoolnutrition.org/Content.aspx?id=2402> (last visited April 26, 2010).

<sup>110</sup> See U.S. Department of Agriculture, "Fiscal Year 2011 Budget Summary and Annual Performance Plan," at 71 (Feb. 2010), available at <http://www.obpa.usda.gov/budsum/FY11budsum.pdf> (note that the Administration requests \$20 million for FMNP yet again for Fiscal Year 2011, the level at which it has sat for several years).

<sup>111</sup> See note 127, *infra*, and associated text for a proposal currently before the U.S. Senate requiring states to implement WIC EBT systems by 2020. If this becomes law, Mississippi should seriously consider an integrated EBT system that coordinates WIC, WIC FMNP, and SNAP benefits on one card.

by both SNAP and WIC).<sup>112</sup> From the perspective of the consumer, this would likely be a helpful unification of the processes for receiving and using benefits across multiple federal programs. For farmers and the overseeing agencies, this would also be helpful as a method of minimizing the need for multiple redemption processes.

## **Conclusion**

While the federal government has taken major strides to integrate farmers markets into federal benefits programs, there is much left to do. Federal efforts to include CSAs in these programs, and to help create CSAs where they do not yet exist, would allow the government to better serve both farmers and benefit recipients in rural areas across Mississippi and the nation. Furthermore, a greater federal demonstration of financial commitment is essential to meaningful behavioral impact. Nationwide federal matching for SNAP dollars spent on local produce and larger annual FMNP coupons are crucial to achieving the federal government's goals of promoting nutrition and supporting small farmers. Finally, efforts to integrate SNAP and FMNP together would have great administrative efficiencies and would be more user-friendly to benefit recipients as well as eligible farmers and vendors.

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<sup>112</sup> Texas Department of State Health Services, WIC EBT, <http://www.dshs.state.tx.us/wichd/ebt/ebt1.shtm> (last visited May 12, 2010).

## VII. Practical Guide for Market Managers and Vendors: How to Accept SNAP and WIC FMNP and SFMNP at a Mississippi Farmers Market

Our partners report confusion and frustration on the part of market managers and vendors in understanding the various parts of the federal food assistance system and how they affect farmers markets. Below we offer advice to farmers markets and farmers to facilitate their ability to accept SNAP, FMNP, and SFMNP benefits. At this time, we urge *all* markets to begin planning for the ability to accept SNAP benefits. Once wireless EBT machines become available in Mississippi free of charge to eligible vendors in the spring of 2011, all markets should have the technical means to accept SNAP benefits as long as they capitalize on available resources.

Markets have less ability for self-starting initiatives in regards to the WIC FMNP and SFMNP benefits. Those programs are currently restricted by federal funding constraints and allocated on a county-by-county basis by MDAC.

Below we offer the following practical advice to market managers and farmers:

- Step-by-step instructions on applying to become a certified SNAP retailer
- Equipment and logistical options for accepting SNAP benefits once FNS-approved
- Details on Mississippi's planned wireless EBT machine program
- Information on the distribution system of WIC FMNP and SFMNP voucher benefits
- Ways to advocate for increasing food assistance benefit access at farmers markets

In addition, in order to facilitate the recommendations noted throughout this report, the HLS Delta Project offers its assistance to help each farmers market in increasing food assistance access and usage. We recognize the unique challenges each market faces in meeting this challenge. For many markets, the best course of action will be to obtain a centralized means of accepting benefits using a wireless EBT device. But for others, the best course of action might be recruiting several willing farmers to accept SNAP benefits on an individual basis. Even beyond this initial access issue, markets need tailored plans to meet their diverse needs. Logistical challenges will vary based on location. Some important questions to consider are: Are there transportation hurdles for residents in reaching the market? Can the market partner with local educational or social institutions? What can the market do to incentivize usage and how can it promote those incentives?

We can offer help in addressing these questions and others by working with markets to develop individualized Farmers Market Food Assistance Access and Usage Plans. In offering such assistance, we will continue to look to our partners such as the Delta Directions Consortium, Delta State University, and MDAC for guidance and leadership. For more information or to seek assistance, please contact us at [harvarddeltaproject@gmail.com](mailto:harvarddeltaproject@gmail.com) or by calling Emily Broad, Director of Delta Directions, at 610-952-0393.

### **Becoming a SNAP-Ready Retailer and Obtaining a Free Wired EBT Device**

Retailers can become eligible to receive SNAP benefits by either following a paper or online application process.<sup>113</sup> To obtain a paper application, call toll-free at 1-877-823-4369. We have attached the current




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<sup>113</sup> See Section 5: Federal Government-Level Actions, *supra*, for more information on recent FNS changes to the vendor application website designed to assist farmers markets applying for SNAP vendor certification.

paper application (as of May 2010) in Appendix A of this report but managers and farmers should *not* use this for their actual application, as the form is subject to revision. For the online application, proceed to the following FNS website:


<https://www.fns.usda.gov/SNAP/retailers/application-process.htm>


**Step One: Get a USDA Account (Online Application Only)**

<p>a) The FNS website provides a basic flowchart of the application process. In the first box labeled “Step 1,” click on the link to “Set Up An Account”</p>	<p>■ <a href="#">Set Up An Account</a></p>
<p>b) This link will take you to a page describing the application process. Click “Register”.</p>	<p></p>
<p>c) Fill out the fields. Any field with an asterisk (*) must be filled out. You create your own “User ID” and “Password.” The password must be 9-12 characters long and contain an uppercase letter, a lowercase letter and a number. A password that meets this standard would be “DeltaFarm1.” Once all fields are filled out, click “Continue.”</p>	<p></p>
<p>d) You will be taken to a page that reviews your account information. If all of the information listed appears correct, click “Submit.” Proceed to check your email for a confirmation from the USDA (this may take a few minutes).</p>	<p></p>
<p>e) When you get the email, print the message for future use and then click the “Activate Account” link in the body of the email. If the link does not work, wait a few moments, up to 20 minutes, and try again. You must activate your account within 7 days, or you will have to start over again.</p>	<p>3. Click <a href="#">ACTIVATE MY ACCOUNT</a></p>
<p>f) Once your account is activated, you can move onto Step Two. Return to the original website (<a href="https://www.fns.usda.gov/SNAP/retailers/application-process.htm">https://www.fns.usda.gov/SNAP/retailers/application-process.htm</a>).</p>	


**Step 2: Fill Out the Application (Both Paper and Online)**


<p><b>Section 1 (Page 1 online; Questions 1-9 paper form)</b></p>	
<p>Section 1 provides general information to FNS about the name, location and contact information for the market. Two particular portions are important for farmers markets: the Store Location Address (#4) and Store Type (#9).</p>	
<p>Store Location Address: Enter the appropriate 9-1-1 address for the market. If the market is in a field</p>	


<p>or in an impermanent structure, an approximate 9-1-1 address can be created, so long as the address accurately reflects the market’s location and meets U.S. Postal Service standards. Thus, if Delta Farmers Market is located in a field halfway between 6 Oak Road and 18 Oak Road, 12 Oak Road could be an acceptable approximate address for the market. In summary, if your market lacks an actual address, you can create an estimated numerical address using the street name and adjacent addresses. Be sure to also provide an actual mailing address for contact purposes.</p>	<p><b>What is your store's location address? (do not enter PO Box here)</b></p> <p>Street Number: <input type="text"/> Street Name: <input type="text"/></p> <p>Additional Address Line: <input type="text"/></p> <p>City: <input type="text"/> State: <input type="text"/> Zip Code: <input type="text"/> - <input type="text"/></p> <p>Is the store's mailing address the same as the store's location address?  <input type="radio"/> Yes <input type="radio"/> No</p>
<p>Store Type: Make sure to mark “Yes” for question 9 and “Farmers’ Market” for question 9a. For those filling out the online form, question 9a will not appear until you have clicked “Yes” for question 9.</p>	<p>9 Is your business a delivery route, farmers' market or specialty food store that primarily sells one food type such as meat/poultry, seafood, bread, or fruits/vegetables? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>9a If yes, check the one store type that best describes your store:</p> <p><input type="checkbox"/> Meat/Poultry Market <input type="checkbox"/> Bakery <input checked="" type="checkbox"/> Farmers' Market  <input type="checkbox"/> Seafood Market <input type="checkbox"/> Produce Market <input type="checkbox"/> Delivery Route</p>
<p>Once you are done with questions 1-9, continue to section 2 (questions 10-14). Click “Next” to continue the online application.</p>	<p><b>Next</b> </p>


<p><b>Section 2 (Page 2 online; Questions 10-14 paper form)</b></p>	
<p>Section 2 provides market ownership information to FNS. You will need to know your tax status as an organization and the address of owners, partners and members. The information in this section is used in background checks of business owners that must be completed before FNS verifies your market’s capability to accept SNAP benefits.</p>	
<p>Unless you are a privately or publicly held corporation, or a limited liability corporation, you can skip to question 11 and go directly to question 12 (page 2) on the paper form.</p>	<p><b>10 Type of Ownership (check only one box):</b></p> <p><input type="checkbox"/> Privately Held Corporation <input type="checkbox"/> Sole Proprietorship  <input type="checkbox"/> Publicly Owned Corporation <input type="checkbox"/> Partnership</p>
<p>Once you are done with questions 10-14, continue to section 3 (questions 15-17). Click “Next” to continue the online application.</p>	<p><b>Next</b> </p>

<p><b>Section 3 (Page 3 online; Questions 15-17 paper form)</b></p>	
<p>Section 3 provides market sales information to FNS.</p>	
<p>Questions 15-16 won’t apply to most farmers markets and are more relevant for prepared food distributors and wholesalers.</p>	<p><b>Do you sell products wholesale restaurants?</b></p> <p><input type="radio"/> Yes <input checked="" type="radio"/> No</p>

<p>For question 17, you will need both information on last year’s total sales and information estimating sales this year. If you have an established employer identification number, you can enter that here as well. If this is your first year as a market, you should estimate your projected sales. Contact the regional FNS office for advice.</p>	<p>Retail sales are: <input type="radio"/> Estimated <input type="radio"/> Actual Enter tax year: <input type="text"/></p> <p>\$ <input type="text"/> <input type="radio"/> Per day <input type="radio"/> Per month <input type="radio"/> Per week <input type="radio"/> Per year</p>
<p>Once you are done with questions 15-17, continue to section 4 (questions 18-20). Click “Next” to continue the online application.</p>	<p style="text-align: center;"><b>Next</b> </p>

<p><b>Section 4 (Page 4 online; Questions 18-20 paper form)</b></p>	
<p>Section 4 provides inventory information to FNS.</p>	
<p>Questions 18-20 allow FNS to ensure that every SNAP-ready retailer sells the proper types of food. Traditional farmers markets will have no problem reaching this threshold.</p>	<p>Breads/Grains <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Dairy <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Fruits/Vegetables <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Meat/Poultry/Fish <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Once you are done with questions 18-20, continue to section 5 (questions 20-23). Click “Next” to continue the online application.</p>	<p style="text-align: center;"><b>Next</b> </p>

<p><b>Section 5 (Page 5 online; Questions 21-23 paper form)</b></p>	
<p>Section 5 provides market logistical information to FNS.</p>	
<p>Questions 21-23 apply to all markets and indicate the seasonality or permanence of the market.</p>	<p>22a If no, check which month(s) you are open:  <input type="checkbox"/> Jan <input type="checkbox"/> Feb <input type="checkbox"/> Mar <input checked="" type="checkbox"/> Apr <input checked="" type="checkbox"/> May <input checked="" type="checkbox"/> Jun  <input checked="" type="checkbox"/> Jul <input checked="" type="checkbox"/> Aug <input checked="" type="checkbox"/> Sep <input checked="" type="checkbox"/> Oct <input checked="" type="checkbox"/> Nov <input type="checkbox"/> Dec</p>
<p>Once you are done with questions 20-23, read the applicable privacy and disclosure statements. Sign the paper application on page 5. For online applicants, click “Next” to continue.</p>	<p style="text-align: center;"><b>Next</b> </p>

<p><b>Finalizing the application</b></p>	
<p>For paper applicants, mail your application to the address to the right:</p>	<p style="text-align: center;">Retail Administration Center  Food and Nutrition Service, USDA  Cedar West Building, Suite 102  3109 Poplarwood Court  Raleigh, NC 27604</p>
<p>For online applicants, click “Submit” to finalize your application. You will be asked to print and mail in a signature page to finalize the application.</p>	<p style="text-align: center;"></p>

Mail the signature page to the address above.	
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FNS may take up to 45 days to process an application once it is complete. FNS reviews all applications for accuracy, conducts a background check for past SNAP history, and evaluates your market for eligibility. FNS may visit your market to confirm eligibility.
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**Step 3: Send in other required documentation to FNS Office**

You will be provided a list of required documentation either when you complete your online application or when you receive your paper application packet in the mail. Send your additional application materials to:	
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<b>Additional applicant materials:</b> <ul style="list-style-type: none"><li>a) Signature page (if online application)</li><li>b) Copy of current business license for market location</li><li>c) Copy of photo identification for all individuals listed under Step 2, question 12.</li><li>d) Copy of the Social Security number card for all individuals listed under Step 2, question 12.</li></ul>	<b>Mail to:</b>  Retail Administration Center Food and Nutrition Service, USDA Cedar West Building, Suite 102 3109 Poplarwood Court Raleigh, NC 27604
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**Options for Accepting SNAP Benefits Once Approved as an Authorized SNAP Vendor**

The government no longer issues paper food stamps; instead, low-income families and individuals paying for food with their government benefits use electronic cards. In order for individuals to be able to use SNAP benefits at your shop, stand or market, you must have a system in place to accept SNAP EBT Cards.

**Getting a Point of Service EBT Machine**

Customers pay with SNAP benefits by swiping their cards through EBT machines, small terminals that look and work like credit card swipe machines. In fact, some EBT machines accept credit and debit card purchases, in addition to government benefit cards (machines that accept all 3 types of payment are more expensive and are not provided free of charge by the state or federal government). Markets that expect to see \$100 or more in SNAP business every month can get a free *wired* EBT machine simply by contacting FNS.<sup>114</sup>

Once approved as a SNAP retailer, Mississippi Department of Human Services (MDHS) is notified and passes your information along to their contractor, Affiliated Computer Services (“ACS”), a subsidiary of Xerox. ACS will either mail you the EBT device with installation instructions or set it up in person. But the free wired terminals have two limitations: (1) they only accept purchases with government benefits (not credit or debit cards), and (2) they require electrical and phone lines to work.

Markets that do not have access to electrical and phone lines can buy or rent *wireless* EBT devices. Markets looking to accept credit and debit purchases can buy or rent either a wired or wireless device,

<sup>114</sup> USDA Food and Nutrition Service, Accepting SNAP Benefits at Farmers Markets, [http://www.fns.usda.gov/snap/ebt/fm-scrip-EBT\\_Equipment.htm](http://www.fns.usda.gov/snap/ebt/fm-scrip-EBT_Equipment.htm) (last visited April 26, 2010).



depending on their access to power and phone lines, capable of handling all three types of transactions. See above in the Section II: State Level Actions Regarding the SNAP Program for more information about Mississippi's proposed plan to provide wireless EBT devices to SNAP-authorized farmers market vendors lacking the ability to use currently available wired EBT devices.<sup>115</sup> Wireless devices do not need a phone line and can be charged with enough power for the entire market day. Note that in addition to the cost of your machine purchase, rental, or lease-to-buy (unless you receive the machine free from the state), you will probably pay a monthly service fee of roughly \$45 and transaction fees of 10 to 15 cents per swipe.<sup>116</sup> On the other hand, by giving customers new ways to pay for food you might recoup the costs easily because many new customers will be able to shop at your market.

Without a wireless EBT machine on-site, you can still accept government benefits but it will be a bit more work on your part. There are a few ways to do this.

- **Mail-in EBT slips:** First, you will call in the transaction to a toll-free government phone number (1-800-221-5689) to verify that funds are available on the individual's account. Once funds are verified, the customer will give you a paper voucher in the amount of the transaction. Then later that day, you will mail all paper vouchers to FNS and, upon receipt, FNS will deposit money in your account.
- **Using an EBT machine at another site:** Alternatively, if you can keep a wired EBT device at an off-site location, such as an office or non-profit organization, you can input all paper vouchers into the machine at the end of a market day. This will eliminate the need to mail the vouchers and will allow your farmers to be reimbursed more quickly.

## Processing the Sale with Your EBT System

Markets able to support a centralized EBT terminal can use tokens, scrip, or paper receipts so that they are able to process transactions for all of their farmers and vendors. While such a centralized system does require a certain level of staffing, training, and careful recordkeeping, we believe it is the most efficient, effective solution for most markets, their farmers, and their SNAP recipient customers.<sup>117</sup>

With tokens, card users would purchase tokens at one central EBT machine when they initially enter the market and could use them to purchase goods at vendor booths. At the end of the day, vendors submit the tokens to the market manager for reimbursement. As you develop a token system, you might want to use different colored tokens to signify different card types or different amounts. The drawback of this system is that customers with tokens can only pay rounded amounts, so vendors might have to round their prices to the tokens' denominations (say, whole dollars). No cash change can be given for unused portions of tokens (such a transaction would violate the federal SNAP statute's prohibition against converting SNAP benefits into cash).<sup>118</sup>

In a scrip system, card users buy coupons or paper slips that look like money, and they use this scrip to buy goods at vendor booths. The process works much like tokens, but the portable and lightweight paper is easier on the customers, and markets can create more numerous denominations in order to decrease wasted benefit "change" and to free vendors from having to round their prices to the dollar.

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<sup>115</sup> See Proposed Wireless Device Plan for SNAP Benefits at Mississippi Farmers Markets, Section II, *supra*.

<sup>116</sup> At the time of this writing, it was not clear whether these fees would be applicable for machines made available in Mississippi by MDHS.

<sup>117</sup> For more discussion of our support for market-based EBT processing systems, rather than EBT systems for individual farmers, see Section II, *supra*.

<sup>118</sup> United State Department of Agriculture, Food and Nutrition Service, "The Food Stamp Program: Training Guide for Retailers," available at [http://www.fns.usda.gov/snap/retailers/pdfs/Retailer\\_Training\\_Guide.pdf](http://www.fns.usda.gov/snap/retailers/pdfs/Retailer_Training_Guide.pdf).

Finally, the market could use a paper receipt system, in which the customers can pick out the goods they want to buy, get the total price from the vendor (orally or in writing), and bring that price to the market's EBT machine to charge that amount in SNAP benefits, credit, or debit *after* they have decided on their purchases. If the vendor has held the goods in the meantime, the customer goes back to the booth with a receipt to pick up the goods.

Under any of these systems, the vendors would be reimbursed at the end of the day (or on some other regular schedule, such as once a week). The market manager would reimburse each vendor for his total EBT charges by electronically depositing money into that vendor's bank account or by writing the vendor a check drawn on the market's bank account.

### **Sources of Grant Funding for EBT Machine Purchase**

Grant funding may be available to assist markets in purchasing wireless devices. The USDA provides grants to markets, organizations, and local governments to purchase machines through the *Farmers Market Promotion Program*. While the program funds a variety of projects designed to enhance farmer to consumer marketing, ten percent of total funding for this program is required to go to new EBT projects. Instructions for applying for these competitive grants are available at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5082926&acct=fmpp>

Through the *Federal State Marketing Improvement Program*, the USDA also makes funds available to appropriate state agencies for EBT projects in the form of matching grants. Guidelines for these grants are available at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5081443&acct=gpfsmip>

Grant funding may also be available through private organizations. The *Wholesome Wave Foundation* partners with markets and local organizations to help design and contribute to EBT programs. A market or organization interested in partnering with Wholesome Wave may contact the foundation at: Wholesome Wave Foundation, 728 Post Road East, Suite 202A, Westport, CT 06880 (203) 226-1112, [info@wholesomewave.org](mailto:info@wholesomewave.org)

The *Project for Public Spaces*, with funding from the Kellogg Foundation, offered grants to develop farmers markets, including funds for EBT machines, through 2007. While this program is not currently in effect, these organizations may offer other funding programs in the future. [www.pps.org](http://www.pps.org); [www.wkkf.org](http://www.wkkf.org)

Many markets in other states have partnered with local community organizations to obtain EBT funding; locally based partners may present other opportunities to explore.

### **Accepting WIC FMNP and SFMNP Vouchers at Mississippi Farmers Markets**

Unlike SNAP, where any farmer or farmers market can apply to accept SNAP benefits, MDAC regulates which counties and markets are authorized to accept WIC FMNP and SFMNP vouchers. These decisions are made annually through the preparation of a State Nutrition Plan submitted to FNS and detailing the counties, markets, and individual populations that will be eligible that year (such as "women only," "exclusion of individuals on a waiting list for WIC," etc.).<sup>119</sup> Also unlike the SNAP program, there is much

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<sup>119</sup> Both WIC FMNP and SFMNP are coordinated in Mississippi by Purvie Green of MDAC. Mr. Green can be reached at [Purvie@mdac.state.ms.us](mailto:Purvie@mdac.state.ms.us) or (601) 359-1100.

less flexibility in terms of how to physically accept WIC FMNP and SFMNP vouchers. This is done by each farmer and cannot be run through a centralized location by a market manager or volunteer.

Once notified by MDAC that the market they attend has been selected to participate in a season of WIC FMNP and/or SFMNP, a farmer goes through a two-step certification process:<sup>120</sup>

(1) Growers must attend a training session arranged by the FMNP coordinator to understand the requirements of the program.

(2) Growers then must fill out the “Farmer Application and Agreement.”<sup>121</sup> To complete the application the following information is necessary:

- Farmer’s Name
- Farm Name
- Acres in Production
- Mailing address (where the farmer receives information, rather than the location of the market)
- Farm Location (address or travel directions or both)
- Other growers with whom the farmer shares vendor space or coop produce
- Market name (of market at which farmer will participate)
- Marketing Season
- Crop Plan
  - Product
  - Acres, rows, or feet allocated to that product
  - Months the product is in rotation

### *Selection Criteria*

The WIC FMNP and SFMNP state budgets only supports authorization of a limited number of markets<sup>122</sup> (in Fiscal Year 2008, 6 markets participated in WIC FMNP and 13 markets participated in SFMNP<sup>123</sup>) so if a market authorized to accept FMNP or SFMNP vouchers has underperformed, MDAC will likely move funding to another area. In deciding whether to select a market for authorization to accept WIC benefits, MDAC considers:<sup>124</sup>

- location of the market and access to it by WIC participants
- number and diversity of growers in the area
- support for the market in the area
- whether the area has ever been authorized before
- if MDAC has already been considering authorizing the market or has authorized it in previous years
- variety of items sold
- hours open
- how many women and children live in the county and how many of them are on WIC.

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<sup>120</sup> MDAC, Mississippi Farmers Market Nutrition Program – Benefits and Certification, [http://www.mdac.state.ms.us/n\\_library/programs/mfmnp/mfmnp\\_benefitcert.html](http://www.mdac.state.ms.us/n_library/programs/mfmnp/mfmnp_benefitcert.html) (last visited May 10, 2009).

<sup>121</sup> MDAC, Farmer Application and Agreement, *available at* [http://www.mdac.state.ms.us/n\\_library/programs/mfmnp/pdfs/wic\\_farmerapp.pdf](http://www.mdac.state.ms.us/n_library/programs/mfmnp/pdfs/wic_farmerapp.pdf).

<sup>122</sup> FNS, WIC FMNP Profile – FY 2009, <http://www.fns.usda.gov/wic/FMNP/FMNP2009.htm> (last visited June 9, 2010).

<sup>123</sup> FNS, SFMNP Profile – FY 2009, <http://www.fns.usda.gov/wic/SeniorFMNP/SFMNPFY2009Profile.htm> (last visited June 9, 2010).

<sup>124</sup> Telephone Interview with Purvie Green, WIC FMNP Coordinator, MDAC (Apr. 13, 2010).

MDAC utilizes a similar set of selection criteria in determining SFMNP markets by working closely with Area Agency on Aging offices in that county.<sup>125</sup>

### *Process for WIC recipients*

The following steps are taken by WIC FMNP voucher recipients in order to utilize their \$15 annual benefit (as of 2010):

- Participant must be a WIC CVV participant
- Participant receives FMNP vouchers when she receives her food package at County WIC Distribution Centers
- Participant receives instructions on how to use the FMNP vouchers at that time
- Recipients can not receive change for the 5 \$3 vouchers they receive, so they should ask for extra produce to round up to \$3 increments if necessary
- Recipients must go to the local farmers market and shop at the certified vendors in order to use their FMNP vouchers
- WIC FMNP certified vendors sign and deposit the WIC FMNP vouchers just like a normal personal check

### *Process for Seniors FMNP Recipients*

For SFMNP recipients, specially printed checks are provided on a one-time basis to participants above the age of 60 and receiving services from the Area Agency on Aging in communities where farmers markets are present. The recipients certified by the designated staff receive a one-time benefit of \$28 (7 checks valued at \$4 each). Checks may be issued by designated staff members in June or July at either local congregate feeding sites or through home delivered meals and are redeemed by participants for the purchase of fresh fruits and vegetables from farmers participating in the program.

## **Federal Law: How Farmers Can Advocate for Increased Food Assistance Access**

President Obama's budget, released in February of this year, included \$4 million to equip more farmers markets with EBT capacity.<sup>126</sup> This would be a great improvement as it would allow for more EBT machines in states like Mississippi.

Action may occur this year on the Child Nutrition Act Reauthorization, which includes reauthorization provisions for WIC FMNP. The reauthorization bill under debate in the Senate is known as the Healthy, Hunger-Free Kids Act of 2010 and reauthorizes the Farmers' Market Nutrition Program and requires states to shift all of their WIC benefits to EBT systems by 2020. It also forbids state and federal governments from imposing costs on authorized WIC vendors when obtaining EBT terminals necessary for participation in the regular WIC program, but does not explicitly include a provision to fund the expansion of EBT capacity in farmers markets.<sup>127</sup> Even if no action is taken on the Child Nutrition Act Reauthorization, Mississippi farmers and markets can urge their elected representatives to support increased FMNP, SFMNP, and SNAP EBT access funds at the federal level. Funds are appropriated every year during the annual budget process.

Mississippi Senator Thad Cochran sits on the Senate Committee on Agriculture, Nutrition and Forestry. Let him know that funds for expanding EBT capacity in markets are an important corollary to shifting

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<sup>125</sup> *Id.*

<sup>126</sup> See note 5, *supra*, and accompanying text.

<sup>127</sup> See Healthy, Hunger-Free Kids Act of 2010, S. 3307, 111th Cong. § 352(d) (as reported by S. Comm. on Agriculture, Nutrition, and Forestry, May 5, 2010).

more food benefits to an EBT system. His contact information in Washington, DC and in Mississippi is below.

**Washington Office**

United States Senate  
113 Dirksen Senate Office Building  
Washington, D.C. 20510-2402  
202-224-5054

**Oxford Office**

U.S. Federal Courthouse  
911 East Jackson Avenue, Suite 249  
Oxford, Mississippi 38655  
662-236-1018

**Jackson Office**

190 East Capital St., Suite 550  
Jackson, Mississippi 39201  
601-965-4459

**Gulf Coast Office**

2012 15th Street, Suite 451  
Gulfport, Mississippi 39501  
228-867-9710

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## **Appendix A: Current FNS SNAP Vendor Application Form as of May 2010**

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Form <b>FNS-252</b> US Department of Agriculture Food and Nutrition Service	<b>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM          APPLICATION FOR STORES</b>	OMB No. 0584-0008 Expiration Date 07/11
<b>FOR FIELD OFFICE USE ONLY</b>	FNS Number: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Authorization Initials: <input type="text"/> <input type="text"/> <input type="text"/>
Date Authorized: <input type="text"/> / <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		



**1** When did or when will the store open for business under your ownership (MM/DD/YYYY):  
 \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

<b>2</b> Store Name:	<b>3</b> Chain Store Number (if applicable):
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**4** Store Location Address (do not enter P.O. Box here):

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:

**5** Store Mailing Address  
 (Skip if your mailing address is the same as your store location. If you have a PO Box address, enter it in the street name field):

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:
If foreign address, add Country:		

<b>6</b> Store Telephone Number: (____) _____ - _____	<b>7</b> Alternate Telephone Number (____) _____ - _____
--	---

**8** Do you want to receive official correspondence by email?  Yes  No

**8a** If yes, enter owner or store email address: \_\_\_\_\_

**9** Is your business a delivery route, farmers' market or specialty food store that primarily sells one food type such as meat/poultry, seafood, bread, or fruits/vegetables?  Yes  No

**9a** If yes, check the **one** store type that best describes your store:

<input type="checkbox"/> Meat/Poultry Market	<input type="checkbox"/> Bakery	<input type="checkbox"/> Farmers' Market
<input type="checkbox"/> Seafood Market	<input type="checkbox"/> Produce Market	<input type="checkbox"/> Delivery Route

**10** Type of Ownership (check only **one** box):

<input type="checkbox"/> Privately Held Corporation	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Government Owned
<input type="checkbox"/> Publicly Owned Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Nonprofit Cooperative	

If privately held corporation or limited liability company, enter the name and address of your corporation as on record with the State.  
 If government owned, enter the name and address of the responsible government agency. If publicly owned corporation, enter the name and address of the parent corporate office. **All others skip to the next question.**

**11a** Corporation Name: \_\_\_\_\_

**11b** Corporation Address:

Street Number:	Street Name:	Additional Address (Bldg #, Unit #, Stall #, etc.):
City:	State:	Zip Code:
If foreign address, add Country:		

**11c** If publicly owned or government owned, enter a contact person:

Contact Person Name:	Telephone Number: (____) _____ - _____	Email Address:
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Enter the name and home address of all officers, owners, partners, and members. You must enter spousal information for each owner and officer if your business is located in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI). **If this is a public corporation or government owned store, skip to question 13.**

**12a** Print name as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:		Street Name:		Additional Address (Unit #, Suite #, Apt #, etc.):	
City:		State:		Zip Code:	
Social Security Number: ____ - ____ - _____		Date of Birth: (MM/DD/YYYY) ____ / ____ / _____		Business Title (i.e. owner, partner, spouse, etc.):	

**12b** Print name as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:		Street Name:		Additional Address (Unit #, Suite #, Apt #, etc.):	
City:		State:		Zip Code:	
Social Security Number: ____ - ____ - _____		Date of Birth: (MM/DD/YYYY) ____ / ____ / _____		Business Title (i.e. owner, partner, spouse, etc.):	

**12c** Print name as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:		Street Name:		Additional Address (Unit #, Suite #, Apt #, etc.):	
City:		State:		Zip Code:	
Social Security Number: ____ - ____ - _____		Date of Birth: (MM/DD/YYYY) ____ / ____ / _____		Business Title (i.e. owner, partner, spouse, etc.):	

**12d** Print name as it appears on the social security card:

First Name:		Middle Name:		Last Name:	
Street Number:		Street Name:		Additional Address (Unit #, Suite #, Apt #, etc.):	
City:		State:		Zip Code:	
Social Security Number: ____ - ____ - _____		Date of Birth: (MM/DD/YYYY) ____ / ____ / _____		Business Title (i.e. owner, partner, spouse, etc.):	

**13** Has any officer, owner, partner, member, and/or manager ever had a license denied, withdrawn or suspended, or been fined for license violations (i.e. Supplemental Nutrition Assistance Program, WIC, business, alcohol, tobacco, lottery, or health license)?  Yes  No

**13a** If yes, provide an explanation:

**14** Was any officer, owner, partner, member, and/or manager convicted of any crime after June 1, 1999?  Yes  No

**14a** If yes, provide an explanation:



15 Do you sell products wholesale to other businesses such as hospitals or restaurants?  Yes  No

15a If yes, does your retail food sales meet or exceed \$250,000 or 50% of your total sales?  Yes  No

16 Does the sale of hot and/or cold freshly prepared foods that are ready-to-eat exceed 50% of your total sales?  Yes  No

**Total Sales.** Enter the total sales from all products you sell at this location. If your store has been open under your ownership for more than one year, enter actual total sales from your most recent IRS tax return for this store (17a), or if your store has been open under your ownership for less than one year, you must provide estimated sales (17b). **You must complete either 17a or 17b.**

17a Actual Sales: This store location had total sales of \$ \_\_\_\_\_ in tax year: \_\_\_\_\_

17b Estimated Sales: I expect to gross \$ \_\_\_\_\_ in total sales per  Day  Week  Month  Year  
(check only one)

17c If you have an Employer Identification Number (EIN) enter it here:  -

18 Do you stock at least three different items in each of these food categories?

Breads/Grains  Yes  No (Example: bread, cereal, pasta, rice, flour, etc.)

Dairy  Yes  No (Example: milk, butter, cheese, yogurt, infant formula, etc.)

Fruits/Vegetables  Yes  No (Example: corn, potatoes, green beans, apples, oranges, etc.)

Meat/Poultry/Fish  Yes  No (Example: beef, chicken, pork, fish, etc.)

18a What percent of your total sales comes from these food categories?  %

18b Do you stock fresh, frozen or refrigerated foods in at least two of these categories?  Yes  No

19 Do you sell "other" foods, such as snack foods, soft drinks, or condiments?  Yes  No

19a If yes, what percent of your total sales comes from these items?  %

20 Do you sell non-food items or food that is hot at the time the customer pays for it?  Yes  No

20a If yes, check the items you carry:  tobacco products  alcohol  lottery  
 gasoline  hot food  other

20b If yes, what percent of your total sales comes from non-food and hot food items?  %

The sum of the three percentage figures above must equal 100%

21 How many cash registers are at your store?

22 Is your store open year round?  Yes  No

22a If no, check which month(s) you are open:

Jan  Feb  Mar  Apr  May  Jun  
 Jul  Aug  Sep  Oct  Nov  Dec

23 Is this store open 7 days a week, 24 hours per day?  Yes  No

23a If no, indicate operating hours:

	Opening Time	Select AM or PM	Closing Time	Select AM or PM
Monday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Tuesday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Wednesday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Thursday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Friday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Saturday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>
Sunday:	_____	<input type="checkbox"/> <input type="checkbox"/>	_____	<input type="checkbox"/> <input type="checkbox"/>

**PRIVACY ACT STATEMENT** - Section 9 of the Food and Nutrition Act of 2008, 7 U.S.C. 2018, authorizes collection of the information on this application.

- Information is collected primarily for use by the Food and Nutrition Service in the administration of the Supplemental Nutrition Assistance Program;
- Additional disclosure of this information may be made to other Food and Nutrition Service programs and to other Federal, State or local agencies and investigative authorities when the Supplemental Nutrition Assistance Program becomes aware of a violation or possible violation of the Food and Nutrition Act, as explained in the next section called "Use and Disclosure";
- Section 278.1(b) of the Supplemental Nutrition Assistance Program regulations provides for the collection of the owners' Social Security Number (SSN), Employee Identification Number (EIN) and tax information;
- The use and disclosure of SSNs and EINs obtained by applicants is covered in the Social Security Act and the Internal Revenue Code. In accordance with the Social Security Act and the Internal Revenue Code, applicant social security numbers and employer identification numbers may be disclosed only to other Federal agencies authorized to have access to social security numbers and employer identification numbers and maintain these numbers in their files, and only when the Secretary of Agriculture determines that disclosure would assist in verifying and matching such information against information maintained by such other agency [42 U.S.C. 405(c)(2)(C)(iii); 26 U.S.C. 6109(f)];
- Furnishing the information on this form, including your SSN and EIN, is voluntary but failure to do so will result in denial of this application;
- The Food and Nutrition Service may provide you with an additional statement reflecting any additional uses of the information furnished on this form.

**USE AND DISCLOSURE** - We may use the information you give us in the following ways;

- We may disclose information to the Department of Justice (DOJ), a court or other tribunal, or another party before such tribunal when the USDA is involved in a lawsuit or has an interest in litigation and it has been determined that the use of such information is relevant and necessary and the disclosure is compatible with the purpose for which the information was collected;
- In the event that the information in our system indicates a violation of the Food and Nutrition Act or any other Federal or State law whether civil or criminal or regulatory in nature, we may disclose the information you give us to the appropriate agency, whether Federal or State, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation or order issued pursuant thereto;
- We may use your information, including SSNs and EINs, to collect and report on delinquent debt and may disclose the information to other Federal and State agencies, as well as private collection agencies, for purposes of claims collection actions including, but not limited to, the Treasury Department for administrative or tax offset and referral to the Department of Justice for litigation. (Note: SSNs and EINs will only be disclosed to Federal agencies authorized to possess such information);
- We may disclose your information to other Federal and State agencies to verify the information, and to assist in the administration and enforcement of the Food and Nutrition Act as well as other Federal and State laws. (Note: SSNs and EINs will only be disclosed to Federal agencies authorized to possess such information);
- We may disclose information to other Federal and State agencies to respond to specific requests from such Federal and State agencies for the purpose of administering the Food and Nutrition Act as well as other Federal and State laws;
- We may disclose information to other Federal and State agencies for the purpose of conducting computer matching programs;
- We may disclose information to private entities having contractual agreements with us for designing, developing, and operating our systems, and for verification and computer matching purposes;
- We may disclose information to State agencies that administer the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), authorized under section 17 of the Child Nutrition Act of 1966 for purposes of administering that Act and the regulations issued under that Act;
- We may disclose information to the public when a retailer has been disqualified or otherwise sanctioned for violations of the Program after the time for administrative and judicial appeals has expired. This information is limited to the name and address of the store, the owner(s) name(s) and information about the sanction itself. The purpose of such disclosure is to assist in the administration and enforcement of the Food and Nutrition Act and Supplemental Nutrition Assistance Program regulations.

**PENALTY WARNING STATEMENT** - The Food and Nutrition Service can deny or withdraw your approval to accept Supplemental Nutrition Assistance Program benefits if you provide false information or try to hide information we ask you to give us. In addition, if false information is provided or information is hidden from the Food and Nutrition Service, the owners of the firm may be liable for a \$10,000 fine or imprisoned for as long as five years, or both (7 U.S.C. 2024(f) and 18 U.S.C. 1001).

**CERTIFICATION AND SIGNATURE** - By signing below, you are confirming your understanding of and agreement with the following:

- I am an owner of this firm;
- I have provided truthful and complete information on this form and on any documents provided to the Food and Nutrition Service;
- If I provide false information, my application may be denied or withdrawn;
- Any information I have provided or will provide may be verified and shared by the USDA with other agencies as described above;
- By my signature below, I release my tax records to the Food and Nutrition Service;
- I will receive Supplemental Nutrition Assistance Program training materials upon authorization. It is my responsibility to ensure that the training materials are reviewed by all firm's owners and all employees (whether paid or unpaid, new, full-time or part-time); and that all employees will follow Supplemental Nutrition Assistance Program regulations. If I do not receive these materials I must contact the Food and Nutrition Service to request them;
- I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions;
- I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations, including those committed by any of the firm's employees, paid or unpaid, new, full-time or part-time. These include violations such as, but not limited to:
  - Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking);
  - Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items;
  - Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans;
  - Knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them;
- Disqualification from the WIC Program may result in Supplemental Nutrition Assistance Program disqualification and a disqualification from the Supplemental Nutrition Assistance Program may result in WIC Program disqualification;
- In accordance with Federal law and U.S. Department of Agriculture policy, no customer may be discriminated against on the grounds of race, color, national origin, sex, age, religion, political beliefs, or disability. Supplemental Nutrition Assistance Program customers must be treated in the same manner as non-Supplemental Nutrition Assistance Program customers;
- Participation can be denied or withdrawn if my firm violates any laws or regulations issued by Federal, State or local agencies, including civil rights laws and their implementing regulations;
- I am responsible for reporting changes in the firm's ownership, address, type of business and operation to the Food and Nutrition Service

Supplemental Nutrition Assistance Program authorization may not be transferred to new owners, partners, or corporations. An unauthorized individual or firm accepting or redeeming Supplemental Nutrition Assistance Program benefits is subject to substantial fines and administrative sanctions.

**I have read, understand and agree with the conditions of participation outlined in the Privacy Act, Use and Disclosure, Penalty Warning and Certification Statements as provided above, and agree to comply with all statutory and regulatory requirements associated with participation in the Supplemental Nutrition Assistance Program**

X \_\_\_\_\_  
Signature

X \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Print Title

**MAIL YOUR COMPLETED APPLICATION TO THE FOOD AND NUTRITION SERVICE ADDRESS FOR YOUR STATE (SEE FIRST PAGE OF INSTRUCTIONS).**

# Instructions for Form FNS-252 Supplemental Nutrition Assistance Program Application for Stores

## General Instructions

Use Form FNS-252, Supplemental Nutrition Assistance Program Application for Stores to apply for authorization to participate in the Supplemental Nutrition Assistance Program


These instructions should be used when submitting a paper application by mail to USDA, Food and Nutrition Service (FNS).


The information you provide on the application form will be used by FNS to determine your store's eligibility to accept and redeem Supplemental Nutrition Assistance Program benefits. Your store may be visited as part of this review. If approved, your store will be issued a Supplemental Nutrition Assistance Program license.


You must train your employees on the Supplemental Nutrition Assistance Program rules and regulations. Training materials are available on our public web for your convenience and included in your information packet if FNS approves your application. You may also obtain training information translated into other languages from this site.

## Reminders

You must answer all of the questions on the application form, with the following exceptions:

 If the store is owned by a sole proprietorship, partnership or nonprofit cooperative skip question 11.

 If the store is owned by a privately held corporation or LLC skip question 11c.

 If the store is owned by a public corporation or government agency skip question 12.

## How to Apply

You can apply online or submit a paper application by mail. Use only one method.

**Apply online:** Go to the USDA, FNS website at: <http://www.fns.usda.gov/snap> and follow the instructions to submit an online application.

**Mail:** Complete Form FNS-252, attach the required documents, sign and date the application, and mail it to the FNS Field Office address for your state. The FNS Field Office address is listed on the cover letter that was mailed to you with the application. You can also find the FNS field office address for your state at: <http://www.fns.usda.gov/snap>.

## Authorization Processing Time

You must complete the application and submit all the supporting documents before FNS processes your application. An incomplete application or failure to submit documentation will result in a delay. FNS can take up to 45 days to process a completed application.



*You cannot accept Supplemental Nutrition Assistance Program benefits until you are authorized and licensed by FNS.*

Contact the FNS Field Office for your state to inquire about the status of an application.

## Specific Instructions

Print or type your answers so they are clear and legible. Keep a copy of what you submit to FNS for your records.

**Question 1 - Store Opening Date:** Enter the date that the store opened for business or will open for business under your ownership. You can enter a future opening date.

**Question 2 - Store Name:** Enter the name your store is doing business as.

**Question 3 - Chain Store Number:** Enter the store number if the store is part of a chain of stores and you refer to it by a number, i.e., "Fine Foods #426". Enter only the number in this field (do not enter a pound sign).

## Question 4 - Store Location Address:

Enter the store location address. Do not enter a P.O. Box number here. Use the Additional Address line for the unit number, building number, stall number, etc., for addresses with multiple stores at one location.

**Question 5 - Store Mailing Address:** If your store has a mailing address that is different than the location address, enter it here. If you have a P.O. Box, enter it in the street name field.

**Questions 6 - Store Telephone Number:** Enter the store's telephone number, including area code.

**Questions 7 - Alternate Telephone Number:** Enter an alternate telephone number, including area code, such as a cellular number. We may use the alternate telephone number to contact you regarding your store during a disaster situation.

**Question 8 - Official Correspondence:** Check the block to show if you would like to receive official correspondence via email.

**Question 8a:** If yes, enter the email address where you want to receive Supplemental Nutrition Assistance Program information.

**Question 9 - Special Store Type:** Check this box if your store is a farmers' market or delivery route, or if you sell primarily just one type of food (i.e., bread, meat, seafood, etc).

**Question 9a:** If yes, check the store type that applies.

**Question 10 - Ownership Type:** Select the ownership type that best describes your business.

**Question 11 - Corporation or Government Agency Information:**

For privately held corporations and limited liability companies, enter the name and address that is on record with the State. For publicly owned corporations, enter the parent corporation name and address. For government owned stores, enter the name and address of the responsible government agency. For publicly owned corporations or government owned stores enter the name, telephone number and email address of the contact person or the person responsible for the Supplemental Nutrition Assistance Program license.

**Question 12 - Owner, Officer, Member, Shareholder Information:** Do not complete this question if you indicated the ownership type is publicly owned corporation or government owned store in question 10. For all other ownership types, you must provide information for all primary owners, partners, members and shareholders. Enter each member's information if the store is owned by a non-profit cooperative. In community property states

(AZ, CA, ID, LA, NM, NV, TX, WA, and WI) spousal information must be entered for each person listed.

**For each Owner, Partner, Officer, Member, Shareholder and Spouse:** Enter the first name, middle name, and last name of each person as it appears on their social security card. Enter the home address, social security number and date of birth for each person.

If there are more than four primary owners make a copy of page 2 and enter the additional person(s) information. FNS does not collect information on more than five primary owners.

**Questions 13 and 14 - License denials/violations, criminal convictions:**

For each question, check only one box.

**Question 13a and 14a:** If you answer "Yes" to either question 13 or 14 provide an explanation.

**Question 15 - Wholesale Sales:** Check the box to show if this store sells products to other businesses (i.e., sells to hospitals, restaurants, etc).

**Question 15a:** If yes, indicate if your retail food sales meet or exceed \$250,000 or 50% of the store's total sales.

**Question 16 - Hot and/or Cold Freshly Prepared and Ready-to-Eat Foods:** Check the box to show if the sale of hot and/or cold freshly prepared ready-to-eat foods meet or exceed 50% of your total sales.

**Question 17 - Total Sales:** Enter the total sales from everything you sell at this store location. If the store has been in business for at least a year under your ownership, provide the actual sales amount for this store as reported to the Internal Revenue Service in question 17a. If the store has been in business under your ownership for less than a year, you may enter estimated sales for an entire year in question 17b.



You must complete either question 17a or 17b, but not both.

**Question 17a - Actual Sales:** Enter the actual total sales amount as reported to the Internal Revenue Service for this store and the tax year.

**Question 17b - Estimated Sales:** Enter an estimated total sales amount as a daily, weekly, monthly, or yearly figure, and check the method that you used (daily/weekly/monthly/yearly).

**Question 17c - Federal Employer Identification Number (EIN):** An EIN is a nine digit number assigned by the Internal Revenue Service to businesses for tax filing and reporting purposes. If you have an EIN number enter it exactly as assigned.

**Question 18 - Food Inventory:** For each of the food categories listed check the block to show whether or not your store stocks at least three different types of food items in each category on a daily basis. For example, cheese, milk, and yogurt are different types of food; whole milk, skim milk, and chocolate milk are not. Include fresh, frozen, and canned foods when answering this question.

**Question 18a - Sales Percent:** Enter the percent of your total sales that comes from the sale of these food items.

**Question 18b - Perishables:** Check the box that applies if you stock foods that are fresh, refrigerated or frozen in at least two of the food categories listed in question 18.

**Question 19 - Other Foods:** Check the box to show if you sell other foods such as snack foods, soft drinks and/or condiments.

**Question 19a:** If yes, enter the percent of your total sales that come from the sale of these food items.

**Question 20 - Non-Food/Hot Food:** Check the box to show if you sell any non-food items or food that is hot when the customer pays for it.

**Question 20a:** If yes, check the boxes to show which items you sell.

**Question 20b:** Enter the percent of your total sales that comes from the sale of non-food items and hot foods.



**The sum of 18a, 19a and 20b must equal 100 percent.**

### **Question 21 - Number of Cash Registers:**

Enter the number of cash registers at this store.

### **Question 22 - Store Open Year Round:**

Check the box to indicate if your store is open year-round.

**Question 22a:** If no, check the boxes next to the months your store is open for business.

**Question 23 - Open 24/7:** Check the box to indicate if your store is open 24 hours a day, 7 days a week.

**Question 23a:** If no, enter the opening and closing time for each day your store is open for business and indicate AM or PM.

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### **Privacy Act and Paperwork Reduction Notice.**

Public reporting burden for this collection of information is estimated to average 11 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Send comments regarding this burden estimate (0584-0008) or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, 3101 Park Center Dr., Alexandria, VA 22302. Do not return the completed form to this address. Instead, see the *How to Apply* section.

To file a complaint of Discrimination, write to the USDA, Director, Office of Civil Rights, Room 326W Whitten Building, 1400 Independence Ave, SW, Washington, D.C. 20250-9410. Do not send the completed application form to this address.