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## EBT at Farmer's Markets is a SNAP

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**EBT at Farmer's Markets is a SNAP**

by

**Amanda Spackman**

**Thesis submitted in partial fulfillment  
of the requirements for the degree**

of

**HONORS IN UNIVERSITY STUDIES  
WITH DEPARTMENTAL HONORS**

in

**Dietetics  
in the Department of Nutrition, Dietetics and Food Science**

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**Abstract:**

Research Question: How can farmers' markets best implement the Supplemental Nutrition Assistance Program (SNAP) to increase sales and provide low income individuals with access to fresh, local produce?

This paper will discuss the use of SNAP benefits (formerly known as food stamps) at farmers' markets, with particular emphasis on the Cache Valley Gardener's Market as an example. Lack of access to adequate food is a major issue in the US. When farmers' markets work in conjunction with the federal SNAP program they can help individuals who struggle with food security to gain access to local food. There are many benefits of supporting a local food system including strengthening the local economy and promoting a more sustainable food supply. Several farmers' markets across the US have successfully implemented SNAP benefits to accommodate lower income individuals. This paper summarizes how to implement a SNAP program at a market, and examines how the program is run at the Cache Valley Gardener's Market. This paper also discusses current research regarding SNAP at farmers' markets to identify areas for improvement at markets currently accepting SNAP benefits.

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## **Farmers' Markets: A brief history**

Farmers' markets are one of the oldest forms of direct marketing of food by small farmers to consumers (1). Farmers' markets are growing in popularity largely because consumers are growing more interested in where food comes from and they desire to obtain food products directly from the farm (3). There are currently over 7,000 farmers' markets across the country with this number continually rising (2). In fact, the number of farmers' markets has more than quadrupled since 1994 (2). Farmers' markets provide an avenue for consumers to purchase fresh foods and allow farmers to develop personal relationships with their customers and cultivate consumer loyalty (3).

Many activists from groups like Slow Food USA, the Farmers' Market Coalition, and others believe the current food system should change to a more local food supply due to issues like food insecurity, environmental impacts, and nutrition (4,5). They propose that consumers should buy produce directly from the farmer in order to ensure that the farmers receive a fair wage and the consumer gets a fair price (6). Perceived benefits to consumers include produce that is often organically grown, an economical alternative to conventionally grown produce, and the satisfaction of supporting the community and supporting sustainable farming practices (6). Farmers' markets are the perfect avenue for providing a locally sourced food supply to consumers.

## **Benefits of a Locally Sourced Food Supply**

There are many benefits to eating local food including taste, health, sustainability, cost and support of local farmers and the local economy. According to a survey published by the USDA, more than half of farmers travel less than 10 miles to their farmers' markets (7). This means the food sold at the farmers' market also traveled 10 miles or less (7). Most farmers'

markets have criteria regarding how far food can travel and still be sold at the market (7). Most food in the conventional food supply travels an average 1500 miles from where it was grown to the plate of the individual consuming the food (8). This is known as a centralized food system because food is transported wherever it is desired, rather than grown nearby (8). This centralized food system can have devastating effects on the environment through carbon dioxide (CO<sub>2</sub>) emissions and other greenhouse gases that occur as a result of transport (8). Rich Pirog, an expert in sustainable agriculture at Iowa State University reported that the conventional food system used 4-17 times as much fuel as the local food system and emitted 5-17 times more CO<sub>2</sub> (8).

Angie Tagtow is a registered dietitian who promotes healthy eating through a sustainable, local food system. She cites several reasons for eating locally grown food, one of which is that a local food system provides fresh and flavorful food (9). When food is grown and sold locally, it is harvested at the peak of freshness and ripeness, unlike the conventional food system where food is picked before it is ripe and is ripened over the course of its transport. The flavor of food is greatly enhanced when it is picked when it is ripe (9). This can have an impact on health as individuals are more likely to enjoy fruits and vegetables that are grown locally as they are richer in flavor than those that are purchased at the grocery store. Diets that are high in fruits and vegetables have been shown in countless studies to decrease the incidence of chronic disease (9).

Tagtow also describes benefits to the farmer and to the local economy when food is produced and purchased locally. Research has shown that there is a demand for local produce when it is made available, and if this demand is matched by local farmers' production then farmers will become more stable and a rich asset to communities (9). Money that is spent in the community is also likely to be reinvested into that community, thus building a strong local

economy (9). A study from the Leopold Center for Sustainable Agriculture found that if Iowans ate five servings of fruit and vegetables per day and Iowa farmers supplied that produce for three months out of the year, the production and marketing of such crops would add 4,094 jobs and \$302.4 million dollars to the Iowa economy(10).

### **Food Security in the United States**

Food security is defined by the USDA as access to nutritionally adequate and safe foods and the ability to access such foods in a socially acceptable way (11). Eighty-five percent of American households were food secure in 2011 which leaves fifteen percent of American households that did not have adequate access to food for at least part of the year (11). This includes 5.7% that experienced very low food security at some point in the year (11). This means that the food intake of at least one of the household members was decreased or disrupted because they lacked sufficient resources to obtain food (11). Fifty-five percent of the households reporting some level of food insecurity did receive assistance from one of the federal food and nutrition assistance programs the month prior to completing the survey (11).

Farmers' markets may provide a partial solution to food insecurity in the United States by providing fresh food to low income populations (12). Many Americans live in areas known as food deserts, which are areas that lack access to affordable fresh fruits, vegetables, low-fat dairy, whole grains and other components of a healthy diet (13). The increasing popularity of farmers' markets may help provide fresh, healthy, affordable food to those who previously did not have access to such items.

### **Local Food and the Low Income Population**

Another Iowa study looked at the cost of local produce compared to conventional produce from supermarkets and natural food stores (14). This study reviewed the costs of a



selection of vegetables, as well as ground beef, pork chops, and whole chickens, and eggs. The study identified that some products were slightly higher in price when purchased locally and others were slightly lower (14). Overall, however, the cost of local food in Iowa was found to be comparable to similar items that can be purchased at the grocery store (14). This study indicates that individuals should be able to afford local alternatives to foods sold in supermarkets (14).

Although the study listed above is encouraging, the issue of whether or not farmers' markets are indeed providing an economical alternative to conventionally grown produce is controversial. While they have been proposed as a win-win situation that provides the farmer with a fair wage and the consumer with reasonable prices, some research indicates this statement may only be true for families of affluence (15). Because local food is focused on being fair for all, a fair wage given to the farmer is very important. There are times when a fair price for the farmer is too high for low income families to afford (15). Government assistance programs remain the most viable alternative for increasing food security in low income families (15). Though this may seem disheartening, if farmers' markets work in conjunction with government assistance programs, a genuine win-win situation may be established, thus the viability of farmers' markets as a solution should not be overlooked entirely (15).

### **The Supplemental Nutrition Assistance Program**

The Supplemental Nutrition Assistance Program (SNAP) helps to provide access to food for millions of Americans who suffer from food insecurity (16). SNAP is the largest of the federal programs designed to increase food security in the United States (16). SNAP replaced the former name of food stamps in 2008 (16). The name change indicates changes in the program to meet the needs of clients including a greater focus on nutrition (16). In December of 2012 SNAP served 47,791,996 individuals (17). Currently more than 1 in 7, or approximately 15.2%,

of the U.S. population receives SNAP benefits (17). Because of the current recession, a record-breaking number of Utahans are utilizing the SNAP program (18). There are currently 112,715 individuals in Utah utilizing the SNAP program, and this number has more than doubled since 2008 (19). This data indicates that food security is a problem in the United States and the state of Utah. Farmers' Markets can help to alleviate the food security problem by providing access to fresh, local produce by working with the SNAP program.

### **SNAP at Farmers' Markets**

The number of farmers' markets that are accepting SNAP benefits is increasing nationwide. As the popularity of farmers' markets has increased, markets are seeking to broaden their customer base by accepting SNAP (20). In 2012, there were 3,214 farmers and farmers' markets that accepted SNAP benefits (21). In 2011, SNAP sales at farmers' markets exceeded 11 million dollars (22). While these numbers are encouraging, 82% of SNAP benefits were redeemed at supermarkets and superstores in 2012, leaving only a small percentage that are redeemed at farmers' markets and through other avenues (21). The USDA is urging more farmers' market to use the SNAP program in order to increase purchases of fresh, healthy produce with SNAP benefits (23). As the law currently stands, "any food or food product for home consumption and also includes seeds and plants which produce food for consumption by SNAP households (23)" can be purchased by individuals. By this definition, individuals may not always purchase the most healthful foods using their benefits. Because most farmers' markets typically sell fresh produce, dairy, eggs, and meat, purchases made at farmers' markets will likely be a more healthful alternative to food purchased at the grocery store (23).

Accepting SNAP at farmers' markets is mutually beneficial to both vendors and customers. The customers benefit by gaining access to locally grown food, and vendors in turn

receive a larger customer base that will increase farm stability. Researchers at Arizona State University provided wireless Electronic Benefit Transfer (EBT) machines to five markets to assess the impact of accepting SNAP at markets (24). Sales in 4 of 5 markets increased significantly, both in SNAP purchases and in overall sales (24). In 3 of 5 markets this increase in sales provided more than enough revenue to cover the costs associated with obtaining and using a wireless EBT machine (24).

### **How does SNAP at Farmers' Markets Work?**

There are two common ways of accepting SNAP at farmers' markets. One is called a central point of sale (POS system) and the other an individual POS system. In a central POS system, the market uses only one wireless EBT terminal for all SNAP purchases at the market. Customers swipe their EBT card at the central terminal and then receive tokens or vouchers to make purchases throughout the market. The money goes into the market's account and is later appropriately reimbursed to the vendors. This is the most common method for making SNAP purchases at farmers' markets throughout the country. An individual POS system involves each vendor obtaining their own EBT terminal and managing their own SNAP purchases without the need for tokens. Payments are deposited directly into the vendor's bank account (25).

There is one way to accept SNAP at farmers' markets that does not require a POS system. This system requires only a paper voucher and a cell phone (25). In this case, the vendor or market staff member calls the EBT card number and places a hold on the customer's account. At the end of the market, the manual vouchers are mailed to the state's EBT prime Contractor and payment is deposited to the designated account within 15 days (25). While this does significantly reduce the amount of equipment required to run a SNAP program at a farmers'

market, it is more time consuming to complete the transaction at the market and reimbursement takes much longer (25).

### **Steps for Implementing SNAP at your market**

There are several important steps for a market to take before accepting SNAP benefits. Two programs that advocate for local eating collaborated on a project called “SNAP/EBT at your Farmers Market, seven steps for success” that details how to prepare a market to accept SNAP (25). The first step is to assess your market’s capacity and interest in providing SNAP. While it has proven advantageous to a market to offer SNAP, it does take planning and resources for implementation (25). It is important to assess whether your market has the necessary interest and resources in order for SNAP to be successful at your market (25). While only a handful of people are ultimately in charge of running the SNAP program at a market, everyone at the market plays a small role and will need to be cooperative with any requirements necessary to the success of the program (25).

There are some challenges to implementing SNAP at farmers’ markets, and it is not always easy to get everyone on board with the change. Often, farmers will be resistant to change and will not want to accept a new form of payment immediately (25). They may fear that it will be too time-consuming and difficult to learn the policies and receive adequate reimbursement (25). Generally, however, even if initial resistance is encountered, vendors may change their mind about accepting SNAP if they see it become successful with other vendors in the market (25).

Another important question to ask regarding SNAP at farmers’ market is whether the market has the staff to manage the work associated with bookkeeping and reimbursement (25). This is especially important if the market is planning to use a central POS operating system.

There will need to be a staff member available to manage the EBT machine during market hours, to accurately record vendor sales, and ensure that vendors get accurately reimbursed (25). Many markets hire a SNAP coordinator to manage these responsibilities (25). It is recommended to budget money to hire somebody to do this work. It is not recommended to depend solely on volunteers and it is also difficult for a market manager to manage SNAP in addition to managing the market (25).

It is also important for a market to have an adequate funding strategy for implementing SNAP. There are several costs associated with providing SNAP including cost for obtaining and running a wireless terminal, fees associated with running a transaction using the wireless terminal, and the cost of labor for maintaining the SNAP booth (25). It is important to carefully estimate these costs before implementation, keeping in mind that it may take a few years for the market to see steady increases in sales (25). There are ways to fund SNAP start-up costs including grants and sponsorships (25). According to the handbook, “SNAP/EBT at Your Market: Seven Steps to Success” the best way to find these opportunities in a particular area is to talk with markets that already accept SNAP and ask how they funded the initiation of their program (25).

Marketing SNAP is essential to the success of the program at a market. Marketing can be as simple as placing appropriate signage throughout the site of the farmer’s market (25). One market in Detroit began marketing SNAP on city busses, but found this to be very expensive and not very effective (25). They now focus on signs featuring a picture of Michigan’s state EBT card stating that tokens are accepted (25). These simple signs let individuals already shopping at the market know that SNAP is an appropriate form of payment, and also promote shoppers to use word of mouth to advertise SNAP at their market (25).

Another powerful way to promote SNAP is by creating partnerships (25). Partners can help to provide useful items such as tokens or signs and they can serve as an avenue to advertise to potential customers (25). Most markets cite word of mouth as their best form of advertising, so it's important that vendors and other market employees be excited enough about SNAP to share the word (25).

### **Becoming Eligible to Accept SNAP**

After a plan has been determined and all of the details of introducing SNAP have been considered, a market must become authorized to accept SNAP by obtaining an FNS license. This process is done through the Food and Nutrition Service (FNS) segment of the USA (26). The first step is to set up an account with the USDA (26). The next step is to fill out an online application which will require a name, address, social security number of the individual requesting the license, and estimated amount of sales (26). Eligibility requirements are available on the website to ensure that the market is indeed eligible to accept EBT payments (26). If the market is going to use a central POS system only one application needs to be filled out and individual vendors can operate under the market's authorization. If the market is going to use an individual POS operating system, each vendor will need to receive their own authorization (26).

### **Obtaining Equipment to run a SNAP Program**

After a market's application has been accepted, the market is eligible to accept EBT payments. It is then necessary to obtain a machine to process payments. Markets that sell at least \$100 in SNAP benefits per month are eligible to obtain a free POS device to process transactions (27). Some issues with this option are that a telephone line and an electrical outlet are needed to run the machine and credit and debit transactions cannot be processed with this machine (25). Many markets also like to provide customers with the option to pay with a

credit/debit card in addition to payment with SNAP benefits. Machines are available that process both credit/debit and EBT transactions, but these devices must be purchased or rented (27). In Utah, SNAP is run through the Department of Workforce Services, and they can be contacted to obtain EBT machines for farmers' markets (28). Each state has an EBT prime contractor who manages the processing and reimbursement of SNAP benefits (25).

Many markets and individuals are interested in the possibility of using the new technology like smartphones and tablets to process EBT transactions, as is being done with credit/debit transactions (29). Currently, smartphones and tablets are not authorized to accept personal identification numbers (PIN) as part of their transaction. FNS is working to come up with a secure process for PIN entry on smartphones and tablets and have tested one secure process (29). FNS is comfortable with the security of this application and have approved its use at farmers' markets (29). Any new application would have to undergo extensive testing for security before its use will be allowed at farmers' markets (29).

If a market chooses to use a central POS operating system, after a machine for running EBT transactions is obtained it is necessary to obtain proper scrip, or some kind of certificate/token to be used in the place of money or benefits at the market (26). Proper scrip must be hard to counterfeit, so if using paper scrip it is highly recommended that the scrip be printed on paper that cannot be copied (30). If the market is providing Debit/Credit scrip in addition to SNAP scrip, it is imperative that there be a difference between the two forms of scrip to inform vendors whether the customer is using SNAP benefits or not. This is necessary as some vendors may be selling items that are not eligible for purchase with SNAP benefits.

### **Training of Vendors, Volunteers, Employees, and Customers**

Proper training of all individuals who will be involved with EBT transactions in any way is necessary to the success of a SNAP program at farmers' markets. In a central POS operating system, it is the market's responsibility to ensure that SNAP is operated according to the proper guidelines. Since many farmers' markets have a variety of vendors, there may be some vendors who do not qualify to accept SNAP, and others may sell certain items that do not qualify. Failure to meet guidelines could result the market losing its FNS license and the opportunity to accept EBT sales (30).

Important guidelines to focus on when training vendors, volunteers, and employees are as follows:

1. Vendors cannot provide change for purchases made with SNAP vouchers
2. Vendors may only sell qualifying items in exchange for SNAP vouchers (31)
3. Qualifying items include:
  - a. breads and cereals;
  - b. fruits and vegetables;
  - c. meats, fish and poultry; and dairy products.
  - d. Seeds and plants which produce food for the household to eat.
4. Restricted items include:
  - a. Alcohol and tobacco
  - b. Non-food items like pet food, paper products, and household supplies
  - c. Vitamins and medicines
  - d. Food that will be eaten on-site
  - e. Hot foods



5. Vendors may not use vouchers for change for other customers, the vouchers must be redeemed at the SNAP booth
6. Vendors may not spend vouchers at other booths, the vouchers must be redeemed at the SNAP booth
7. Vendors must be taught the difference between SNAP tokens and credit/debit tokens and understand what items can be purchased with which form of payment

It is also imperative that customers understand how to use SNAP at farmers' markets.

The SNAP booth, where customers will purchase their tokens, is a great place to share needed information for customers. Customers should be informed of vendors that are not eligible or who have chosen not to accept SNAP before they purchase scrip. They should also be informed of what foods qualify to be purchased with SNAP benefits and what foods do not to avoid potential confrontation with vendors or embarrassment to SNAP participants.

### **Cache Valley Gardener's Market: A Case Study**

There are many examples of farmers' markets that have successfully implemented SNAP benefits. Each market implements SNAP a little differently and there are pros and cons to how each market operates. It is helpful to learn about these pros and cons before implementing SNAP at a market to help determine what will work best for that particular market. One example of a farmer's market in Utah that accepts SNAP successfully is the Cache Valley Gardener's Market located in Logan. For several years the Cache Valley Gardener's Market has provided the opportunity for those receiving assistance from the Federal Supplemental Nutrition Assistance Program (SNAP) to use these benefits at the market to purchase fresh, local, and healthy food. The mission of the Cache Valley Gardener's Market is to educate consumers about sustainable agriculture and healthy foods while providing a source of revenue for local farmers and artisans

and creating a sense of community within Cache Valley (32). By allowing individuals with SNAP benefits to participate, the Gardener's Market is fulfilling their mission of providing a sense of community.

The Cache Valley Gardener's Market uses a central POS operating system. Listed below are a few details of how this works for the market:

- Market Treasurer is in charge of SNAP. However, the SNAP booth is volunteer-run.
- Vendors help to fund the wireless EBT machine (3% of all SNAP and Credit/Debit Sales are deducted from vendor's reimbursements for purchases).
- A token system is used to make purchases. SNAP tokens are green and worth one dollar, Credit/Debit tokens are pink and worth two dollars.
- Vendors turn in tokens to the token booth at the end of the market. Sales are recorded and vendors are reimbursed with a check sent in the mail the following day.
- Vendors are briefly trained on the use and redemption of SNAP and credit/debit tokens at an orientation meeting prior to the market opening. Volunteers are available to answer additional questions after the market opens.
- Vendors are asked to sign an agreement to accept SNAP before they begin accepting tokens

### **Pros and Cons to SNAP program at the Cache Valley Gardener's Market**

#### **Pros:**

- Central POS system allows all vendors to operate under one FNS license.
- Vendors share the cost of operating SNAP through percentage taken out of all credit/debit/EBT sales.

- The market treasurer takes care of bookkeeping and reimbursement of vendors, but the SNAP booth is volunteer run so it is not necessary to hire a SNAP specialist.
- Tokens are used for both Credit/Debit transactions and EBT sales so SNAP participants should not feel ostracized for having to use tokens.
- The credit/debit and SNAP booth are the same so individuals do not feel ostracized for running their EBT cards for tokens and confidentiality is better maintained.

**Cons:**

- It can be difficult to manage the training of dozens of vendors to ensure that all guidelines are being met.
- Vendors are unhappy paying the 3% fee associated with running the EBT machine.
- Token system is not entirely confidential and SNAP participants may be embarrassed to use their benefits at the market.
- Vendors dislike waiting for reimbursement check to be received.
- The market does not have grants to help cover costs of the machine, and because they are a non-profit organization it can be difficult to maintain the SNAP program at the market because of associated fees.

**Food Sense at Cache Valley Gardener's Market**

One unique aspect of the Cache Valley Gardener's Market is the presence of the Food \$ense nutrition education booth as a supplement to the SNAP program. Food \$ense is funded by FNS to provide nutrition education to individuals who are eligible for SNAP benefits or who are currently receiving benefits (28). Their program focuses on providing nutrition education to mothers, children, the elderly, individuals with disabilities, and the youth (28). Their presence at

the farmer's market provides market patrons with educational resources to make the best purchases and implement the purchases they make into their meals throughout the week. Each week at the market Food \$ense highlights a fruit or vegetable that is currently in season. They provide various tips and techniques for using and storing the food item, and provide a recipe sample featuring that item. Food \$ense provides recipes each week to market patrons, specifically SNAP recipients, to increase knowledge and awareness of how to incorporate local produce into everyday meals. The presence of Food \$ense at other markets could increase the use of SNAP at farmers' markets and ensure that individuals are educated about their purchases.

### **Improvements to SNAP at Cache Valley Gardener's Market for the Future**

Current research is being conducted to determine methods to increase SNAP use at farmers' markets. As aforementioned, most farmers' markets use only one wireless card terminal for the entire market which can be inconvenient and create problems with confidentiality related to SNAP use. One study reported that if an individual POS system was used, SNAP sales increased (34). However, vendors indicated that in order to be able to provide this service some reimbursement for fees of the machines would be necessary (34). In order for this change to be implemented, there would have to be a source of funding available for vendors to use to establish their own POS terminals (34).

Another option for increasing SNAP sales at farmers' markets is to offer an incentive program to consumers to encourage purchases at farmers' markets as opposed to other avenues like supermarkets or convenience stores. One incentive program called Double Up Food Bucks provided consumers with farmer's market tokens as an incentive to use SNAP benefits at the market. For every two dollars spent in tokens, two dollars were received in tokens. This has proven to be a very successful program, but is dependent on grant money (35). This program

would likely be very beneficial to a market like Cache Valley Gardener's Market if funding was identified.

### **Conclusion**

Farmers' markets are an effective avenue for providing the public with healthy, ripe, fresh, and tasty foods. By partnering with the SNAP program, they can also be an avenue to help increase food security in the United States and build a sense of community by making local food available to all. There are a myriad of benefits associated with local eating. With careful planning, farmers' markets will be able to implement SNAP at their market. This is a mutually beneficial program to both customer and vendor as it increases market sales and stability and also provides access to fresh and local foods to the low income population in the U.S. Increasing SNAP acceptance at farmers' markets is an important step in helping support the local economy as well as improving the health and well-being of SNAP participants.

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**Appendices**

Appendix A

Handbook



A GUIDE TO IMPLEMENTING  
SNAP AT YOUR FARMER'S MARKET

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## *Farmers Markets: A Brief History*

Farmers' markets are one of the oldest forms of direct marketing of food by small farmers to consumers (1). Farmers' markets are growing in popularity largely because consumers are growing more interested in where food comes from and they desire to obtain food products directly from the farm (3). There are currently over 7,000 farmers' markets across the country with this number continually rising (2). In fact, the number of farmers' markets has more than quadrupled since 1994 (2). Farmers' markets provide an avenue for consumers to purchase fresh foods and allow farmers to develop personal relationships with their customers and cultivate consumer loyalty (3).

Many activists from groups like Slow Food USA, the Farmers' Market Coalition, and others believe the current food system should change to a more local food supply due to issues like food insecurity, environmental impacts, and nutrition (4,5). They propose that consumers should buy produce directly from the farmer in order to ensure that the farmers receive a fair wage and the consumer gets a fair price (6). Perceived benefits to consumers include produce that is often organically grown, an economical alternative to conventionally grown produce, and the satisfaction of supporting the community and supporting sustainable farming practices (6).

## *Benefits of a Locally Sourced Food Supply*

Farmers' markets are the perfect avenue for providing a locally sourced food supply to consumers. There are many benefits to eating local food including taste, health, sustainability, cost and support of local farmers and the local economy. According to a survey published by the USDA, more than half of farmers travel less than 10 miles to their farmers' markets (7). This means the food sold at the farmers' market also traveled 10 miles or less (7). Most farmers' markets have criteria regarding how far food

can travel and still be sold at the market (7). Most food in the conventional food supply travels an average 1500 miles from where it was grown to the plate of the individual consuming the food (8). This is known as a centralized food system because food is transported wherever it is desired, rather than grown nearby (8). This centralized food system can have devastating effects on the environment through carbon dioxide (CO<sub>2</sub>) emissions and other greenhouse gases that occur as a result of transport (8). Rich Pirog, an expert in sustainable agriculture at Iowa State University reported that the conventional food system used 4-17 times as much fuel as the local food system and emitted 5-17 times more CO<sub>2</sub> (8).

Angie Tagtow is a registered dietitian who promotes healthy eating through a sustainable, local food system. She cites several reasons for eating locally grown food, one of which is that a local food system provides fresh and flavorful food (9). When food is grown and sold locally, it is harvested at the peak of freshness and ripeness, unlike the conventional food system where food is picked before it is ripe and is ripened over the course of its transport. The flavor of food is greatly enhanced when it is picked when it is ripe (9). This can have an impact on health as individuals are more likely to enjoy fruits and vegetables that are grown locally as they are richer in flavor than those that are purchased at the grocery store. Diets that are high in fruits and vegetables have been shown in countless studies to decrease the incidence of chronic disease (9).

Tagtow also describes benefits to the farmer and to the local economy when food is produced and purchased locally. Research has shown that there is a demand for local produce when it is made available, and if this demand is matched by local farmers' production then farmers will become more

stable and a rich asset to communities (9). Money that is spent in the community is also likely to be reinvested into that community, thus building a strong local economy (9). A study from the Leopold Center for Sustainable Agriculture found that if Iowans ate five servings of fruit and vegetables per day and Iowa farmers supplied that produce for three months out of the year, the production and marketing of such crops would add 4,094 jobs and \$302.4 million dollars to the Iowa economy(10).

### *Food Security in the United States*

Food security is defined by the USDA as access to nutritionally adequate and safe foods and the ability to access such foods in a socially acceptable way (11). Eighty-five percent of American households were food secure in 2011 which leaves fifteen percent of American households that did not have adequate access to food for at least part of the year (11). This includes 5.7% that experienced very low food security at some point in the year (11). This means that the food intake of at least one of the household members was decreased or disrupted because they lacked sufficient resources to obtain food (11). Fifty-five percent of the households reporting some level of food insecurity did receive assistance from one of the federal food and nutrition assistance programs the month prior to completing the survey (11).

Farmers' markets may provide a partial solution to food insecurity in the United States by providing fresh food to low income populations (12). Many Americans live in areas known as food deserts, which are areas that lack access to affordable fresh

fruits, vegetables, low-fat dairy, whole grains and other components of a healthy diet (13). The increasing popularity of farmers' markets may help provide fresh, healthy, affordable food to those who previously did not have access to such items.

### *Local Food and the Low Income Population*

Another Iowa study looked at the cost of local produce compared to conventional produce from supermarkets and natural food stores (14). This study reviewed the costs of a selection of vegetables, as well as ground beef, pork chops, and whole chickens, and eggs. The study identified that some products were slightly higher in price when purchased locally and others were slightly lower (14). Overall, however, the cost of local food in Iowa was found to be comparable to similar items that can be purchased at the grocery store (14). This study indicates that individuals should be able to afford local alternatives to foods sold in supermarkets (14).

Although the study listed above is encouraging, the issue of whether or not farmers' markets are indeed providing an economical alternative to conventionally grown produce is controversial. While they have been proposed as a win-win situation that provides the farmer with a fair wage and the consumer with reasonable prices, some research indicates this statement may only be true for families of affluence (15). Because local food is focused on being fair for all, a fair wage given to the farmer is very important. There are times when a fair price for the farmer is too high for low income families to afford (15). Government assistance programs remain the most viable

alternative for increasing food security in low income families (15). Though this may seem disheartening, if farmers' markets work in conjunction with government assistance programs, a genuine win-win situation may be established, thus the viability of farmers' markets as a solution should not be overlooked entirely (15).

### *The SNAP Program*

The Supplemental Nutrition Assistance Program (SNAP) helps to provide access to food for millions of Americans who suffer from food insecurity (16). SNAP is the largest of the federal programs designed to increase food security in the United States. SNAP replaced the former name of food stamps in 2008. The name change indicates changes in the program to meet the needs of clients including a greater focus on nutrition (16). In December of 2012 SNAP served 47,791,996 individuals (17). Currently more than 1 in 7, or approximately 15.2%, of the U.S. population receives SNAP benefits (17). Because of the current recession, a record-breaking number of Utahans are utilizing the SNAP program (18). There are currently 112,715 individuals in Utah utilizing the SNAP program, and this number has more than doubled since 2008 (19). This data indicates that food security is a problem in the United States and the state of Utah. Farmers' Markets can help to alleviate the food security problem by providing access to fresh, local produce by working with the SNAP program.

### *SNAP at Farmers Markets*

The number of farmers' markets that are accepting SNAP benefits is increasing

nationwide. As the popularity of farmers' markets has increased, markets are seeking to broaden their customer base by accepting SNAP (20). In 2012, there were 3,214 farmers and farmers' markets that accepted SNAP benefits (21). In 2011, SNAP sales at farmers' markets exceeded 11 million dollars (22). While these numbers are encouraging, 82% of SNAP benefits were redeemed at supermarkets and superstores in 2012, leaving only a small percentage that are redeemed at farmers' markets and through other avenues (21). The USDA is urging more farmers' market to use the SNAP program in order to increase purchases of fresh, healthy produce with SNAP benefits (23). As the law currently stands, "any food or food product for home consumption and also includes seeds and plants which produce food for consumption by SNAP households (23)" can be purchased by individuals. By this definition, individuals may not always purchase the most healthful foods using their benefits. Because most farmers' markets typically sell fresh produce, dairy, eggs, and meat, purchases made at farmers' markets will likely be a more healthful alternative to food purchased at the grocery store (23).

### *How does SNAP at Farmers Markets Work?*

There are two common ways of accepting SNAP at farmers' markets. One is called a central point of sale (POS system) and the other an individual POS system. In a central POS system, the market uses only one wireless EBT terminal for all SNAP purchases at the market. Customers swipe their EBT card at the central terminal and then receive tokens or vouchers to make



purchases throughout the market. The money goes into the market's account and is later appropriately reimbursed to the vendors. This is the most common method for making SNAP purchases at farmers' markets throughout the country. An individual POS system involves each vendor obtaining their own EBT terminal and managing their own SNAP purchases without the need for tokens. Payments are deposited directly into the vendor's bank account (25).

There is one way to accept SNAP at farmers' markets that does not require a POS system. This system requires only a paper voucher and a cell phone. In this case, the vendor or market staff member calls the EBT card number and places a hold on the customer's account. At the end of the market, the manual vouchers are mailed to the state's EBT prime Contractor and payment is deposited to the designated account within 15 days (25). While this does significantly reduce the amount of equipment required to run a SNAP program at a farmers' market, it is more time consuming to complete the transaction at the market and reimbursement takes much longer (25).

### *Steps for Implementing SNAP at your market*

There are several important steps for a market to take before accepting SNAP benefits. Two programs that advocate for local eating collaborated on a project called "SNAP/EBT at your Farmers Market, seven steps for success" that details how to prepare a market to accept SNAP (25). The first step is to assess your market's capacity and interest in providing SNAP. While it has

proven advantageous to a market to offer SNAP, it does take planning and resources for implementation. It is important to assess whether your market has the necessary interest and resources in order for SNAP to be successful at your market. While only a handful of people are ultimately in charge of running the SNAP program at a market, everyone at the market plays a small role and will need to be cooperative with any requirements necessary to the success of the program (25).

There are some challenges to implementing SNAP at farmers' markets, and it is not always easy to get everyone on board with the change. Often, farmers will be resistant to change and will not want to accept a new form of payment immediately. They may fear that it will be too time-consuming and difficult to learn the policies and receive adequate reimbursement (25). Generally, however, even if initial resistance is encountered, vendors may change their mind about accepting SNAP if they see it become successful with other vendors in the market (25).

Another important question to ask regarding SNAP at farmers' market is whether the market has the staff to manage the work associated with bookkeeping and reimbursement (25). This is especially important if the market is planning to use a central POS operating system. There will need to be a staff member available to manage the EBT machine during market hours, to accurately record vendor sales, and ensure that vendors get accurately reimbursed. Many markets hire a SNAP coordinator to manage these responsibilities.



It is recommended to budget money to hire somebody to do this work. It is not recommended to depend solely on volunteers and it is also difficult for a market manager to manage SNAP in addition to managing the market (25).

It is also important for a market to have an adequate funding strategy for implementing SNAP. There are several costs associated with providing SNAP including cost for obtaining and running a wireless terminal, fees associated with running a transaction using the wireless terminal, and the cost of labor for maintaining the SNAP booth (25). It is important to carefully estimate these costs before implementation, keeping in mind that it may take a few years for the market to see steady increases in sales (25). There are ways to fund SNAP start-up costs including grants and sponsorships (25). According to the handbook, "SNAP/EBT at Your Market: Seven Steps to Success" the best way to find these opportunities in a particular area is to talk with markets that already accept SNAP and ask how they funded the initiation of their program (25).

Marketing SNAP is essential to the success of the program at a market. Marketing can be as simple as placing appropriate signage throughout the site of the farmer's market (25). One market in Detroit began marketing SNAP on city busses, but found this to be very expensive and not very effective (25). They now focus on signs featuring a picture of Michigan's state EBT card stating that tokens are accepted. These simple signs let individuals already shopping at the market know that SNAP is an appropriate form of payment, and also promote shoppers to use

word of mouth to advertise SNAP at their market (25).

Another powerful way to promote SNAP is by creating partnerships (25). Partners can help to provide useful items such as tokens or signs and they can serve as an avenue to advertise to potential customers (25). Most markets cite word of mouth as their best form of advertising, so it's important that vendors and other market employees be excited enough about SNAP to share the word (25).

### *Becoming Eligible to Accept SNAP*

After a plan has been determined and all of the details of introducing SNAP have been considered, a market must become authorized to accept SNAP by obtaining an FNS license. This process is done through the Food and Nutrition Service (FNS) segment of the USA (26). The first step is to set up an account with the USDA (26). The next step is to fill out an online application which will require a name, address, social security number of the individual requesting the license, and estimated amount of sales (26). Eligibility requirements are available on the website to ensure that the market is indeed eligible to accept EBT payments (26). If the market is going to use a central POS system only one application needs to be filled out and individual vendors can operate under the market's authorization. If the market is going to use an individual POS operating system, each vendor will need to receive their own authorization (26).

### *Obtaining Equipment to run a SNAP Program*

After a market's application has been accepted, the market is eligible to accept EBT payments. It is then necessary to obtain a machine to process payments. Markets that sell at least \$100 in SNAP benefits per month are eligible to obtain a free POS device to process transactions (27). Some issues with this option are that a telephone line and an electrical outlet are needed to run the machine and credit and debit transactions cannot be processed with this machine (25). Many markets also like to provide customers with the option to pay with a credit/debit card in addition to payment with SNAP benefits. Machines are available that process both credit/debit and EBT transactions, but these devices must be purchased or rented (27). In Utah, SNAP is run through the Department of Workforce Services, and they can be contacted to obtain EBT machines for farmers' markets (28). Each state has an EBT prime contractor who manages the processing and reimbursement of SNAP benefits (25).

Many markets and individuals are interested in the possibility of using the new technology like smartphones and tablets to process EBT transactions, as is being done with credit/debit transactions (29). Currently, smartphones and tablets are not authorized to accept personal identification numbers (PIN) as part of their transaction. FNS is working to come up with a secure process for PIN entry on smartphones and tablets and have tested one secure process (29). FNS is comfortable with the security of this application and have approved its use at farmers' markets (29). Any new application would have to undergo extensive

testing for security before its use will be allowed at farmers' markets (29).

If a market chooses to use a central POS operating system, after a machine for running EBT transactions is obtained it is necessary to obtain proper scrip, or some kind of certificate/token to be used in the place of money or benefits at the market (26). Proper scrip must be hard to counterfeit, so if using paper scrip it is highly recommended that the scrip be printed on paper that cannot be copied (30). If the market is providing Debit/Credit scrip in addition to SNAP scrip, it is imperative that there be a difference between the two forms of scrip to inform vendors whether the customer is using SNAP benefits or not. This is necessary as some vendors may be selling items that are not eligible for purchase with SNAP benefits.

### *SNAP Training*

Proper training of all individuals who will be involved with EBT transactions in any way is necessary to the success of a SNAP program at farmers' markets. In a central POS operating system, it is the market's responsibility to ensure that SNAP is operated according to the proper guidelines. Since many farmers' markets have a variety of vendors, there may be some vendors who do not qualify to accept SNAP, and others may sell certain items that do not qualify (30).

# SNAP Guidelines

- 1.** Vendors cannot provide change for purchases made with SNAP vouchers
- 2.** Vendors may only sell qualifying items in exchange for SNAP vouchers (31)
- 3.** Qualifying items include:
  - a. breads and cereals;
  - b. fruits and vegetables;
  - c. meats, fish and poultry; and dairy products.
  - d. Seeds and plants which produce food for the household to eat.
- 4.** Restricted items include:
  - a. Alcohol and tobacco
  - b. Non-food items like pet food, paper products, and household supplies
  - c. Vitamins and medicines
  - d. Food that will be eaten on-site
  - e. Hot foods
- 5.** Vendors may not use vouchers for change for other customers, the vouchers must be redeemed at the SNAP booth
- 6.** Vendors may not spend vouchers at other booths, the vouchers must be redeemed at the SNAP booth
- 7.** Vendors must be taught the difference between SNAP tokens and credit/debit tokens and understand what items can be purchased with which form of payment

It is also imperative that customers understand how to use SNAP at farmers' markets. The SNAP booth, where customers will purchase their tokens, is a great place to share needed information for customers. Customers should be informed of vendors that are not eligible or who have chosen not to accept SNAP before they purchase scrip. They should also be informed of what foods qualify to be purchased with SNAP benefits and what foods do not to avoid potential confrontation with vendors or embarrassment to SNAP participants.



# Cache Valley Gardeners Market:

## A CASE STUDY



There are many examples of farmers' markets that have successfully implemented SNAP benefits. Each market implements SNAP a little differently and there are pros and cons to how each market operates. It is helpful to learn about these pros and cons before implementing SNAP at a market to help determine what will work best for that particular market. One example of a farmer's market in Utah that accepts SNAP successfully is the Cache Valley Gardener's Market located in Logan. For several years the Cache Valley Gardener's Market has provided the opportunity for those receiving assistance from the Federal Supplemental Nutrition Assistance Program (SNAP) to use these benefits at the market to purchase fresh, local, and healthy food. The mission of the Cache Valley Gardener's Market is to educate consumers about sustainable agriculture and healthy foods while providing a source of revenue for local farmers and artisans and creating a sense of community within Cache Valley (32). By allowing individuals with SNAP benefits to participate, the Gardener's Market is fulfilling their mission of providing a sense of community.

# SNAP at Cache Gardeners Market

The Cache Valley Gardener's Market uses a central POS operating system. Listed below are a few details of how this works for the market:

- Market Treasurer is in charge of SNAP. However, the SNAP booth is volunteer-run
- Vendors help to fund the wireless EBT machine (3% of all SNAP and Credit/Debit Sales are deducted from vendor's reimbursements for purchases).
- A token system is used to make purchases. SNAP tokens are green and worth one dollar, Credit/Debit tokens are pink and worth two dollars.
- Vendors turn in tokens to the token booth at the end of the market. Sales are recorded and vendors are reimbursed with a check sent in the mail the following day
- Vendors are briefly trained on the use and redemption of SNAP and credit/debit tokens at an orientation meeting prior to the market opening. Volunteers are available to answer additional questions after the market opens.
- Vendors are asked to sign an agreement to accept SNAP before they begin accepting tokens

## PROS AND CONS

- Central POS system allows all vendors to operate under one FNS license.
- Vendors share the cost of operating SNAP through percentage taken out of all credit/debit/EBT sales.
- The market treasurer takes care of bookkeeping and reimbursement of vendors, but the SNAP booth is volunteer run so it is not necessary to hire a SNAP specialist.
- The credit/debit and SNAP booth are the same so individuals do not feel ostracized for running their EBT cards for tokens and confidentiality is better maintained.
- Tokens are used for both Credit/Debit transactions and EBT sales so SNAP participants should not feel ostracized for having to use tokens
- It can be difficult to manage the training of dozens of vendors to ensure that all guidelines are being met.
- Vendors are unhappy paying the 3% fee associated with running the EBT machine.
- Token system is not entirely confidential and SNAP participants may be embarrassed to use their benefits at the market.
- Vendors dislike waiting for reimbursement check to be received.
- The market does not have grants to help cover costs of the machine, and because they are a non-profit organization it can be difficult to maintain the SNAP program at the market because of associated fees.



### *Food Sense at Cache Gardeners Market*

One unique aspect of the Cache Valley Gardener's Market is the presence of the Food Sense nutrition education booth as a supplement to the SNAP program. Food Sense is funded by FNS to provide nutrition education to individuals who are eligible for SNAP benefits or who are currently receiving benefits (28). Their program focuses on providing nutrition education to mothers, children, the elderly, individuals with disabilities, and the youth (28). Their presence at the farmer's market provides market patrons with educational resources to make the best purchases and implement the purchases they make into their meals throughout the week. Each week at the market Food Sense highlights a fruit or vegetable that is currently in season. They provide various tips and techniques for using and storing the food item, and provide a recipe sample featuring that item. Food Sense provides recipes each week to market patrons, specifically SNAP recipients, to increase knowledge and awareness of how to incorporate local produce into everyday meals. The presence of Food Sense at other markets could increase the use of SNAP at farmers' markets and ensure that individuals are educated about their purchases.

### *Improvements for the Future*

Current research is being conducted to determine methods to increase SNAP use at farmers' markets. As aforementioned, most farmers' markets use only one wireless card terminal for the entire market which can be inconvenient and create problems with confidentiality related to SNAP use. One study reported that if an individual POS system was used, SNAP sales increased (34). However, vendors indicated that in order to be able to provide this service some reimbursement for fees of the machines would be necessary (34). In order for this change to be implemented, there would have to be a source of funding available for

vendors to use to establish their own POS terminals (34).

Another option for increasing SNAP sales at farmers' markets is to offer an incentive program to consumers to encourage purchases at farmers' markets as opposed to other avenues like supermarkets or convenience stores. One incentive program called Double Up Food Bucks provided consumers with farmer's market tokens as an incentive to use SNAP benefits at the market. For every two dollars spent in tokens, two dollars were received in tokens. This has proven to be a very successful program, but is dependent on grant money (35). This program would likely be very beneficial to a market like Cache Valley Gardener's Market if funding was identified.

### *Conclusion*

Farmers' markets are an effective avenue for providing the public with healthy, ripe, fresh, and tasty foods. By partnering with the SNAP program, they can also be an avenue to help increase food security in the United States and build a sense of community by making local food available to all. There are a myriad of benefits associated with local eating. With careful planning, farmers' markets will be able to implement SNAP at their market. This is a mutually beneficial program to both customer and vendor as it increases market sales and stability and also provides access to fresh and local foods to the low income population in the U.S. Increasing SNAP acceptance at farmers' markets is an important step in helping support the local economy as well as improving the health and well-being of SNAP participants.

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## **Biography**

Amanda Spackman was born in Ogden, Utah. She graduated from Clearfield High School in 2008 and moved to Logan to pursue a degree in Dietetics at Utah State University that fall. Through her undergraduate coursework Amanda has had numerous opportunities to discover her true passions in the field of nutrition. In the summer of 2011 Amanda worked as an AmeriCorps intern with the Food \$ense program, Cache Valley Gardener's Market, and the USU student organic farm. Through this incredible internship experience Amanda discovered her love of local food and sustainable agriculture as a means to provide assistance to low income families in the community. This led to the completion of her honors thesis on the topic. Amanda will graduate with her Bachelor's degree in Dietetics in May of 2013. Following completion of her degree she will take the dietetic registration exam to become a registered dietitian, and she plans on returning to Utah State University in the fall to complete a master's degree in Nutrition Science. She hopes to further study ways to use the local food supply as a means to help the low income population in her graduate studies. Upon completion of her master's degree Amanda plans to leave Cache Valley with her husband in pursuit of his dreams of becoming a dentist, and pursuing her own dreams of working as a dietitian in the community.