

Acquisition and Implementation of Electronic  
Benefits Transfer Technology for Colorado  
Farmers' Markets

To assist farmers markets in Colorado in implementing electronic benefits transfer (EBT) equipment and procedures that will increase food stamp redemptions at local farmers markets, thus allowing greater consumption of fresh fruit and vegetables by lower-income consumers.

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USDA Farmers' Market Promotion Program

*Acquisition and Implementation of  
Electronic Benefits Transfer Technology  
For Colorado Farmers' Markets*

Colorado Farmers' Market Association  
2006 FMPP Grant CO-124  
Final Report  
October, 2008

**USDA Farmers' Market Promotion Program  
Grant CO – 124 Colorado EBT Project  
Final Report October, 2008**

**Project Title:**

**Acquisition and Implementation of Electronic Benefits Transfer Technology for  
Colorado Farmers' Markets**

**Project Summary:**

The purpose of this project is to enable farmers' markets in Colorado to implement Electronic Benefits Transfer (EBT) technology, thus allowing low-income households to use USDA Food Stamps to purchase fresh, locally grown agricultural products, while expanding the customer base for Colorado farmers' markets.

This project provides for the purchase of EBT terminals by the Colorado Farmers' Market Association (CFMA), who will then distribute the machines to qualified member markets. The CFMA will be responsible for statewide coordination of reimbursement for EBT transactions, and for the education of farmers' market managers and vendors in the use of EBT and USDA Food Stamp regulations. In order to ensure the success of the program, the CFMA will also assist the participating markets in creating a scrip system for vendor reimbursement of eligible purchases, and in educating the public about the availability of Food Stamp redemption at farmers' markets in Colorado.

*Please note: Passages included in italics are re-printed from the Progress Report submitted in June, 2007.*

**Report Summary:**

*June, 2007:*

*As of...June , 2007, CFMA ha(d) purchased 14 wireless point-of-sale (POS) machines for use in 17 farmers' markets in Colorado. A Market Toolkit was developed and provided to EBT coordinators from qualified markets at a training workshop in Cañon City, Colorado in March, 2007. Representatives from USDA Food and Nutrition Service (FNS) Denver Regional Office, the Colorado Food Stamp Program and eFunds Corporation participated in the training, a Market Toolkit notebook was provided to all attendees, and travel stipends were issued to market representatives who attended the training.*

*Because the program is designed to provide one centrally-located POS machine per market, a system of scrip or coupons is necessary for issuance to customers for purchases from individual market vendors. Paper coupons were designed and printed for Food Stamp and debit transactions using the machines, along with a system for vendor reimbursement and tracking which was provided to the markets. Accounting forms were also developed for market use in tracking transactions and revenue.*

*Two press releases have been issued: one in November, 2006 which announced the grant; and one in May, 2007 which described the program and directed the public to participating markets. Media coverage has been excellent, including numerous newspaper articles and an interview on Colorado Public Radio. The CFMA website was updated to include information on markets offering EBT. Informational fliers for Food Stamp clients and market promotional use are currently being developed.*

**October, 2008:**

For the 2008 season, eight markets were added to the EBT Program, for a total of 21 participating markets; and four additional POS machines were purchased, for a total of 18 machines in service. However, four markets have dropped out of the program: one went out of business after its first year; and three were owned by one operator who found the system too laborious. Because several new markets had been identified in the winter of 2008, and the original deadline for our grant was March 25, 2008, we requested and were granted an extension of the grant until July 25, 2008 in order to bring the additional markets into the program. A reallocation of funds within grant categories was also requested because personnel time had exceeded projections, while equipment expense was less than anticipated.

The EBT Coordinators from four of the new markets attended a training workshop in Greeley, Colorado on March 28, 2008 in conjunction with the CFMA Annual Meeting held the following day. As in the previous year, trainees were provided with an updated *Market Toolkit* notebook and offered a travel stipend for each attending market. Further training was provided by telephone conference calls.

Updated documents for the 2008 season were provided to all participating markets. The paper coupons used for Food Stamp and debit transactions were re-designed, printed and distributed to all participating markets. Promotional fliers in both English and Spanish were developed for each market for the 2007 season, and a template provided for the 2008 season and beyond. The CFMA website was updated with the new EBT markets listed and 2008 information updated for all markets. eFunds made credit transactions available for the 2008 season, and three markets had their machines re-programmed for credit.

Transaction Report Summary Forms and Questionnaires were sent to each participating market after the 2007 season. The eighteen markets totaled 354 EBT transactions for a season total of \$7255. While transaction volume varied widely between markets, the average number of EBT transactions was just greater than one transaction per market day

with an average value of \$20.49 per transaction. Debit transactions were higher than EBT in volume and dollar amounts for those markets that offered the debit option.

When measured against similar programs in other states, our program in Colorado has been successful on all accounts, from the number of markets we were able to include, to program implementation and our first year results. Looking at the experience of other programs, we can expect the numbers to increase dramatically each year the program is in place, and indeed, preliminary reports from our markets about the 2008 season appear to bear this out.

Issues of program cost and complexity, sustainability and the need to include more markets will be with us as we go forward. But CFMA's commitment and the commitment of our markets to the EBT program will continue to benefit our communities with the offering of fresh, locally grown food and the inclusion of all members of those communities in their local farmers' markets.

### **Workplan Achievements:**

The establishment of a statewide system for processing EBT transactions at farmers' markets

*June, 2007:*

*Collaboration was achieved for the project with the following organizations: USDA Food and Nutrition Services (FNS) Regional Office (Ms. Irene Wise); the Colorado Department of Human Services (CDHS) Food Stamp Program (Mr. Ron Eicher); JP Morgan Chase (Ms. Nancy Celaya), the institution which contracts with the state of Colorado for processing EBT transactions; and eFunds Corporation (Mr. Clyde Terry) for the purchase of wireless POS machines and electronic connection to JP Morgan Chase. Sally Haines, CFMA Executive Director, and Gloria Stultz, CFMA President, met with representatives of USDA/FNS and the Colorado Food Stamp Program in October, 2006 at the FNS offices in Denver, Colorado in order to identify the requirements of the program and the roles of each organization.*

*Throughout the project, there has been extensive communication between the CFMA, USDA/FNS, CDHS, and eFunds to determine the best course and how to implement the program. Representatives from all three partner organizations participated in the CFMA EBT training which took place in Cañon City on March 10, 2007. Their contribution has been invaluable and has facilitated the administrative aspects of the program. Ms. Wise, the FNS Officer-in-Charge, has been particularly helpful with FNS Retail Authorization of the individual markets and their understanding of Food Stamp regulations.*

### **October, 2008**

Collaboration with our partners continued to be a very positive experience as we added new markets in 2007 and 2008. Ms. Wise at FNS worked patiently with each new market to expedite their FNS authorization to accept Food Stamps. The *Addendum—USDA-Food*

*Stamp Application for Stores* document was updated and provided to facilitate the application process. (See *Appendix I: Market Toolkit Updates*.) Mr. Terry arranged for our original contract with eFunds to be honored for new markets, and made sure that their contracts were executed and machines purchased in time to be invoiced and paid for before the grant deadline.

Throughout each step of the process, both Ms. Wise and Mr. Terry were consulted when questions arose, and in all cases, a resolution was attained. In addition, Ms. Wise, had agreed to assist in this year's training workshop, but was unable to attend, and was contacted by phone during the meeting to answer questions regarding Food Stamp regulations and the completion of FNS Retail Authorization forms. The success of our program owes much to the support and encouragement we received from these individuals and their organizations.

### The purchase of wireless EBT terminals and their distribution to Colorado farmers' markets

Qualifying CFMA Member Markets for Participation in the EBT Program:

*June, 2007:*

*An EBT Program Application was created and mailed to the 58 members of the CFMA in December, 2006, along with detailed information about the program (See Market Toolkit for the following documents included in the application packet: CFMA EBT Program Description, CFMA EBT Program Overview, Glossary of EBT Terms, Market Benefits and Responsibilities, Wireless Options Spreadsheet, Options Spreadsheet Explanation). Twenty-one markets returned completed applications; two markets subsequently withdrew their applications, citing (1) lack of infrastructure to support the program and (2) discontinuance of their market for 2007; one market was not qualified due to availability of electric power and phone service at the market site which made a wireless POS machine unnecessary, as a much less expensive wired machine could be used in that case.*

*Eighteen markets (were) accepted for the CFMA EBT program. An Acceptance Packet was mailed to the participating markets along with additional documents including the USDA/FNS Application for Stores, and an Addendum to the FNS Application, plus IRS Form SS-4, Application for Employer Identification Number (See Market Toolkit). Participating markets were also required to sign an EBT Program Agreement with CFMA. (See Market Toolkit)*

### **October, 2008**

For the 2008 season, eight markets were added to the EBT Program, for a total of 21 participating markets; and four additional POS machines were purchased, for a total of 18 machines in service. (See *Addendum 1: 2008 CFMA EBT Program Markets* for a list of current participants.) One of the new participants had been qualified for 2007, but had not completed their paperwork at the time of the previous report; one of the new markets was

a market location added by one of the original participants; and six markets were new participants in 2008. However, four markets dropped out of the program after the first year: one market was cancelled mid-season; one went out of business after its first season; and two were owned by one operator who found the system too laborious and that their “demographics were wrong”. All continuing participants were required to sign a *2008 EBT Program Continuing Agreement (Addendum 2)* in order to continue in the program.

The *EBT Program Application* was revised and completed for the new markets in 2008, along with an updated *EBT Program Description, EBT Program Overview, Market Benefits and Responsibilities, Wireless Options Spreadsheet* and *Options Spreadsheet Explanation*. (See *Appendix I: Market Toolkit Updates*.) Because several new markets had been identified in the winter of 2007, and the original deadline for our grant was March 25, 2008, we requested and were granted an extension of the grant until July 25, 2008 in order to bring the additional markets into the program. (See *Addendum 3: Grant Extension Request and Agreement*.)

#### Purchase of Wireless EBT Machines for Participating Markets:

*June, 2007:*

*Extensive research was required in order to understand the system for electronic transactions, the roles of equipment providers and financial institutions in the processing of transactions, and the charges for processing services. Ms. Suzanne Briggs, of the Oregon State Farmers Market Association, was most helpful in this process, as she had developed spreadsheets for comparing costs from different providers (See Market Toolkit, Wireless Options Spreadsheet) which we were able to adapt to our purposes. While attending the New Mexico Farmers Marketing Association EBT Training in January, 2007, Sally Haines and Gloria Stultz also met with Ms. Briggs and Mr. Clyde Terry of eFunds Corporation to discuss contract options and a possible partnership.*

*As a result of this research, eFunds Corporation was determined to provide the best service and fee structures for the CFMA EBT Program using the Verifone Vx610 wireless POS device, and appropriate contracts were reviewed. Based on the experience of markets in other states, and with the agreement of FNS and CDHS, it had been decided that the capability for debit/credit transactions would be offered to Colorado markets in addition to EBT. Upon identifying eFunds as the machine provider however, this option was limited to debit transactions, with the probability that credit cards could be accepted in the future with re-programming of the machines at no charge.*

*The cost of each POS machine is \$1139.00, which includes programming and set-up. CFMA pays the purchase cost of the machines, while each participating market is responsible for monthly provider charges and transaction fees. The machines could not be provided to the markets at the EBT training as planned because each market needed an FNS authorization number before they could complete their contract with eFunds. However, markets were provided with a surge protector, required in the contract for*

*charging the machines, plus an extra roll of paper for their machine, and a demonstration was given of the Vx610 operation.*

*Thirteen of fifteen machines have been shipped to qualified markets and paid for by CFMA. One market had not received its machine as of the date of this report, and a second market had not completed their paperwork. Two of the machines are being used at more than one market with FNS approval, which accounts for eighteen markets currently enrolled in the program. Efforts are ongoing to recruit more markets to participate in the program, as the grant was written for the purchase of thirty machines. However, the personnel time allotted for market applications and training and equipment purchase has already been exceeded, and if more markets are to be included, some of the funds for equipment need to be re-allocated to those personnel categories. We have spoken with Mrs. Carmen Humphrey at USDA/AMS about the matter of re-allocation, and are sending under separate cover the recommended documentation to effect this change.*

### **October, 2008**

Prior to the inclusion of additional markets for the 2008 season, we received assurance from eFunds that new markets would be eligible for the same contract which we had negotiated at the outset. There was no change in contract terms for continuing markets, as all contracts are three years in duration. We were able to include all four markets that had shown continuing interest in the program in time to complete their contracts with eFunds, purchase their machines and be invoiced for them before the grant ended. The last two markets which were added did not complete their paperwork in time to be included in the process. However, since these markets are both operated by the same organization, we were able to supply them with the machine that we had received back from the failed market and to provide the additional support for training on a one-on-one basis. eFunds re-programmed the re-assigned machine at no extra charge as promised.

Bringing in the additional markets did entail significant personnel time which exceeded what might be expected if we could just “sign them up”. All of the pertinent documents needed to be updated for the 2008 season, and for minor improvements that we noted in the course of implementing the program. We did petition AMS for a reallocation of our grant funds within the activity categories that we had originally identified. Specifically, personnel activities had required a greater amount of time than anticipated, equipment costs were less, and adding markets would require an even greater amount of personnel time. We were allowed the reallocations as requested, and the details of our request can be found in *Appendix II: Reallocation of Funds*. (The final totals for personnel time and expenses can also be found in *Addendum 11: Final Budget Summary*.)

eFunds also announced that the capability to do credit transactions would be added to the EBT and debit options for the 2008 season. This arrangement requires an additional third-party processor, significantly greater transaction costs for the markets, and, of course, more administrative time for bookkeeping. After being informed of the costs and procedures, three markets opted to include credit transactions, and their machines were re-programmed by eFunds at no extra charge, as promised. These three markets are

among the more established markets and have the assistance of volunteers. They are very happy with their choice to include credit, citing a significant increase in debit/credit transactions this year.

The training and authorization of market managers in the use of EBT and the eligible redemption of Food Stamp debits with EBT

*June, 2007:*

*Training of the designated EBT coordinators (in most cases the market managers) from each of the markets took place on March 10, 2007 in Cañon City, Colorado in conjunction with the CFMA Annual Membership Meeting. Attendance at the training was mandatory for participating markets, and travel stipends were provided up to a maximum of \$200 per market. A Market Toolkit notebook was developed for the training, based on a similar notebook provided at the New Mexico Farmers Marketing Association EBT training in January which Sally Haines and Gloria Stultz attended.*

*Topics at the EBT training session included a general overview of how the program works, Food Stamp rules and regulations, and the use of the wireless POS machines for electronic transactions. Our partners in the project attended the meeting and assisted in the training: Ms. Irene Wise from FNS, Mr. Ron Eicher, EBT Program Director for CDHS, and Mr. Clyde Terry from eFunds Corporations. Their contributions were invaluable, as participants' questions were answered at once and for the benefit of all, and the authorization process, which can often be quite lengthy, was facilitated. Participants completed their applications for FNS Retail Authorization and submitted them to Ms. Wise at the meeting, which enabled Ms. Wise to complete the authorization for the markets in less than two weeks after the training.*

*Due to the amount of information that was covered at the training, and our objective of answering everyone's questions, we did not have enough time to cover the accounting forms provided to the markets for tracking transactions and coupon redemption. Additional training for the accounting process was accomplished by three conference calls, each with 3 or 4 participants at various dates following the meeting. During the conference calls, some problems were identified with the sample accounting forms supplied in the Market Toolkit, and appropriate revisions were made. Blank accounting forms for the markets' use were included in the Market Toolkit, and electronic versions of the Excel files have subsequently been sent by email to all participants. (See Market Toolkit: Market Transaction Report, Market Day Transaction Report Summary.)*

**October, 2008**

The EBT Coordinators and managers from four of the new markets attended a training workshop in Greeley, Colorado on March 28, 2008 in conjunction with the CFMA Annual Meeting held the following day. As in the previous year, trainees were provided with a *Market Toolkit* notebook updated for 2008, and a travel stipend of \$200 maximum for each market. All participating markets had also been provided with a packet of updated materials during the 2007 season. (See *Appendix I: Market Toolkit Updates*.) The two remaining markets, operated by the same organization, had not completed their application in time to participate in the workshop. However, they were provided with

training materials and support as soon as their paperwork was complete and they were sent their POS machine.

As had happened at the previous training, going over how the program works, questions about the FNS authorization application and a demonstration of the POS machine took all of the allotted time at the training. A telephone conference call was scheduled and executed to answer questions concerning the transaction accounting forms and vendor reimbursement procedures. The revisions made to the forms in 2007 avoided some of the areas of confusion, and the process went smoothly.

While there was a lot of work involved in updating documents for the new markets, much of those revisions improved the content of the training materials, and we were able to take advantage once more of the efficiencies inherent in training the managers and EBT coordinators as a group. We were also able to bring six new markets into the organization due to their interest in the EBT program. All of the new participants were grateful for the opportunity to add EBT and debit transaction capabilities to their markets.

#### The education of farmers' market vendors in the use of EBT and eligible Food Stamp redemption

*June, 2007:*

*A Vendor Information document was developed to inform vendors at the markets about the Food Stamp Program, coupon redemption, and the rules for accepting Food Stamps for eligible purchases. All vendors selling eligible items at participating markets are required to accept Food Stamp coupons, and the markets were provided with a sample Vendor Agreement form for each vendor to sign. (See Market Toolkit for both documents.) Vendor cooperation has generally been good, with one notable exception: one market had a vendor resign from the market because they did not believe in Food Stamps. The market manager in this case accepted the vendor's resignation with regret, and in doing so showed considerable courage and commitment to the program.*

#### **October, 2008**

The *Vendor Coupon Return Forms* (both Sample and Blank) were updated for the 2008 season. Other vendor information and agreement documents did not require revision. No further problems with vendor participation or compliance were reported.

#### The creation of a system of scrip used by the vendors for reimbursement for Food Stamp purchases at Colorado farmers' markets

*June, 2007*

*With just one POS machine per market and an average of 20 vendors, a system of paper scrip was established for Food Stamp and debit transactions and vendor reimbursement.*

*Re-usable, non-reproducible paper coupons were designed to be used at all participating member markets. The market management conducts transactions at a central market location and gives customers coupons in return for the transaction amount. The coupons can then be used by the customer for purchases from market vendors.*

*Food Stamp Coupons given for EBT transactions are \$1 denomination and can be used for Food Stamp eligible purchases only, while “Market Bucks” given for debit transactions are \$5 denomination and can be used to purchase anything at the market. (See Market Toolkit for sample coupons.) At the end of each market day, vendors turn in their coupons for reimbursement or for credit toward market fees. Forms for tracking vendor reimbursement were provided in the Market Toolkit (Vendor Coupon Return Form and Vendor Coupon Reimbursement Report).*

*Graphic design for the coupons was done by subcontractor, Daryl McCool, d.a.m.cool Graphics, Boulder, Colorado, and overseen by CFMA Executive Director. The coupons were printed at Eight Days A Week Imaging, Boulder, Colorado. The Food Stamp Coupons and Market Bucks design is the same for all the markets, with the market name added using a rubber stamp. Participating markets received their coupons at the EBT training, along with a stamp with their market name, an ink pad and ink. Extra coupons were printed in case the markets needed them, and to date, one market has requested additional Market Bucks which were supplied to them.*

### **October, 2008**

The Food Stamp Coupons and Market Buck coupons were updated for 2008, printed as before, and distributed to all participating markets. (See *Addendum 4: 2008 Coupons.*) New participants were provided with their market stamps, ink and inpad. Extra coupons were printed and, while requests for extra coupons in 2007 were primarily for Market Bucks (debit coupons), in 2008 requests for additional Food Stamp coupons greatly exceeded those for Market Bucks. One market even found it necessary to go around to vendors during the market to get Food Stamp coupons to use again that day. By the end of the season, we had distributed all of the extra Food Stamp coupons which had been printed.

### The education of the public about using Food Stamps at farmers’ markets in Colorado

*June, 2007:*

*Two Press Releases have been issued for the project: one in November, 2006 which announced the grant and described the program; and one in March, 2007 which described the program and directed readers to participating markets.. The Colorado State Department of Agriculture Markets Division provided assistance by distributing the press releases to their statewide media list. Response to the releases has been excellent with numerous newspaper articles (to be sent under separate cover) and an interview on Colorado Public Radio ([www.kcfr.org](http://www.kcfr.org)). The CFMA website was revised to include information on which member markets accept EBT and their days and hours of*

operation, and the first press release was placed on the CFMA website ([www.coloradofarmers.org](http://www.coloradofarmers.org)).

The CFMA is also in the process of establishing a partnership with the state office of Food Stamp Nutrition Education and the CDHS to develop and distribute fliers to Food Stamp clients informing them that Food Stamps can now be used at farmers' markets.

### **October, 2008**

Full color promotional fliers in English and Spanish were designed in 2007 for each market by graphic artist Daryl McCool, and electronic copies were emailed to the markets for reproduction as fliers or posters. (See *Appendix I: Market Toolkit Updates* for sample market fliers.) Each flier included the name of the market, its location and hours of operation. For 2008, an electronic flier template was designed and emailed to the markets so that each market could update their own fliers. The template was designed so that the market information could be edited in Word format, but the remainder of the flier was locked out to any changes. As grant funding has ended, the markets will be able to use these templates each year to update their information without further administrative support. (See *Addendum 5: Market Flier Templates*.)

The CFMA website was updated several times with the new EBT markets listed and 2008 information updated for all markets.

For the 2007 season, representatives from the Colorado Food Stamp Education office, Colorado State University Extension Service, and LiveWell Colorado were contacted regarding promotion for the Food Stamp Program at farmers' markets. While several counties with participating markets do not actually have a Food Stamp Education office, other counties enthusiastically promoted the program. Those county offices had usually been contacted by the markets, and those markets in turn saw more success as indicated by their number of transactions. LiveWell Colorado was instrumental in setting up EBT for the two markets in Fountain, Colorado which were the final markets to be signed up in 2008, after market management changes had resulted in their application process becoming stalled.

Experience with EBT at farmers' markets throughout the country has shown that EBT programs tend to start out slowly the first year, followed by sometimes dramatic increases in transactions in successive years. (See *Farmers' Market Today* article, "EBTs Bring More Revenue to Farmers' Markets", March/April, 2008 in *Appendix I: Market Toolkit Updates*.) Although we have not yet surveyed our participating markets for 2008, anecdotally, our markets seem to follow the pattern, with a significant increase in transactions during their second year. Promotion of the EBT program seems to be the key here, although word-of-mouth between Food Stamp clients is also important for growth. Repetition and comfort with the admittedly complicated transaction procedures for customers, vendors and market management probably also contributes to increased activity over time. With more funds for advertising and more time, it's certain that even greater success is possible.

### Coordinate testing cell service at individual market locations

*June, 2007:*

*Because of the extensive wireless network employed by eFunds and the ability of these machines to use even marginal signals, no testing was required prior to machine delivery. Hands-on training by phone for each market with their machine on location has been carried out by eFunds technicians without the need for CFMA involvement, except in one case where the machine was not functional.*

### **October, 2008**

No further efforts were necessary in this category, as eFunds continued to provide excellent training and support for machine function. No problems were reported in transmission, except that battery life tended to be lower in areas where signal strength was lower. Those markets were advised to make sure they had their extra battery charged and available during market hours.

### Troubleshooting project as market season begins

*June, 2007:*

*There have been several issues which needed to be resolved as the season began, including an inoperable machine at the Boulder Farmers' Market first market, how to accommodate the "no change given" rule for Food Stamp purchases of pre-priced items, customer service connection problems with JP Morgan Chase, short battery life in the machines where the cell signal is weak, and whether to accept transactions for cash benefits other than Food Stamps. All issues to date have been satisfactorily resolved with input from the markets and our partners at FNS, CDHS and eFunds.*

### **October, 2008**

For the remainder of the 2007 season, there were few problems reported with the exception of a billing question that was handled by eFunds, and questions about Food Stamp regulations which were referred to FNS.

In 2008, there have been a number of questions from the new markets about implementation of the program and in transaction accounting procedures. This was to be expected. One "troubleshooting" issue that was not trouble at all was the need for additional Food Stamp coupons at markets due to increased transaction activity. In each case we were able to mail more coupons in time for their next market.

### Provide a method of reporting project results and quantitative evaluation of the project's impact.

*June, 2007:*

*Market reports on the program results will not be due until the end of the season. However, there has been tracking of hours and expenses incurred for the project, and the use of that data for requests for reimbursement and required reports, including this progress report.*

### **October, 2008**

An EBT Program Market Report Form and Market Questionnaire for the 2007 season were created and mailed to each of the participating markets. (*Addendum 6: 2007 EBT Program Market Report Form* and *Addendum 7: 2007 EBT Program Market Report Questionnaire*) The Market Report form used the same format as the Market Day Transaction Summary Form which was provided to the markets for transaction accounting, and an Excel file of the Report form was also emailed to all markets. A compilation of the results from the Report Forms and Questionnaires is included in this Report's Analysis section below.

Because the grant for the EBT program ended on July 25<sup>th</sup> of this year, our organization does not have funding support for follow-up reporting to see how the markets did in their second season. However, we do intend to send out Market Report Forms and Questionnaires at the end of the season, and this information will be available as part of our ongoing EBT program.

Four additional Reimbursement Requests were submitted to the USDA AMS grantors, including a Request for Advance in order to utilize the funds that were remaining as of July 25<sup>th</sup>. Accounting for the Advance is being sent under separate cover, and copies of all Reimbursement Request documents can be found in *Appendix IV: Reimbursement Documentation*.

### **Analysis**

#### Market Participation:

*June, 2007:*

*While we have not achieved our stated goal of thirty wireless EBT machines distributed to Colorado farmers' markets, we understand that bringing the capability to accept Food Stamps to eighteen markets is a great accomplishment. In envisioning the project, we had expected that most of our markets would apply to participate in the program. However, the reality of requirements for the additional labor to operate the POS machine during all market hours, and for the accounting necessary to implement the system of tracking transactions and coupon redemption was beyond the perceived infrastructure capacity of many markets. The monthly costs were also an obstacle, even though several strategies to meet those costs were offered to the markets. We were very conscientious in disclosing these costs to the markets as part of the application process, and, in retrospect, it may have seemed overwhelming to some.*

### **October, 2008**

A considerable amount of work was done to include more markets in the program for the 2008 season. Six new participants were added, and one market added another market location with EBT. Four of the new markets joined CFMA in order to be able to participate in the EBT program. Eighteen wireless POS machines have been purchased and put in service in Colorado farmers' markets to date. While these are worthy accomplishments, the current number of participating markets is still below the thirty machines and forty-five markets that we anticipated, for all of the reasons cited in the Progress Report above. Perhaps we set the bar too high. But with all due consideration, providing EBT to twenty-one markets, and supporting them in so many areas of implementation is a huge accomplishment, and highly cost-efficient when compared with many other programs. Clyde Terry of eFunds wrote, "I know of no other state who has made that much progress in one season."

One significant area of disappointing non-participation, though, has been among farmers' markets in the Denver metropolitan area. Of the twelve Denver metro markets that belong to CFMA, only two are currently participating in the EBT program. Four others originally signed up but have dropped out of the program. There are also additional metro markets that are not CFMA members, and those markets do not participate either, as CFMA membership is a prerequisite. The reasons that Denver metro markets did not sign up for EBT can only be speculated, but foremost is the fact that most Denver metro markets are owned and operated by individuals or companies as for-profit enterprises. These companies operate several markets, often as many as eight or nine, and most of the markets are located in upscale neighborhoods, as would be dictated by sales and profit considerations. We are presuming that these owners of multiple markets in the metro area concluded that participation in the EBT program would not benefit their markets because of customer base and the increased administrative work that it would entail. In fact, one company that entered the CFMA EBT program with three Denver metro markets in 2007, dropped out after the first season citing the reason that their "demographics could be wrong".

On the other hand, farmers' markets in small communities, which are often operated by volunteers or as a civic enterprise, responded in greater numbers to the EBT program. Many of them considered the capability to offer EBT at their market to be a matter of fairness and community inclusiveness, and only secondarily an opportunity for increased sales. They were willing to take on the additional work and expense because it was the "right thing to do". In these smaller communities, the EBT program is especially important because their markets often have less resources for implementation of EBT on their own, and the EBT program has great value to them. Here are messages from some of those markets following the 2007 season:

- "...it has made me a local hero to provide this kind of service at my market." *Gloria Stultz, Market Manager, Cañon City Farmers' Market*
- "I think the EBT program has continued to be an important part of our outreach to the low-income community here and am looking forward to continuing next year." *Marje Cristol, EBT Coordinator, Durango Farmers' Market*
- "We enjoyed (the program) and found all the ways to make it better next year. Hope we can participate again even though our numbers were not great. We really liked it and thought it was important." *Sandra Brown, EBT Coordinator, Montrose Farmers' Market*

- “It has been a great Market (year) and the EBT machine is the best. It has helped to let people know that they can come to the Market and buy some good produce.” *Earlyn Cowman, Manager, Woodland Park Farmers’ Market*

## Implementation

*June, 2007:*

*In all other respects, the project has had great success. Time spent up-front establishing partnerships, researching options and determining how the program would work was well spent, as each phase has gone smoothly: member applications, FNS authorization, equipment procurement, manager training, and accounting procedures have been accomplished with very few problems. Much of the credit must go to the great deal of cooperation and encouragement we have received from FNS, CDHS and eFunds Corporations, as well as to the pioneering work done by the Oregon State Farmers Market Association which they were willing to share through their website and through direct communication with Ms. Suzanne Briggs from Oregon. Our friends at the New Mexico Farmers Marketing Association very generously allowed us to attend their EBT training, which provided ideas for us to use with our project. We believe we have refined and adapted all those materials to create a workable model for implementing EBT at farmers markets using a single point-of-sale device and a system of scrip and vendor reimbursement procedures.*

## **October, 2008**

We followed the same procedures originally established for market applications, FNS authorization, equipment procurement, manager training and coupon redemption and reimbursement for the new markets and all participants in the 2008 season. No major changes were necessary because the first season’s implementation methods had worked so well. As part of the process, documents were repeatedly refined to improve clarity, and the revisions were distributed to all participants, either by email or by hard copy, as was the case for one major set of revisions to the *Market Toolkit* notebook. (See *Appendix I: Market Toolkit Updates*) All pertinent materials, including application and information documents, were also updated to make them appropriate for the 2008 season. While eFunds had moved to a new wireless contract with different terms for 2008, they agreed to offer the same contract that we had used for 2007 to the new markets, and that contract actually had better terms for our members. Here is some feedback about the implementation process:

- “I received my first bill from eFunds yesterday and am proud to say that the transaction fees are \$.10 for Food Stamp transactions and \$.40 for debit cards. My bank says anything under \$.70 for debit transactions is a good deal.” *Gloria Stultz, Manager, Cañon City Farmers’ Market*
- “Our opening day by all accounts was wonderful...The machine worked without a hitch and most vendors had no problem and we were able to work out the few people’s issues who were confused about accepting the coupons. The accounting went smoothly as well.” *Krista Braton, EBT Coordinator, Golden Farmers’ Market*
- “I was VERY pleased at the ease of use on the machine & the plan that you prepared/sent. I am going to call you...about some questions I had with the tracking, but

other than that we are VERY HAPPY!!! Thanks again.” *Anna Horton, EBT Coordinator, Livewell Fountain and the Fountain Farmers’ Market*

Several markets did say that they found the transaction tracking/accounting procedures cumbersome and complicated, and at least one market reported that they decided not to use the tracking forms that were provided. Time constraints during both training sessions had resulted in the decision to go over the accounting during conference calls, and perhaps that was not the most effective means for training. However, additional questions that managers had were answered by email or by telephone, and markets were assured that they were free to use any tracking system that worked for them. In retrospect, the system of scrip that is necessary with one central POS machine at a multi-vendor market does result in administrative complexities which are obstacles to implementation of an EBT program.

During both the 2007 and 2008 seasons, CFMA followed through with implementation of the EBT program as outlined in our grant proposal. We brought EBT to twenty-one markets, negotiated a contract for the wireless machines and electronic transaction processing, assisted the markets with FNS authorization, informed their managers and vendors about Food Stamp regulations, provided them with a system of scrip for vendor redemption and reimbursement, and a method for tracking coupon sales. We put out statewide press releases promoting the Food Stamp program, enlisted the support of local Food Stamp offices, and provided promotional materials to each market. We answered their questions and concerns, and encouraged them when they met resistance from vendors or customers. We’re proud of our efforts and especially proud of our markets, because of the work they have done in implementing the EBT program.

### Program Results

*June, 2007:*

*Market reports on the program results will not be due until the end of the season.*

### **October, 2008**

After the end of the 2007 season, all 18 participating markets returned Market Report Forms and Market Questionnaires; three markets did not complete the Market Report Form, two because they had no transactions. (One market was cancelled and one market received their machine after the end of their season.) The data from the completed forms and questionnaires was compiled and summarized, and can be found as *Addendum 8: 2007 Market Report Summary, Addendum 9: 2007 Market Questionnaire Summary and Addendum 10: 2007 Market Questionnaire Responses.*

### Market Report Summary Results

From the *Market Report Summary*, the total number of EBT transactions for all markets in the 2007 season was 354, with a total dollar amount of \$7255. These numbers varied greatly among markets with the greatest being 84 transactions for \$1953 at a large market which had the greatest number of market days (54), and the least being four (\$125) and six (\$110), both markets in small communities with the least number of market days (14).

Two markets reported only one or two transactions, but these markets have since dropped out of the program, and it is questionable whether their machine was actually in operation during the season; a third market operated by the same company was cancelled and reported no transactions were made. One market reported zero transactions at one of its sites despite reporting that the machine was in operation; and one market reported no transactions because their machine was received after the end of the 2007 season.

The overall average number of EBT transactions per market day was 1.10 with an average dollar value of \$22.53 per market day, and an average transaction amount of \$20.49. The average number of EBT transactions per market day and their dollar value also varied widely among markets, but in this case there was no correlation with market size or frequency. The market with the highest average number of transactions per market day (2.71 for \$47.82) was a medium-sized weekly market in a small community, while the markets with the lowest average transaction number (less than one transaction per market) were in both larger cities and small communities. Not surprising, although not measured and merely from our observations, it seems that the markets with the most commitment to the program and the greatest outreach to their communities had the most EBT transactions.

Debit transactions outpaced EBT transactions at all markets which offered the debit option, with a total number of 1015 transactions for \$28,480. This averages out overall to 3.15 debit transactions per market for \$88.45, and an average transaction amount of \$28.06. There seemed to be some correlation between average numbers of EBT and debit transactions, with markets having above average number of EBT transactions also having above average number of debit transactions, and the same for below average numbers of transactions, but the correlation does not hold across the board. The three markets with EBT-only did seem to have a relatively greater number of EBT transactions than would be expected for their market and community size. Two of these markets were among the markets deemed to be most pro-active with the EBT program.

While these EBT transaction numbers might seem low, it is not unusual for EBT sales to start out slowly at farmers' markets. According to USDA's 2007 EBT Farmers' Market Status Report<sup>1</sup>, Connecticut, with 18 markets participating, reported \$3300 total EBT sales in 2007, the fourth year of their program; in Illinois, one weekly market had average EBT sales of \$100/month, or an average of about \$22 per market day in their first year; in Minnesota, one market held twice weekly had average sales of \$400/month, or about \$45 per market day.

In almost all cases where EBT sales have been reported, though, they increase in successive years. At Philadelphia's Food Trust farmers' markets, EBT sales started at \$500 the first year, went to \$2500 the second and \$4300 the third year.<sup>2</sup> In the USDA Status Report, Connecticut reported 2007 EBT sales doubled from the previous season,

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<sup>1</sup> USDA Food and Nutrition Service 2007 EBT Farmers' Market Status Report; [www.fns.usda.gov/fsp/ebt/ebt\\_farmers\\_marstatus.htm](http://www.fns.usda.gov/fsp/ebt/ebt_farmers_marstatus.htm)

<sup>2</sup> Hahn, Marcia; "EBT's Bring More Revenue to Farmers' Markets"; *Farmers' Markets Today*; March/April, 2008.

and two Kansas markets had increases of 80% and 66% in 2007 over 2006. It is with this understanding that EBT sales at farmers markets take some time to become established, that we are hopeful for increased sales at Colorado markets in subsequent years. And it is the reason that we have encouraged our markets to continue in the program regardless of their sales in the first year.

#### Market Questionnaire Summary

The end-of-season market questionnaire was brief—one page, ten questions—to make it easier for the markets and to insure that they would respond. Seventeen of the participating markets did return a completed questionnaire; the only market that did not was the market that was cancelled. The results were compiled and tabulated on the *Market Questionnaire Summary*. In order to draw conclusions about the results, the Summary ranked the markets by their average number of EBT transactions per market from the *Market Report Summary*. Information on the number of vendors at the markets was taken from market records, and was included in order to further clarify results.

The first question asked whether the markets had their machine in service during every market, which was a requirement of their agreement. All markets responded “yes” except for three that had equipment problems (two cited battery problems, and the third stated that the machine was not working for one market), and one market that had not received their machine before the end of their season.

The next three questions asked whether they offered EBT-only or EBT-plus-debit and the average number of transactions and total dollar amount per market for each type of transaction. Since the transaction information had also been reported in detail on the *Market Report Form* and is summarized on the *Market Report Summary*, this data was not included in the *Market Questionnaire Summary*.

Two questions asked about methods of promotion that the markets used and whether they received outside support for their program. This information is tabulated on the Summary. All the markets reported using the promotional fliers which had been provided, although not all of the markets used the fliers outside of their market site. Newspaper articles were cited with the next greatest frequency, which was probably due in part to the press releases and numerous articles that ran throughout the state (reported in June’s Progress Report). Newspaper ads were used by eleven of the markets. Eight markets reported using radio spots, although some of those could have been including the Colorado Public Radio interview about our grant for EBT at farmers markets. Television spots and direct mail were infrequent. Ten of the markets reported having contacted their local social services as part of their promotional efforts.

Surprisingly, there did not seem to be a correlation between the number of EBT transactions per market and the methods of promotion that the markets used. Some of the markets that reported using all the promotional tools had the lowest numbers numbers of transactions; and some of the markets at the top of the transaction numbers used less promotional tools. This may be due to reporting error, or it could be due to other intangibles that were not reported, e.g. community characteristics, and other efforts by the

market to include community members. Especially relevant would be extent of the market's outreach to Food Stamp recipients in their community.

Advertising and promotion were cited as the most important steps that could be taken to improve the program's success at their market (Question 10 of the Market Questionnaire), and this is corroborated by the experience of other markets and EBT programs around the country. In fact, once a program is in place, its success, as measured by numbers of transactions, depends upon outreach to Food Stamp recipients. And while public notices and information are important, they may not actually reach their target as successfully as direct communication to recipients from Food Stamp offices and other social services networks. Most of our markets realized this, and all of their comments are included in the *Market Questionnaire Responses (Addendum 10)*.

When asked to rank the success of the EBT program at their market, on a scale of 1 to 5, with 1 being "Very Poor" and 5 being "Excellent", the overall average score was 3.29. However, the individual scoring was not directly related to the number of transactions, as might have been expected. While the top-ranked markets did score their program's success as a 5, the other markets scored their success from 2 to 4 without a discernible pattern when compared to number of transactions or promotional efforts. No markets deemed their success to be "Very Poor". Again, this is a perceptual issue and subject to many intangibles, including expectation. Most of the markets believed that more promotion would lead to more success, although there were comments about the effects of "the stigma of using Food Stamps" at the market, and the "cheap food is best mentality" . (See *Addendum10: Market Questionnaire Responses*.)

There were also two questions on the survey which asked the markets to rank the support of CFMA and eFunds, the machine provider and electronic processor for transactions, again on a scale of 1 to 5. Both organizations scored well: eFunds' support received an overall average of 4.65, and CFMA was scored as 4.76. Some comments cited the difficulty of tracking and accounting, and the "learning curve for implementation" as areas of limitation. But the scores of "Excellent" are probably a reflection of the effort and attention that was given to supporting the markets in the implementation of the program. Certainly, the positive feedback we received throughout the season attests to the appreciation the markets held for the organizations' effort and advocacy in bringing EBT to their markets.

### Program Benefits

*June, 2007:*

*Finally, the acquisition of such a major grant and the offering of a valuable program to our member markets have provided great capital for the CFMA organization. The program generated a lot of interest with our members, which along with the coupling of EBT training and travel stipends, resulted in increased attendance at our Annual Membership Meeting. One market has joined the organization to participate in the program, and there has been exploration by at least four other non-member markets which we hope will decide to join the organization and participate in the EBT Program.*

*Thus, in addition to providing access to Food Stamp customers at Colorado farmers' markets, the EBT Program has strengthened the Colorado Farmers' Market Association and its members.*

### **October, 2008**

As delineated above, the monetary benefits of the EBT program to markets and their vendors in the form of increased sales is limited, especially in the first year. There were market days when many markets had no EBT transactions. But they did not give up because they were committed to the program and dedicated to its principles. Debit transactions had a better start, and the convenience and immediacy of supplying cash to shoppers probably does accrue benefit to the markets in increased sales, although this is difficult to measure.

CFMA did benefit greatly from the grant and from the EBT program with increased stature among farmers' markets and other organizations in our state and region. Five new members joined CFMA in order to participate in the EBT program, and attendance at our 2008 Annual Meeting was good, in part due to continued interest in the EBT program and the four travel stipends issued to new markets for EBT training.

But the greatest benefit realized from the implementation of EBT for farmers' markets in Colorado has been to the communities and to the standing of those markets within their communities. The widely held belief that farmers' markets are only for people with a lot of money will take time to be dispelled, and EBT is just one of many steps to that end. What is important is that people with limited incomes can now use their Food Stamp accounts to purchase fresh, locally grown food at the farmers' market in their communities that have made the effort to implement EBT.

### **Remaining Challenges**

*June, 2007:*

*In order to make the CFMA EBT Program an unequivocal success, we now need to translate the capability for using Food Stamps at farmers' market into actual customer purchases. We intend to accomplish this through direct contact with Food Stamp clients and with additional promotion of the program to the general public.*

*We would also like to increase the level participation to twenty POS machines and twenty-three markets. Kaiser Permanente and its LiveWell Community project have expressed interest in having four markets which they sponsor participate in the program. We may also contact other non-member markets directly with information about the opportunity to join CFMA and accept Food Stamps at their market.*

*Looking further into the future, we will need to find a strategy to make the EBT Program sustainable. Markets will need to be able to pay the costs of the program, and the CFMA will need to cover the costs of continuing to administer it. We hope that demonstration of our success so far will enable us to acquire additional funding for those ongoing costs.*

## October, 2008

We can report important success in accomplishing the purpose of this grant to enable farmers' markets in Colorado to implement Electronic Benefits Transfer (EBT) technology, but we had hopes for even greater levels of participation, from the markets themselves and from the recipients of Food Stamp benefits. We assumed that most of our member markets would seize the opportunity to include EBT, and that Food Stamp customers would take advantage of this opportunity use their benefits to purchase fresh, locally grown food. Unfortunately this was not so. The additional work involved for the markets and the actual costs of using the machines proved to be too great an obstacle for many of our markets. And Food Stamp customers did not flock to the markets once EBT was in place.

Market participation will continue to be a challenge with a centrally-located EBT machine. Having one POS machine in a multi-vendor market makes sense because of the expense of the wireless terminals being used, but it requires great commitment on the part of markets and vendors to do the extra work required by the scrip/token system. Until and unless this equipment expense is somehow reduced so that individual vendors can have their own machines, and the monthly costs are subsidized, the logistics will continue to be a challenge. Iowa has a program sponsored by the State Department of Human Services in cooperation with a terminal provider to provide terminals at no charge to farmers as well as pay for all their monthly fees.<sup>3</sup> They cite avoiding the additional work of a token or scrip process and removing the stigma associated with tokens or coupons for Food Stamp customers as reasons for using individual machines. But this program is expensive--\$378,000 in 2007—and probably beyond the means or inclination of most states. New York state abandoned their program which provided wireless terminals to individual farmers, and went to centrally-located terminals.

Some variations on the redemption and reimbursement process for centrally-located terminals, e.g. having customers get receipts from vendors which are then taken to the POS machine to be debited directly from their account, may offer some improvement in vendor compliance and reduced market administrative time. But those improvements are incremental, and probably not of enough magnitude to result in a significant improvement in market participation. It doesn't seem that the answer has yet been found to eliminate the challenges of a centrally-located EBT machine, and farmers' markets need to do the best they can with what support they can elicit from sources such as USDA and their local communities to make this system work.

Even with these obstacles, CFMA continues to receive requests from markets about the EBT program. We were able to include two markets in Fountain, Colorado this season in spite of the fact that their application was not completed in time to purchase a machine for them. We had a machine which had been returned from another market that went out of business, and eFunds reprogrammed it at no charge. Their application and training process was carried out on an individual basis before the grant expired. But there are

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<sup>3</sup> Hahn, Marcia; "EBT's Bring More Revenue to Farmers' Markets"; *Farmers' Markets Today*; March/April, 2008.

other markets that we won't be able to accommodate—farmers' markets in two communities have already inquired this year—because we do not have the administrative resources that it would take to bring them through the process. And of course, the absence of EBT at farmers' markets in the Denver metro area is a reproach of the EBT effort that needs to be addressed.

Sustainability of the current EBT program is also an issue that CFMA and its members will face henceforth as the FMPP grant that supported the program has ended. We have taken what steps we could before the end of the grant to provide for the future, by creating templates for the promotional fliers which the markets could use year after year, and by printing coupons for the 2009 season ahead of time. But the markets will have to continue shouldering the burden of the costs of operating their machines and transaction fees, as well as administering coupon redemption and reimbursement of their vendors. Increasing debit and credit transactions with their associated customer service fees may help the markets to offset their costs.

CFMA will undoubtedly be called upon in the future to help with issues and problems that arise for our EBT markets, and we intend to provide what support we can in spite of the fact that we receive no regular funding from our state or any other entity, and are supported entirely by the dues of our members. We have considered levying a modest monthly fee for EBT program participants to use the machines and to provide for administrative costs, although this merely shifts the burden onto predominantly smaller markets that can ill afford it, and further jeopardizes their participation. For our program to endure and expand, additional funding will need to be found for its support.

On the bright side, increasing Food Stamp transactions at markets with EBT is probably achievable with increased promotion and advertising. Word of mouth will contribute to more customers, and that will be a matter of time and positive experiences for Food Stamp customers at farmers' markets. Of course, unpredictable economic factors beyond our control may affect the numbers of Food Stamp recipients and whether they choose to shop at a farmers' market.

In conclusion, with this FMPP grant, USDA and CFMA have taken important steps to include Food Stamp recipients at farmers' markets in Colorado, but many concerns remain about the cost and complexity of implementation of a centrally located wireless POS device at multi-vendor markets. The important point is that Food Stamp recipients now do have that choice to shop at those farmers' markets that participate in the EBT program, and that the entire community can benefit from access to fresh, locally grown food at their farmers' market.

Sally Haines, Executive Director  
Colorado Farmers' Market Association  
October, 2008

**Addenda**

- Addendum 1: 2008 CFMA EBT Program Markets
- Addendum 2: 2008 EBT (Food Stamp) Continuing Agreement
- Addendum 3: Grant Extension Request and Agreement
- Addendum 4: 2008 Coupons
- Addendum 5: Market Flier Templates
- Addendum 6: 2007 EBT Market Report Form
- Addendum 7: 2007 EBT Program Market Report Questionnaire
- Addendum 8: 2007 Market Report Summary
- Addendum 9: 2007 Market Questionnaire Summary
- Addendum 10: 2007 Market Questionnaire Responses
- Addendum 11: Final Budget Summary

**Appendices**

- Appendix I: Market Toolkit Updates
- Appendix II: Reallocation of Funds
- Appendix III: Timesheet and Expense Logs
- Appendix IV: Reimbursement Documentation

**To be sent under separate cover:**

- Reimbursement Report for Advance

## 2008 CFMA EBT Program Markets

<u>Market Name</u>	<u>City</u>	<u>EBT Coordinator</u>	<u>Email</u>	<u>Phone</u>
Boulder FM	Boulder	Katie Bauer	<a href="mailto:bfm-manager@boulderfarmers.org">bfm-manager@boulderfarmers.org</a>	303-910-2236
Brighton Downtown Market	Brighton	Helen Rodriguez	<a href="mailto:hrodriguez@brightonco.gov">hrodriguez@brightonco.gov</a>	303-655-2173
Canon City FM	Canon City	Gloria Stultz	<a href="mailto:stultzranch@earthlink.net">stultzranch@earthlink.net</a>	719-269-7683
Colorado Farm and Art Market (2 mkts)	Colorado Springs	Laura Parker	<a href="mailto:info@farmandartmarket.com">info@farmandartmarket.com</a>	719-640-6154
Cortez FM	Cortez	Kim Lindgren	<a href="mailto:lindgren@fone.net">lindgren@fone.net</a>	970-564-9849
Denver Urban Gardens	Denver	Jessica Romer	<a href="mailto:jessica@dug.org">jessica@dug.org</a>	303-292-9900
Durango FM (2 markets)	Durango	Marje Cristol	<a href="mailto:mlazyd@frontier.net">mlazyd@frontier.net</a>	970-375-6401
Fountain FM (2 markets)	Fountain	Anna Horton	<a href="mailto:livewellftn@yahoo.com">livewellftn@yahoo.com</a>	719-382-7837
Golden FM	Golden	Krista Braton	<a href="mailto:info@goldenco chamber.org">info@goldenco chamber.org</a>	303-279-3113
Greeley FM at the Depot	Greeley	Karen Scopel	<a href="mailto:karen.scopel@greeleygov.com">karen.scopel@greeleygov.com</a>	970-350-9783
Larimer County FM	Fort Collins	Alison Stoven	<a href="mailto:astoven@larimer.org">astoven@larimer.org</a>	970-498-6005
Longmont FM	Longmont	Cindy Torres	<a href="mailto:lfm-manager@boulderfarmers.org">lfm-manager@boulderfarmers.org</a>	303-910-2236
Montrose FM	Montrose	Frances Baer	<a href="mailto:francesbaer@yahoo.com">francesbaer@yahoo.com</a>	970-323-5756
Osage Mercado	Denver	Cristina Caamano	<a href="mailto:cristina_caamano@yahoo.com">cristina_caamano@yahoo.com</a>	303-861-4852
Salida Farmers Market	Salida	Seth Roberts	<a href="mailto:sethro@weathervanefarmbu.com">sethro@weathervanefarmbu.com</a>	719-207-2287
Trinidad Farmers Market	Trinidad	Joyce Cuccia	<a href="mailto:joycecuccia@gmail.com">joycecuccia@gmail.com</a>	719-846-9329
Valley FM	Alamosa	Tawney Becker	<a href="mailto:tawney1@earthlink.net">tawney1@earthlink.net</a>	719-587-3626
Woodland Park FM	Woodland Park	Judy Crummett	<a href="mailto:lanceandjudy@earthlink.net">lanceandjudy@earthlink.net</a>	719-689-3133
7/30/2008				



## COLORADO FARMERS' MARKET ASSOCIATION 2007 EBT PROGRAM MARKET REPORT QUESTIONNAIRE

*Please complete one form for each market.*

1. Name of Market \_\_\_\_\_
2. Physical Location of Market: City \_\_\_\_\_ County \_\_\_\_\_
3. Dates of Market Operation \_\_\_\_\_
4. Market Manager \_\_\_\_\_
5. Name of EBT Coordinator \_\_\_\_\_

### 2007 Season Questionnaire

1. Was your wireless POS machine in service at every market during the 2007 season?  Yes  No

If not, please explain: \_\_\_\_\_

2. Was your machine used for  EBT only  EBT plus debit transactions? (Check one)

3. Average number of transactions per market:  EBT  debit

4. Average total dollar amount of transactions per market: \$\_\_\_\_\_ EBT \$\_\_\_\_\_ debit

- 5a. What method(s) did you use to promote the EBT Program at your market? (Please check all that apply.)

Fliers:  Posted at the market site  Posted in the community

Newspaper article(s)  Newspaper ads

Radio spots  TV spots

Direct mail

Other (please describe) \_\_\_\_\_

- 5b. Did you reproduce and use the Buy Fresh/Buy Local fliers that CFMA provided?  Yes  No

6. Did your market receive additional outside support for the EBT Program?  Yes  No

If yes, please describe \_\_\_\_\_

7. On a scale of 1 to 5, 1 being "Very Poor" and 5 being "Excellent", how would you rate the support CFMA provided for the EBT Program at your market? (Please circle one.) \* 1 2 3 4 5

8. On a scale of 1 to 5, 1 being "Very Poor" and 5 being "Excellent", how would you rate the support eFunds provided for the wireless machine at your market? (Please circle one.) \* 1 2 3 4 5

9. On a scale of 1 to 5, 1 being "Very Poor" and 5 being "Excellent", how would you rate the success of the EBT Program at your market? (Please circle one.) \* 1 2 3 4 5

10. What steps could be taken to improve the Program's success at your market? \_\_\_\_\_

\* Additional comments welcome. Please use opposite side of page.

**Please return completed form in SASE envelope provided by January 10, 2008. Thank you!**

## CFMA EBT Program 2007 Market Questionnaire Responses

**Question:** What steps could be taken to improve the Program's success at your market?

- We have established an inclusiveness committee which will be dealing with this question (among others). Next year, we should be advertising in more culturally appropriate ways and through more diverse channels. Additionally, we will be working to decrease the stigma of using Food Stamps. *Boulder Farmers' Market*
- Paper tracking formula did not work for me. *Canon City Farmers Market*
- The debit portion was more successful. It's hard to pull people away from the "cheap food is best" mentality. Many low-income people were not interested, since they didn't feel it was financially worthwhile. Time may help build the program. *Colorado Farm and Art Market*
- Getting Social Services invested in the program. *Cortez Farmers' Market*
- We encountered a reasonable learning curve for implementation. We'll focus more on direct advertising to Food Stamp recipients, and continue our participation in the LaPlata County LiveWell local, fresh campaign of general education. *Durango Farmers' Market*
- I would like to have a stronger link with local organizations who can help promote...the program. We really appreciate having the machine. *Golden Farmers' Market*
- Continuing publicity. *Greeley Farmers' Market*
- Ideas, support, contacts to get the word out to Food Stamp recipients. *Historic Downtown Littleton Farmers' Market*
- Better marketing/advertisement of program; offering credit. *Larimer County Farmers' Market*
- Marketing! I think it would be much more successful if people just knew about it. *Longmont Farmers' Market*
- Early PR%; more centralized spot for EBT and full-time person educating buyers. EBT customers sauntered in an hour before closing. *Montrose Farmers' Market*
- More posters for each market in English and Spanish; more radio promotion. *Osage Mercado*
- My demographics were probably wrong. *Southlands Farmers' Market*
- More promotion in advance and during first part of season will help. Sales picked up late in season. *Valley Farmers' Market*
- More publicity for EBT at market. Specific advertising. *Woodland Park Farmers' Market*

## 2007 EBT Program Market Report

Market Name: \_\_\_\_\_

	Market Date	Food Stamp Transactions		Debit Transactions		
		# of Food Stamp Tx's	Total \$ Amount of Food Stamp Tx's	# of Debit Tx's	Total \$ Amount of Debit Tx's	Total \$ Amount of Customer Service Fees
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
<b>Season Totals</b>		0	\$ -	0	\$ -	\$ -

<b>Season Averages</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
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**Colorado Farmers' Market Association**  
P.O. Box 4354 Boulder, CO 80306  
303-887-5972  
www.coloradofarmers.org

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## **2008 EBT (Food Stamp) Program Continuing Agreement**

This Agreement between the Colorado Farmers' Market Association (CFMA) and

\_\_\_\_\_ (“the Market”)

describes the benefits and responsibilities of both parties participating in the CFMA EBT (Electronic Benefits Transfer) Program established by a USDA grant to provide wireless point-of-sale terminals which allow Food Stamp transactions at Colorado farmers' markets. This Continuing Agreement applies to markets which participated in the EBT Program during the preceding year. I/We understand that the Market may continue to use the Verifone 610 wireless terminal provided by CFMA for the 2008 season, as long as the Market to complies with the provisions outlined below.

I/we operate a farmers' market authorized by the USDA Food and Nutrition Service (FNS) as a retail outlet in the CFMA EBT (Food Stamp) Program. I/we understand that the wireless point-of-sale terminal (“the terminal”) operates by electronically transferring the amount of an EBT, debit or credit transaction made with a customer's Colorado Quest card (or debit/credit card, at the Market's option) from his/her account to the Market's bank account using electronic card services and wireless data networks. I understand that use of the terminal assures on-line verification of valid EBT/debit or credit cards/accounts and funds availability and transfer. I understand that the Market may use the terminal at multiple farmers' markets under the same management on different days of the week.

I/we understand that to enable the program to operate at our market(s), we must operate a “Farmers' Market Coupon System” that will enable EBT/Food Stamp customers to make purchases from the market cashier of \$1.00 denomination “Food Stamp Coupons” for customers' use in making purchases of eligible food and plant products from market farmers and vendors; and, if the Market opts to include debit/credit transactions, \$5.00 denomination “Market Bucks” which can be used for the purchase of any product at the Market. I understand that the Market will be responsible for making EBT transactions and issuing Food Stamp Coupons for Food Stamp/EBT customers during normal business hours of the Market during the Market's season, and for securing the Food Stamp Coupons (and Market Bucks) against loss or theft. I understand that we will be responsible for redeeming the coupons from participating farmers and vendors for each market day, keeping records of redemptions, and providing reimbursement on an established basis using funds from the Market's business checking account into which the wireless EBT and debit transactions are credited when the coupons are purchased by EBT and debit customers at the Market. I understand that this account will also be debited monthly for terminal provider charges and transaction fees.

I/we understand that CFMA is providing the Verifone Vx610 wireless terminal free-of-charge, and also providing support materials and services (see below). I understand that CFMA cannot fund or reimburse the cost of personnel services for the “EBT coordinator” or other market staff who will operate the terminal, keep records of coupons sold to customers and redeemed by farmers/vendors, reimburse farmers and vendors for the coupons, or fund or reimburse the cost of printing copies of promotional posters/flyers from the sample materials to be supplied. I/we agree to require participation in the program by farmers and vendors at our Market who sell Food Stamp/EBT eligible food products, to obtain a Food Stamp and Debit Service Program Vendor Agreement from each eligible farmer/vendor, and to instruct farmers and vendors in Farmers Market EBT rules and procedures, including acceptance of Food Stamp Coupons for eligible items only, “no change” for Food Stamp Coupons, daily redemption of coupons, and posting of “We Gladly Accept Food Stamp Coupons” signs. I/we understand that in order to participate in

the program, the Market agrees that the terminal will be in operation to accept EBT transactions whenever the Market is open for business.

I/we understand that in addition to the Verifone wireless terminal, the CFMA will: (1) provide a supply of Farmers' Market Food Stamp Coupons (and Market Bucks at the Market's option) and a stamp with the market's name; (2) provide "We Gladly Accept EBT Coupons" signage for distribution to farmers with EBT eligible food and plant products; (3) provide a sample Food Stamp and Debit Service Program Vendor Agreement for issuance to farmers/vendors; (4) provide computer files of posters (11x17) and flyers (8-1/2x11) for use in promoting EBT sales at the market(s); (5) provide "We Gladly Accept EBT" signage for use at the EBT Manager's booth/table.

I/we understand that the Verifone Vx610 terminal to be provided under this program is the property of CFMA, is for use only by our market, and may not be transferred, assigned, or subleased. I understand that if the terminal is lost, stolen, or damaged due to accident or misuse, and is not available or operable, the CFMA is not responsible for replacing or repairing it. The terminal must be returned to the CFMA at the conclusion of the 2008 market season, unless otherwise instructed.

I/we understand that there may be uncertainties in the use of the wireless terminal and the coupons, including the possibility that wireless service could be temporarily interrupted (requiring suspension of coupon sales), that coupons in the market's possession could be lost or stolen, then accepted by farmers/vendors and presented for redemption, or that the Market could accidentally redeem coupons bearing another market's name. I agree to hold the CFMA harmless for any problems/claims arising from the program.

**What CFMA agrees to provide to the Market:**

- Use of a Verifone Vx610 point-of-sale terminal at no charge for the 2008 season. Ownership of the terminal remains with CFMA.
- Additional training and assistance in implementing the EBT program as necessary
- 2008 Coupons for EBT and debit/credit card transactions
- Assistance in training the Market's vendors in use of the program
- "We Gladly Accept EBT Coupons" signage to be posted at eligible farmers'/vendors' market stands
- "We Gladly Accept EBT" signage for use at the EBT Manager's booth/table
- Sample promotional materials to be used by the Market
- Excel accounting forms for tracking transactions and vendor redemption
- Assistance in promoting the program to the public via State agencies and media releases

**The Market agrees to:**

- Pay monthly fixed costs to terminal provider (Terminal Support Fee and wireless fee as applicable)
- Pay processing fees including any applicable transaction fees to terminal provider
- Display the FNS "We Accept Food Stamp Benefits" poster at the Market booth/table and welcome all eligible Food Stamp transactions while terminal is in operation
- Follow all applicable federal and state regulations regarding Food Stamp transactions
- Require all eligible vendors to participate in EBT (Food Stamp) program and obtain a signed Food Stamp and Debit Service Vendor Agreement from all eligible vendors
- Train market vendors in EBT regulations and program practices
- Provide eligible farmers/vendors with "We Gladly Accept Food Stamp Coupons" signage supplied by CFMA to be posted at their market stands at all times to ensure that EBT customers are aware that EBT coupons are accepted
- Designate one person as EBT Coordinator who is responsible for the EBT Program at the Market and any additional person(s) necessary to do administer the program
- Ensure that the terminal is operated only by persons trained in or familiar with its operation
- Operate a Farmers' Market Food Stamp Coupon System utilizing only coupons provided by CFMA
- Stamp each Food Stamp Coupon and Market Bucks Coupon with the Market's name before issuing
- Redeem only coupons stamped with the Market's name, and return coupons issued by another market to the farmer/vendor
- Establish a plan for reimbursement of farmers/vendors for the coupons they redeem and fully reimburse all vendors according to that plan
- Maintain a business checking account for electronic deposits, fee payments and vendor reimbursement

- Follow good business accounting practices for tracking transactions, issuing coupons and vendor reimbursement
- Provide for the care and security of tangible assets received as part of the program, including terminal and coupons
- Contact eFunds Customer Service at **(1-800-737-5834)** immediately regarding any wireless service interruptions or terminal malfunction
- Notify CFMA **(303-887-5972)** immediately of damage to or loss of the wireless terminal, and/or loss, theft, or low supply of coupons
- Report to CFMA on the Market's EBT Program at the end of the 2008 market season

Upon failure to abide by the terms of this agreement, the Market will relinquish all rights to participate in the CFMA EBT (Food Stamp) Program and will return the wireless point-of-sale terminal to CFMA.

Authorized Market Representative:

CFMA Administrator:

\_\_\_\_\_  
*(Signature)* *(Date)*

\_\_\_\_\_  
*(Signature)* *(Date)*

\_\_\_\_\_  
*(Print Name)*

\_\_\_\_\_  
*(Print Name)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_

CFMA EBT Program

2007 Market Questionnaire Summary

Market Name*	Methods of Promotion															
	Average # EBT Tx/Mkt	# of Vendors	EBT-only	EBT + debit	CFMA Support	eFunds Support	Program Success	Fliers at Market	Fliers in Community	Newspaper Articles	Newspaper Ads	Radio Spots	TV Spots	Direct Mail	Contact Social Services	
Canon City FM	2.71	45		X	4	5	5		X	X	X	X	X			
Larimer County FM	2.20	60		X	5	5	5		X	X	X		X			X
Valley FM	1.93	25	X		5	5	3		X	X	X		X			X
Boulder FM	1.56	50		X	5	3	2		X		X	X				
Durango FM	1.50	40	X		4	5	3		X	X	X	X	X			X
Greeley FM at the Depot	1.35	35		X	5	5	4		X	X	X	X				X
Civic Center FM	1.00	28		X	5	5	4		X	X	X	X		X		
Longmont FM	1.00	45	X		5	3	2		X			X				
Southlands FM	1.00	21		X	5	5	2		X		X	X				
Golden FM	0.83	35		X	5	5	4		X	X	X					
Historic Downtown Littleton FM	0.69	20		X	5	4	4		X	X						X
Woodland Park FM	0.43	45		X	4	5	3		X		X					X
Colorado Farm and Art Market #1	0.33	20		X	5	5	2		X	X	X	X	X	X	X	X
Cortez FM	0.28	40		X	5	5	3		X		X	X	X			X
Montrose FM	0.21	25		X	4	4	3		X	X	X					X
Colorado Farm and Art Market #2	0.00	20		X	5	5	2		X	X	X	X	X	X	X	X
Osage Mercado	0.00	40	N/A	N/A	5	5	5		X		X	X	X			
Green Valley Ranch FM	0.00	market cancelled														
<b>Overall Averages</b>					<b>4.76</b>	<b>4.65</b>	<b>3.29</b>									

\*Markets ranked by Average Number of EBT Transactions per Market

