

Implementing EBT at Farmers Markets to Increase Access to Fresh Foods in the District of Columbia

D.C. Hunger Solutions, a program of the Food Research and Action Center, will build the capacity of farmers markets in the District of Columbia to accept payment through EBT, credit, and debit cards. The proposed project's goal is threefold: to increase access for low-income District residents (especially Food Stamp Program participants) to fresh, nutritious, affordable, locally grown food; to provide an additional source of income to area farmers who direct-market their products in the District; and to build an infrastructure that supports EBT and other farmers market initiatives in the long term.

[Final Report](#)

Implementing EBT at Washington, D.C. Farmers' Markets: A Final Report to the U.S. Department of Agriculture, Agricultural Marketing Services from D.C. Hunger Solutions

In September 2007, the U.S. Department of Agriculture Agricultural Marketing Services (USDA AMS) awarded Food Research and Action Center (FRAC) a grant of \$41,312 to implement Electronic Benefit Transfer (EBT) technology at four farmers' markets in the District of Columbia through its District-based initiative, D.C. Hunger Solutions. This is the third and final report of the grant.

Introduction

D.C. Hunger Solutions, founded by FRAC in 2002 as a separately staffed and funded initiative, seeks to create a hunger-free community in Washington, D.C. In addition to reducing hunger, our work boosts family economic security, improves health and learning, and brings federal dollars into the District. D.C. Hunger Solutions' primary strategies are: (1) maximizing participation in the federal nutrition programs (the Supplemental Nutrition Assistance Program, or SNAP, formerly known as the Food Stamp Program; WIC; school lunch and breakfast; and afterschool, summer, and child care nutrition programs); (2) improving public policies to end hunger, reduce poverty, promote nutrition, and curb obesity; and (3) increasing access to healthy, affordable food in low-income neighborhoods.

To connect low-income Washington D.C. residents – many of whom live in “food deserts” – with more fresh, affordable fruits and vegetables, D.C. Hunger Solutions launched a project, funded by the USDA AMS through the Farmers Market Promotion Program (FMPP), to develop Electronic Benefit Transfer (EBT) technology infrastructure for four farmers' markets in the District by (1) providing technical assistance to farmers' market staff in applying to the USDA to become authorized SNAP vendors; (2) providing technical assistance and training to markets on EBT implementation; (3) providing four farmers' markets each with a wireless EBT machine, tokens (used as EBT currency at individual farmers' markets) and a stipend to cover start-up costs; and (4) launching an outreach campaign to attract SNAP participants to farmers' markets. The following are highlights of our grant activities.



Advertisement placed in fifteen bus shelters throughout the District promoting the acceptance of SNAP at nine District markets.

Activities and Accomplishments

D.C. Hunger Solutions' work under this project was carried out in cooperation with our D.C. Farmers' Market Collaborative, a group of farmers' market managers, farmers, city agency representatives, non-profit advocates, and other stakeholders which we have convened for monthly meetings since 2006 to support area farmers' markets and address barriers to getting fresh produce to under-served neighborhoods. As an example of the Farmers' Market Collaborative's efforts, in 2007 we organized a working group (with, e.g., a council staffer, a *pro bono* attorney, market managers, and a representative from the D.C. Department of Transportation) to inform and guide the streamlining of the cumbersome farmers' market permit process. As a result of our encouragement, in summer 2009 the D.C. Council passed new vending laws which treat farmers' markets as entities distinct from other vendors that are subject to more government oversight.

The monthly meetings of the Farmers' Market Collaborative served as a venue to research and share information on promising leads and best practices for implementing EBT technology at individual markets and coordinating EBT technology implementation and promotion efforts city-wide.

In December 2007, D.C. Hunger Solutions released a Request for Proposals to District farmers' markets to receive an EBT machine and tokens, technical assistance on their use, and a \$2,500 stipend to assist in implementing EBT technology so that a market could accept SNAP benefits. D.C. Hunger Solutions collected and reviewed applications based on the location of farmers' markets relative to low-income neighborhoods, and the markets' interest and ability to implement EBT technology. In January 2008, we selected four sub-grantees to participate in the farmers' market EBT project: the Ward 8 Farmers' Market (located at 500 Alabama Avenue SE); the Riverside Marketplace (located by Marvin Gaye Park at 601 Division Avenue NE); the Bloomingdale Farmers' Market (located at 1st and R Streets NW); and the 14&U Farmers' Market (located at 14th and U Streets NW).

In addition to helping four farmers' markets to accept SNAP benefits, this project has served as the catalyst for additional area markets – including H Street Farmers' Market and Mt. Pleasant Farmers' Market – to accept SNAP benefits. While not receiving equipment or stipends through this project, area markets have benefitted from common resources made available through the



Scenes from the February 2008 EBT/debit workshop. At left, Alex Ashbrook of D.C. Hunger Solutions and Suzanne Briggs, farmers' market EBT expert, participate in role play to demonstrate how an EBT transaction works. At right, a view of the workshop participants.

project, including training, technical assistance, promotional materials, and a bus shelter ad campaign.

In February 2008, D.C. Hunger Solutions hosted a training workshop for area farmers' markets on implementing EBT technology. National farmers' market EBT expert Suzanne Briggs of the Oregon Farmers Market Association provided training on selecting an EBT card service; purchasing an EBT machine; setting up an accounting system (e.g., using tokens); marketing EBT services to low-income residents; and overseeing the actual market day operations of an EBT project. The 25 attendees – including farmers' market managers from D.C., Maryland, and Virginia and representatives from USDA and the District SNAP agency – offered very positive feedback on the workshop. Farmers' market managers indicated that the workshop increased their confidence in their ability to accept SNAP at their markets.

In winter 2008, D.C. Hunger Solutions researched EBT card service providers and shared that research the sub-grantees. We provided technical assistance to the four farmers' markets to complete and submit the necessary paperwork to purchase EBT machines and service from eFunds, the vendor that market managers selected.

D.C. Hunger Solutions' project and communications staff collaborated with farmers' market grantees to design materials – including postcards and reusable shopping bags listing the names and locations of three of the sub-grantee markets, a vinyl banner, and a customizable sign template – promoting D.C. markets that now accept SNAP. We oversaw the printing and distribution of the materials to farmers' market sub-grantees and two additional markets implementing EBT projects.



Promotional materials created through the project include a reusable shopping bag promoting the use of food stamps at District farmers' markets.

In June 2009, the D.C. Farmers' Market Collaborative launched an ad campaign to promote farmers' markets and the acceptance of EBT. The Collaborative designed an advertisement promoting the nine farmers' markets accepting SNAP. The Washington Metropolitan Area Transit Authority (WMATA) donated ad space at 15 Metro bus shelters (i.e., bus stops) located in low-income District neighborhoods near farmers' market sites for four weeks.

Project implementation, results, and accomplishments at individual markets

Ward 8 Farmers' Market began using its wireless EBT terminal in June 2008. The market's president, manager, and outreach coordinator take turns operating the machine, dispensing wooden tokens in \$1 denominations for customers making EBT transactions and \$5 denominations for those making debit transactions.

To promote the acceptance of SNAP dollars at Ward 8 Farmers' Market (as well as five other markets accepting EBT at the time), the market partnered with D.C. Hunger Solutions to host an

event on September 20, 2008 in conjunction with its ten-year anniversary celebration. More than 200 customers attended the event (approximately double the market's average attendance), which featured tables staffed by community organizations, including D.C. Hunger Solutions. The Income Maintenance Administration, the District's SNAP/food stamp agency, was on hand to assist market customers in applying for SNAP. To tie in messages linking healthy eating to active living and to attract passers-by to the event, D.C. Hunger Solutions rented a "moonbounce" (i.e., inflatable playground) with non-USDA funds.



Scenes from the Ward 8 Farmers' Market celebration. At left, market staff and vendors show off their cool green T-shirts. At right, a family of satisfied customers.

During the 2008 season, the market accepted \$400 in EBT transactions over 24 weeks. As of September 2009, the market had made \$259 in EBT transaction sales and \$229 in debit transaction sales in the 2009 season (the market did not accept EBT for three weeks in 2009 when the terminal was broken and being replaced). Market managers plan to continue to use the terminal as part of regular market operations and plan to expand promotion efforts with advertisements in community news publications.

Located in the District's Ward 7 in a food desert, the Riverside Farmers' Market is a small produce stand that operates year round. Riverside experienced a number of challenges that prevented it from operating its EBT program during most of the grant period (however operations are back and track and the market recently began allowing EBT and debit transactions again). In spring 2008, Riverside's market manager left the organization and was eventually replaced. The market was unable to find a local farmer to deliver produce to the market. For the 2009 market season, D.C. Hunger Solutions linked the Riverside Market with D.C. Healthy Solutions, a non-profit distributor of local, organic produce with a mission to connect low-income communities to affordable produce. The group is now partnering with Riverside.

More importantly, D.C. Hunger Solutions discovered soon after accepting Riverside as a sub-grantee that the market was in need of assistance to improve its business model in order to best serve the surrounding low-income neighborhood. The non-profit Washington Parks & People founded the Riverside Farmers' Market in 2001 and funded it through grants and other discretionary funds. While this enabled the market to give away much of its produce to hungry families in the neighborhood, its business model was unsustainable. In 2008, management began

transitioning the market to a sustainable financial model that also could help increase the market's ability to serve the low-income residents in the area.

The acceptance of SNAP benefits was a key step toward that goal. D.C. Hunger Solutions staff and our consultant visited the market eight times and met with Riverside staff at our offices on another three occasions to provide support on market operations and helped provide on-site technical assistance to the market staffer on using Riverside's EBT machine.

(To further increase the Riverside's sustainability, D.C. Hunger Solutions worked with the market to connect the market to the Farmers' Market Nutritional Program for women, infants, and children, or WIC FMNP. The market redeemed \$410 in WIC FMNP during the 2008 market season, and \$145 in vouchers in 2009, as of September.)

Riverside purchased a terminal in fall 2008 and used the machine a few times at the end of the 2008 market season. However, during the 2009 market season technical difficulties prevented the market from making EBT or debit transactions until late September 2009. The terminal is now operational and the market plans to use the EBT terminal going forward. Riverside did, however, promote the acceptance of SNAP benefits during the 2009 farmers' market season by displaying a vinyl banner advertising the acceptance of SNAP and WIC benefits and by distributing 500 fliers to homes in a 10 block radius of the market.

The Bloomingtondale Market and the 14&U Market (both in the District's Ward 1) began EBT operations in late May 2009.* Since both markets are owned and operated by Markets and More, EBT operations were carried out in a similar fashion at both locations. Markets and More hired a dedicated EBT coordinator at each market during market hours to run the EBT terminal, dispense wooden tokens (\$1 denominations for EBT and \$5 denominations for debit transactions), promote SNAP acceptance at the market, and answer questions about the process.

Markets and More also did extensive neighborhood outreach to promote SNAP acceptance at their markets. In addition to extensive signage at the markets (including signs at each table), during the 2009 market season, Markets and More distributed 25,000 full-color postcards (10,000 of which were in Spanish as well as English) promoting EBT acceptance. Market representatives conducted outreach at a number of community venues, including five nearby WIC clinics and several neighborhood and civic association meetings.

As of September 2009, 14&U has made \$196 in EBT sales and Bloomingtondale has made \$275 in EBT sales. The vast majority (~97%) of wireless terminal transactions are for debit sales. Since Bloomingtondale is located in a residential area with no nearby ATM machines, it has had more than three times the number of terminal transactions than 14&U (after weighting based on market attendance).

D.C. Mayor Adrian Fenty issued a press release (www.tinyurl.com/dfmebt) in July 2009 about the advent of nine District farmers' markets accepting SNAP. The release highlights D.C. Hunger Solutions role in this effort as well as the USDA's funding of the project through the FMPP.

* Markets and More delayed implementation of their EBT project because of unforeseen circumstances, including staff health problems, the loss of a bread vendor, and a robbery.

Lessons Learned

Managers of sub-grantee farmers' markets made a number of observations about their experiences in and the unrealized potential of using wireless EBT terminals at markets to expand availability of fresh fruits and vegetables among low-income residents:

High operation costs usually can only be offset by a large volume of debit transactions.

Managers pointed out their high recurring expenses related to EBT operation, including paying a dedicated staffer to man the terminal, monthly wireless charges, and per-use fees for debit transactions. Bloomingdale and 14&U markets offset these costs by adding a two dollar surcharge to debit transactions. Debit customers are willing to pay the surcharge because it's cheaper than bank ATMs (which often charge between \$2.50 and \$3.00), they recognize that the proceeds support their community and local economy, and, in some cases, no ATM is nearby. Markets and More estimates that it must average 54 transactions each week (at two dollars each) in order to break even on terminal operation. (Currently 14&U averages 18 debit transactions weekly and Bloomingdale averages 40.)

Promoting SNAP acceptance is key, and word-of-mouth seemingly is most effective.

D.C. Hunger Solutions, in partnership with the Farmers' Market Collaborative, orchestrated a campaign to promote SNAP acceptance at markets, including (as mentioned earlier) bus shelter ads, printing and providing vinyl banners, promotional reusable grocery bags, postcards, and fliers to markets for distribution to neighbors. In addition to promotional item distribution, some individual markets conducted outreach through presentations at neighborhood meetings and WIC clinics. These promotional efforts were key to initial project success. However, market managers have observed that, in addition to financial incentives as described below, the success of EBT at farmers' markets depends on EBT customers telling their friends about SNAP acceptance.

Customers are more likely to use FMNP WIC and senior vouchers than SNAP. Low-income families consider WIC vouchers "extra money" that can only be used at farmers' markets. In comparison, low-income families consider SNAP benefits a part of their finite monthly food budget, which cannot stretch as far (SNAP benefits released at the beginning of a month often run out by the end of the second or third week) when purchasing farmers' market produce, rather than less expensive (and sometimes less nutritious) items from a grocery store or neighborhood corner store. Furthermore, the District promotes FMNP at the city-level, resulting in WIC clinic staff actively encouraging voucher use (i.e., word-of-mouth promotion). Less infrastructure currently exists for face-to-face promotion of SNAP use at farmers' markets.

Additional incentives are needed to encourage customers to spend SNAP dollars at farmers' markets. Farmers' market produce can be more expensive compared to grocery store produce. This brings farmers' market purchases out of the range of low-income residents, for whom food costs represent a much larger portion of household budgets and who cannot afford the time and expense necessary to travel to a market.

Some municipalities and even some individual markets (including the District's H Street Market) subsidize farmers' market EBT purchases with "double dollars," providing a one-to-

one match of SNAP benefits when spent at farmers' markets. Of particular note, the D.C. Council set aside \$500,000 to provide residents receiving Temporary Assistance for Needy Families (TANF) benefits with additional SNAP funds to purchase fresh fruits and vegetables at farmers' markets. This funding has huge potential to bring hundreds of new food stamp users to farmers' markets.

Conclusions and Future Project Plans

While USDA funding of this project was directly responsible for – and successful in – the establishment of EBT programs at four District farmers' markets, it also was the catalyst for successful wider efforts to expand SNAP acceptance at farmers' markets throughout the District. Prior to the project start no District markets accepted SNAP. With the addition of the newly opened farmers' market near the White House, currently ten markets accept SNAP and many of them have expanded their sales by providing debit card transactions. Thus, through this project, SNAP acceptance (as well as debit card acceptance) at District farmers' is quickly becoming the norm, which has the potential to both expand access to fresh fruits and vegetables among low-income residents and increase farmers' markets financial security.

Project stakeholders believe that more promotion and financial incentives are needed next to make the acceptance of SNAP at farmers' markets a complete success. To that end, D.C. Hunger Solutions will: (1) continue to convene the D.C. Farmers' Market Collaborative to identify and address barriers to establishing farmers' markets in low-income communities; (2) provide technical assistance and encouragement to farmers' markets starting EBT projects; and (3) ratchet-up efforts to promote the District ten markets that accept SNAP in partnership with District agencies and direct service organizations that serve low-income residents.