



## Expanding Electronic Benefit Transfer at Farmers Markets in Minneapolis: Lessons Learned from the 2010 Season



## Purpose

The Minneapolis Department of Health and Family Support (MDHFS) created this report to share the lessons we have learned from our experiences implementing Electronic Benefit Transfer (EBT) at farmers markets in Minneapolis. EBT at farmers markets is a strategy that shows promise for expanding access to healthy, locally grown foods to low-income populations. Public health agencies such as ours can play an important role in supporting farmers markets to implement EBT.

## History and Background: EBT at Farmers Markets

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, transitioned from a paper-based coupon system to an electronic debit card system in the late 1990's. EBT, designed for ease in retail settings, is more challenging to implement at farmers markets because many lack on-site infrastructure including electricity and phone line service. Additionally, many farmers markets are small-scale, volunteer-run organizations and lack the administrative support, staffing resources, and accounting duties that are required to implement EBT. Furthermore, farmers markets can incur significant costs to administer EBT and receive no direct financial benefit from participation in the program. In 2009, only one of 15 Minneapolis farmers markets accepted EBT.



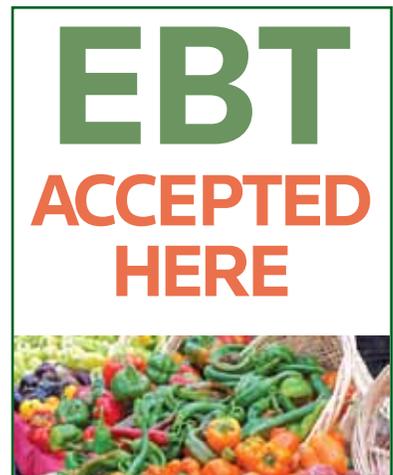
## City of Minneapolis & Homegrown Minneapolis

Communities across the United States are developing innovative strategies to increase access to healthy, locally grown foods. In 2008, the City of Minneapolis, under the leadership of Mayor R.T. Rybak and led by the MDHFS, created Homegrown Minneapolis, an initiative to support residents' efforts to grow, sell, distribute, and consume more fresh, sustainable and locally-grown foods. During the first phase of Homegrown Minneapolis, a broad array of community stakeholders and multiple city departments developed guiding principles and a set of recommendations on ways that city policies, practices, and resources could support and expand the local food system.<sup>1</sup>

<sup>1</sup> Homegrown Minneapolis: Final report presented to the Health, Energy, and Environment Committee of the Minneapolis City Council. Available at: <http://www.ci.minneapolis.mn.us/dhfs/hgfinalrec.pdf>.

One of the recommendations from phase one of Homegrown Minneapolis was to *support the development of systems and infrastructure that would create equitable access to healthy, locally grown foods.*

Community stakeholders identified a number of strategies to achieve this goal, including instituting EBT systems at farmers markets so that eligible recipients could use their food assistance or SNAP benefits to purchase fresh, locally grown foods.





## EBT at Farmers Markets in Minneapolis

Building upon the recommendations from Homegrown Minneapolis and recognizing the barriers that farmers markets faced in implementing EBT, the MDHFS began an initiative to expand the availability of EBT at farmers markets in Minneapolis. Through a collaboration with farmers markets, the Institute for Agriculture and Trade Policy (IATP), Blue Cross and Blue Shield of Minnesota (Blue Cross), and Hennepin County, MDHFS developed a plan to expand EBT at farmers markets, promote the program, and evaluate the success of the efforts during the 2010 market season. Additionally, MDHFS implemented an incentive program that would increase the buying power of customers using EBT at farmers markets.<sup>2</sup>

<sup>2</sup> Funding for these efforts was provided by the Statewide Health Improvement Program (SHIP) of the Minnesota Department of Health, Communities Putting Prevention to Work (CPPW), Blue Cross and Blue Shield of Minnesota, and Hennepin County Human Services and Public Health Department.

- ✓ **Tasty.**
- ✓ **Affordable.**
- ✓ **Accepts EBT.**

FOR A LIMITED TIME ONLY!  
**Increase Your Savings with EBT Market Bucks!**  
Visit the market to learn more.



**YOUR FARMERS MARKET.  
TASTE THE DIFFERENCE.**

**EBT Cards Now Accepted At:**

<p><b>Minneapolis Farmers Market</b>  M-F 9 am-12 pm July-Nov.  Sat.-Sun. 7 am-1 pm July-Nov.  312 East Lyndale Avenue North  Minneapolis, MN 55405  (612) 333-1718  <a href="http://www.mplsfarmersmarket.com">www.mplsfarmersmarket.com</a></p>	<p><b>Midtown Farmers Market</b>  Sat. 8 am-1 pm May-Oct.  Tue. 3-7 pm June-Oct.  2225 East Lake Street  Minneapolis, MN 55407  (612) 724-7457  <a href="http://www.midtownfarmersmarket.org">www.midtownfarmersmarket.org</a></p>	<p><b>Northeast Farmers Market</b>  Sat. 9 am-1 pm May-Oct.  7th Ave. NE &amp; University Ave. NE  Minneapolis, MN 55413  <a href="http://www.nemplsfarmersmarket.com">www.nemplsfarmersmarket.com</a></p>
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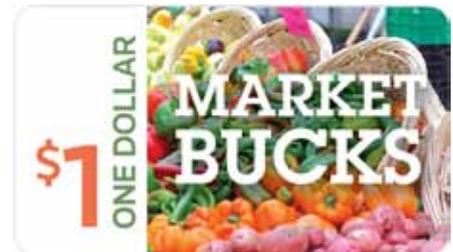

## Program Implementation

As part of its efforts to make fresh, healthy foods more available to low-income residents, MDHFS assisted two farmers markets, the Minneapolis Farmers Market and the Northeast Minneapolis Farmers Market, to set up market-based systems to accept EBT cards. MDHFS contracted with IATP to provide technical assistance to the markets. IATP researched national examples of EBT and incentive programs at farmers markets and used these findings to help the markets develop their own EBT systems.<sup>3</sup> MDHFS also provided funding to both markets to offer Market Bucks, an incentive program that increased customers' buying power by providing up to a \$5 match for EBT purchases at the markets.<sup>4</sup> EBT was launched at the Minneapolis Farmers Market on July 1 and at the Northeast Minneapolis Farmers Market on August 7.

<sup>3</sup> IATP's EBT background research is available at: <http://www.ci.minneapolis.mn.us/dhfs/IATP-EBT-at-Farmers-Markets-Report-July-2010.pdf>.

<sup>4</sup> The Midtown Farmers Market (in its fifth year of accepting EBT) also offered Market Bucks in 2010 through support from Blue Cross. For a detailed report on Midtown Farmers Market EBT and Market Bucks promotion, visit [www.bluecrossmn.com/preventionminnesota](http://www.bluecrossmn.com/preventionminnesota) and search "Market Bucks"

To promote the availability of EBT and Market Bucks, MDHFS,



IATP, and Blue Cross developed and implemented a promotional campaign. Fourth Sector Consulting was hired to conduct background market research, develop a communications plan, and design promotional materials including signs for vendor booths, transit and radio ads, and posters and brochures in English, Spanish and Somali.

The program evaluation activities included tracking of EBT sales and Market Bucks redemptions, conducting customer surveys, and interviewing market managers.<sup>5</sup>

<sup>5</sup> For the complete evaluation report of the 2010 efforts in Minneapolis, please read *Electronic Benefits at Three Farmers Markets in Minneapolis: An Analysis of the 2010 Pilot Program*. This report is available at: <http://www.ci.minneapolis.mn.us/dhfs/ship-communitygardens.asp>.



## Program Results

During the 2010 pilot season, 501 unique customers used EBT at the Minneapolis and Northeast farmers markets, with over \$13,900 in EBT sales and \$4,200 in Market Bucks redeemed. EBT sales increased throughout the season, peaking in September at both markets. Sales were highest the second week of each month, coinciding with the timing of SNAP funds disbursement.

### Additional Sales Highlights

- **The average transaction amount for EBT was \$9 at the Northeast Minneapolis Farmers Market and \$15 at the Minneapolis Farmers Market.**
- **69% of EBT customers at the Northeast and Minneapolis markets visited the market once during the 2010 season.**



According to their survey responses, EBT customers were enthusiastic about the program and grateful to be able to use their food assistance benefits at the markets. One customer said that coming to the market was “the highlight of the week,” and another customer said, “I can feed my children better at the farmers market with my EBT benefits.” All customers surveyed said that they would shop at the market again. Market managers were also supportive of the program and felt it was a great addition to their markets.

**“I just love it. It’s a wonderful opportunity for people with EBT to get fresh fruits and vegetables.”**

## Lessons Learned

- **Offering EBT at farmers markets results in many important benefits.**
  - ♦ Shows promise for increasing access to and consumption of healthy, locally grown foods for low-income individuals. In Minneapolis, customers most often redeemed their EBT tokens and Market Bucks at fresh produce vendors.
  - ♦ Supports local food economies and farmers who rely on revenue from markets. The \$18,000+ in sales from EBT and Market Bucks at the Minneapolis and Northeast Minneapolis Farmers Markets likely represented additional income for the vendors at these markets.
  - ♦ Builds community at the markets. EBT customers appreciated being able to use their benefits at the markets. Staff indicated that EBT customers felt like they became part of the market community, and other market customers also voiced their enthusiasm for the program.
- **Starting and maintaining an EBT program at a farmers market takes a substantial investment of money and time.** They need to be carefully considered by markets before they decide to implement an EBT program. Essential costs include:
  - ♦ Staff time to set up the EBT program
  - ♦ Purchase/rental of an EBT point of sale (POS) device and related service contract with a provider
  - ♦ Phone/internet service costs to run the machine
  - ♦ Program materials (tokens, coupons, signs, etc.)
  - ♦ Staff costs to prepare for each market, run the EBT program, close out each market, train and reimburse vendors, and maintain accounting systems
  - ♦ Promotions and outreach
- **Local public health agencies can provide critical resources and can play an important role in EBT programs at farmers markets.** Local public health agencies can provide the necessary funding for start-up costs to launch new programs and may be able to raise additional funds for ongoing program expenses. Additionally, public health agencies can contribute evaluation expertise to assess and monitor program impact over time. Furthermore, local public health agencies are connected to a network of community agencies and social services that are vital to reaching SNAP participants.
- **Financial support and technical assistance to markets are critical to EBT program success.** Initiating EBT requires a significant investment of resources. Because market organizations do not receive any direct financial benefit from offering EBT at the market-level, they have few mechanisms to recuperate costs of implementing and maintaining EBT. Most markets do not have the staff or the financial capacity to initiate or maintain EBT programs without this additional outside support. Technical assistance is especially important during the first year that a market offers EBT. As markets gain more experience, they are less likely to need technical assistance.
- **Incentive programs make a difference.** At the Midtown Farmers Market, the total dollar value of SNAP benefits redeemed in 2010 was more than double what was redeemed in 2009. Minneapolis Farmers Market staff felt that Market Bucks was a driver of repeat business. In surveys, SNAP customers often shared their appreciation for the Market Bucks incentive.
- **Promotions are vital.** Promotions are necessary to drive EBT customers to the market and can be done in very cost-effective ways, such as partnering with community agencies to get the word out. Markets found that distributing posters and brochures to community institutions was the most effective promotional strategy while more expensive strategies, such as paid media (radio), were the least cited ways of hearing about the program.
- **EBT and Market Bucks systems should be as simple as possible.** Systems for processing and accounting for transactions should be as streamlined as possible while keeping paperwork requirements minimal to avoid long wait times for customers and burdens for market staff.
- **Collaborations are critical to developing a successful farmers market EBT program.** In Minneapolis, many organizations were involved in implementing this program, including the farmers markets, MDHFS, Blue Cross, IATP, and Hennepin County. Continued and enhanced coordination of efforts may result in economies of scale that reduce the overall burdens on farmers markets in terms of money and time.



## Questions to Consider

There are a number of questions to consider when evaluating the role of public health in this work and assessing the impact of this initiative in Minneapolis.

- Is EBT at farmers markets a viable long-term strategy to increase consumption of fruits and vegetables among low-income communities?
- What is the economic impact of EBT sales at farmers markets in Minneapolis and the local food economy?
- How can EBT programs at farmers markets continue to attract new customers and sustain returning customers?
- Are incentive programs a successful strategy for building a strong, repeat EBT customer base over time?
- Will EBT customers and overall sales continue to increase at farmers markets in Minneapolis?

## Next Steps – Moving Forward

MDHFS continues to build upon efforts from the 2010 season and will expand EBT at two additional market locations in 2011. Additionally, in collaboration with Blue Cross, the Market Bucks incentive program will continue as a means of attracting new customers, promoting EBT at farmers markets, and supporting the ability of customers to purchase healthy, affordable foods.

MDHFS continues to work on the long-term goal of developing a streamlined system that would alleviate the financial burdens on individual farmers markets and be sustainable over time. Blue Cross convened a working group of organizations across Minnesota, including MDHFS, to analyze this issue. These efforts are critical to developing long-term sustainable strategies to support EBT at farmers markets in Minnesota.



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