



# Bridging the Gap Between Local Food and Michigan Families

*Results of the 2010 Market Manager Survey*



*In 2010, 49 farmers markets across the state of Michigan accepted Supplemental Nutrition Assistance Program (SNAP) benefits. Those markets were organized by 42 unique nonprofit organizations, municipalities, chambers of commerce, or other groups interested in food security and community development (some organizations run more than one farmers market). Three additional markets were equipped to accept SNAP benefits but did not redeem any in the 2010 season, therefore their survey results were not included in the analysis. Of the 49 farmers markets that accepted SNAP benefits in 2010, 48 responded to the 2010 Market Manager Survey facilitated by the Michigan Farmers Markets Food Assistance Partnership and their responses were analyzed and illustrated in the following report.*

## **2010 SNAP Highlights**

In 2010, 49 markets accepted SNAP benefits including 21 markets that were participating for the first year and 6 markets that are open year-round.



**Westside Farmers Market** in Ann Arbor, by MIFMA

SNAP sales at farmers markets in 2010 totaled \$705,969.40. First year markets contributed \$35,645.50 worth of sales while farmers markets that have been participating for one or more years contributed the remaining \$670,323.90. Sales volumes ranged from \$50 per market to \$246,791 per market. On average, markets experienced \$17,219 worth of SNAP sales in 2010 with a median sales volume of \$1,146. On average, markets recorded \$2,228 in SNAP sales if there were in year one and \$23,940 if they had been accepting SNAP benefits for two or more years.

Transaction volumes ranged from two to 11,816 and totaled 22,560 statewide. First year markets averaged 134 transactions each while returning markets averaged 1,149 transactions.

The average consumer SNAP transaction was \$16. First year markets had a slightly higher average transaction of \$20 compared to a \$14 average transaction for returning markets. Markets participating in the Double Up Food Bucks incentive program that matches SNAP purchases up to \$20 also had a lower average transaction amount than markets that did not participate in the program. Participating markets had an average transaction amount of \$14.51 while non-participating markets had an average transaction amount of \$16.79.

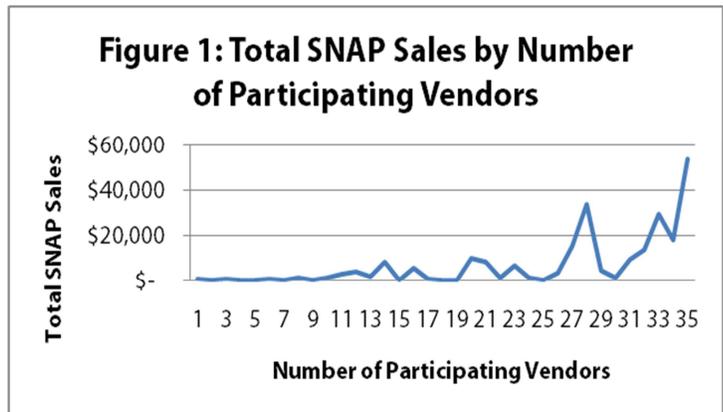
At the end of the season, unredeemed currency represented on average 4% of a market's annual SNAP sales. At individual market's, unredeemed tokens or scrip accounted for between 3 to 22% of total SNAP sales.

When compared to markets that did not accept credit and/or debit cards, the 22 markets that accepted

credit and/or debit had, on average, higher total SNAP sales. Markets that only accepted SNAP benefits, and not credit or debit cards, averaged \$16,994 in total SNAP sales while markets that accepted SNAP benefits in addition to credit and/or debit cards averaged \$17,477 in total SNAP sales.

The amount of total SNAP sales per market is positively correlated to the number of participating vendors.

Many explanations exist for why a farmer's market's SNAP sales increase or decrease over time. From 2009 to 2010, only 3 markets reported decreases in SNAP sales, while the remaining markets reported increases in SNAP sales.



When asked to explain the phenomenon at their market(s), the primary person responsible for food assistance programs gave the following responses.

#### Factors Contributing to an Increase in SNAP Sales at Farmers Markets

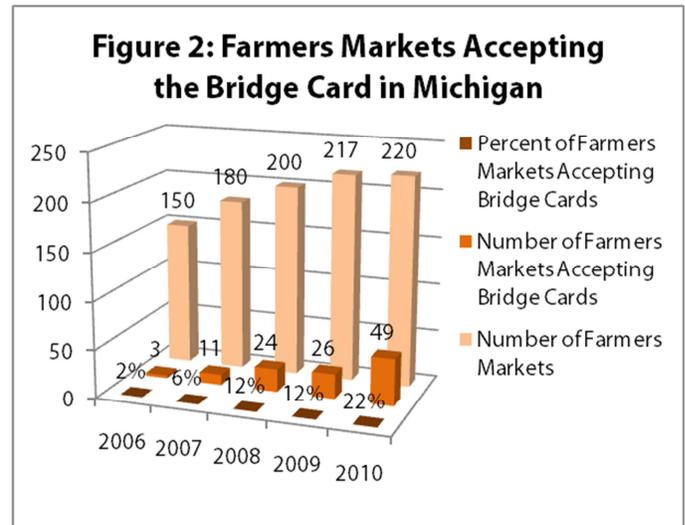
- Increased outreach efforts (7)
- Increase in SNAP participation statewide (5)
- Incentive programs that double buying power at farmers markets (5)
- Changes to program and/or administration (5)
- Increased awareness that farmers markets accept SNAP (4)
- Economic downturn (4)
- Reaching a student population (2)
- Returning customers' word of mouth
- Switch from manual voucher processing to a point of sale device
- New market manager who engaged customers and assisted them in using alternative forms of payment
- Made point of sale device more visible in the market
- Program operated for the entire length of the season instead of partial length of season.
- New building for market
- It has become a habit of SNAP customers to shop at the market
- Convenience of shopping at the market

#### Factors Contributing to a Decrease in SNAP Sales at Farmers Markets

- Difficulty reaching SNAP clientele
- Lack of awareness by SNAP recipients that they can use their benefits at farmers markets
- The cost of fresh fruits and vegetables
- Loss of vendors with a high volume of SNAP sales
- Change in market management and location
- Lack of convenience due to the lack of a point of sale device and a consistent volunteer to conduct manual transactions
- No financial support for outreach efforts

## SNAP: A Historical Perspective

When the Partnership began its work in January 2007, only 3 farmers markets in the state were equipped to accept Bridge Cards. One of the Partnership's primary goals is to increase the number of farmers markets that accept Bridge Cards. As such, the Food Assistance Partnership has tracked its progress towards that mission by collecting data each year on the number of farmers markets accepting Bridge Cards and the relative success of those programs.



The number of farmers markets accepting Bridge Cards has grown each year since 2006. In 2007 the number increased to 11 due to a pilot project facilitated by the Food Assistance Partnership. The number of farmers markets accepting Bridge Cards continued to grow to 24 markets in 2008, 26 markets in 2009 and then to 49 markets in 2010 representing 22% of the state's total farmers markets.

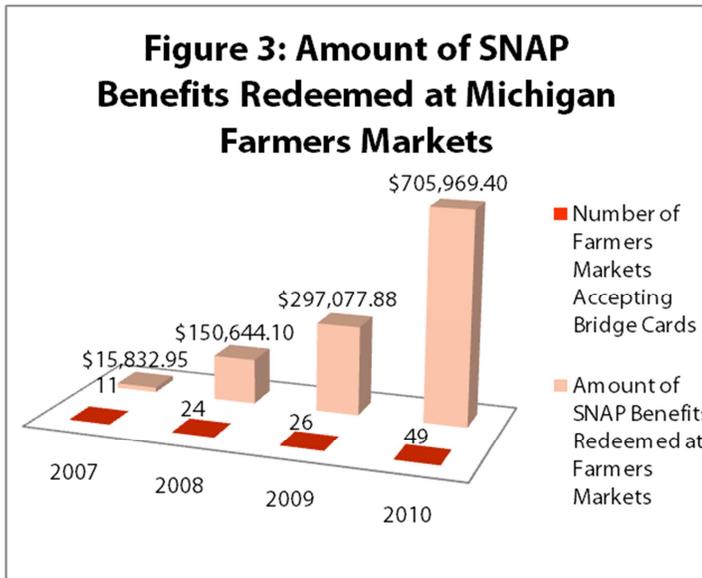
Each year, the amount of Bridge Card sales at farmers markets has also grown. In 2007, farmers markets across the state redeemed \$15,832.95 worth of SNAP benefits. Through the work of the Partnership, that number grew to \$297,077.88 worth of SNAP benefits

redeemed in 2009 and then increased 138% from 2009 to 2010 when it totaled \$705,969.40. These dollars represent increased economic viability for Michigan farmers and vendors and increased access to healthy, locally-produced food for low-income Michiganders.

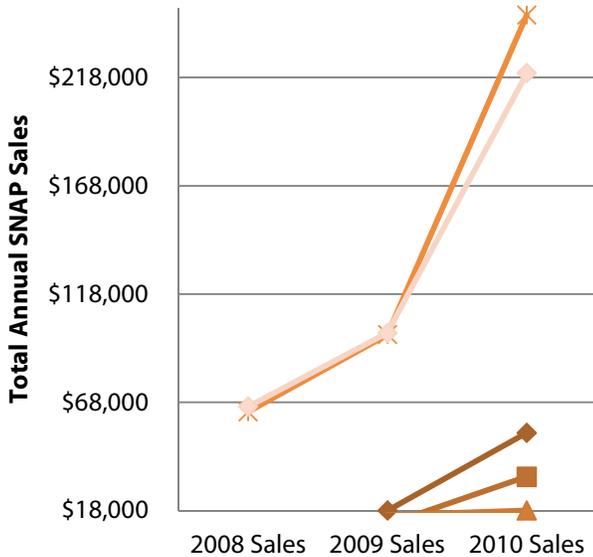
Starting in 2009, the Food Assistance Partnership began conducting an end-of-the-year survey of all of the farmers markets that accept Bridge Cards. Through the data collected, the success of each market's Bridge Card program can be tracked over time and compared with other markets from around the state.

From 2008 to 2009, markets reported SNAP sales increases ranging from 20% to over 100%. Over that same time period, total SNAP sales at farmers markets in Michigan increased 63%.

In 2009, the average amount of SNAP benefits redeemed at a farmers market was \$12,376.16.



**Figure 4: Total SNAP Sales Per Market Exceeding \$18,000 Annually**

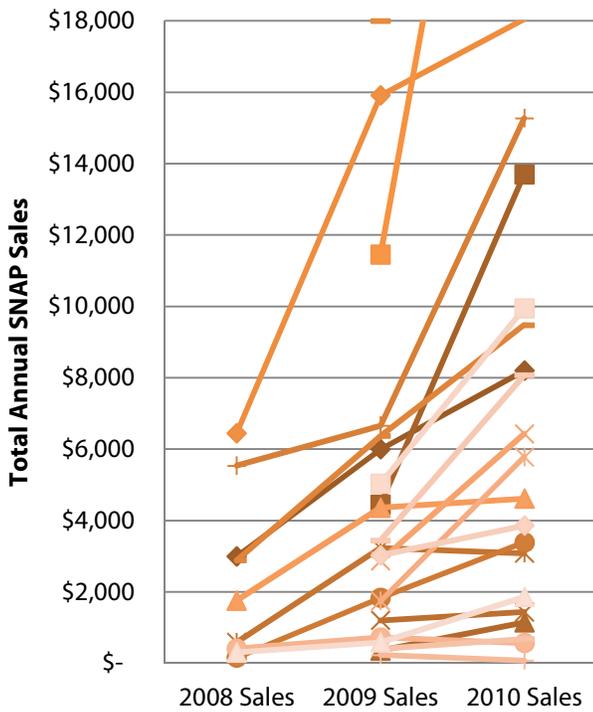


From 2009 to 2010, markets reported increases in SNAP sales ranging from 6% to 232%. During that time period three markets also reported decreases in SNAP sales ranging from 5% to 67%. Market managers contribute these decreases to changes in market management, market relocation, and a loss of vendors who in the past had redeemed a large portion of SNAP benefits within the market. Overall from 2009 to 2010, state SNAP sales at farmers markets increased 138%.

In 2009, a farmers market accepting Bridge Cards averaged 1,460 transactions. From 2009 to 2010, individual markets also observed an increase in the number of SNAP transactions ranging from 4% to 344%.

Adversely, from 2009 to 2010 eight markets reported a decrease in the average amount of a SNAP transaction. The average SNAP transaction at those markets decreased between 1 to 67%. Markets that reported an increase in the average SNAP transaction amount observed increases from 2 to 34%. Overall, the state saw a 36% increase in the average SNAP transaction from \$12 in 2009 to \$16 in 2010.

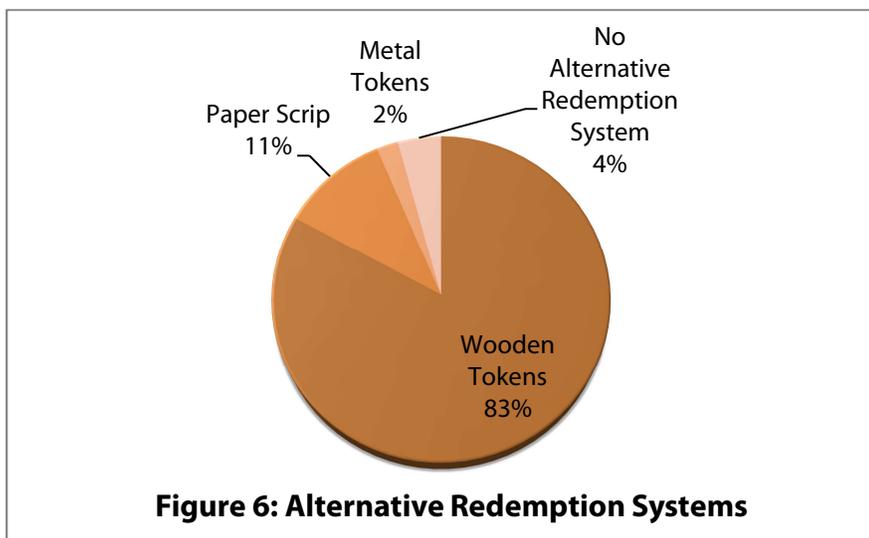
**Figure 5: Total SNAP Sales Per Market Less Than \$18,000 Annually**



Anecdotal evidence from market managers corroborates these findings. Market managers report that SNAP recipients are spending more each time they visit the market and many markets have found it necessary to supply tokens or paper scrip in \$5 increments in addition to \$1 increments in order to facilitate these larger purchases. One market manager described this phenomenon by saying that customers are buying “deeper” in the market and are considering it more of a consistent and reliable source of food rather than a temporary or special occurrence.

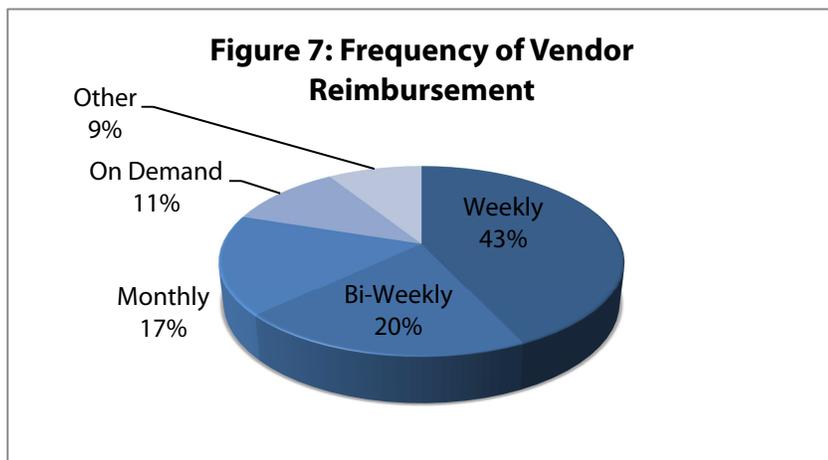
## Program Administration and Implementation

### Alternative Redemption Systems



Of the 48 markets surveyed, 96% use an alternative redemption system and a central point of sale device to conduct transactions between SNAP clients and multiple vendors. At 83% of markets, wooden tokens are used as the alternative redemption currency. At an additional 11% of markets paper scrip is used and at 2% of markets metal tokens are used. Two markets in the state equip individual vendors with point of sale devices in order for them to conduct transactions directly with SNAP clients.

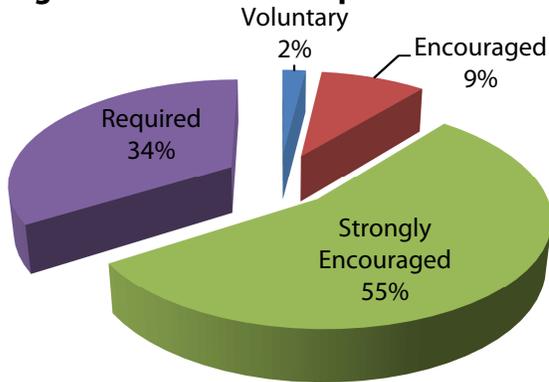
Markets that use alternative redemption systems must then reimburse vendors for the tokens or scrip that they submit on a predetermined schedule. The majority of markets are reimbursing vendors on a weekly basis (43%). Other reimbursement frequencies include bi-weekly (20%), monthly (17%), on demand (11%), and unique schedules (9%) such as twice a week or when a vendor receives at least \$25 worth of currency.



### Vendor Participation

Markets approach vendor participation in different ways either by making participation voluntary, by encouraging or strongly encouraging participation, or by requiring that all eligible vendors participate. Of the 48 markets that responded to this survey, participation is voluntary at 2%, encouraged at 9%, strongly encouraged at 55% and required at 34% of markets. In 2009, vendor participation at markets differed slightly. Participation was voluntary at 26%, encouraged at 9%, strongly encouraged at 55% and required at 30% of markets. These numbers represent a shift from making the program voluntary to strongly encouraging that vendors participate.

**Figure 8: Vendor Participation in SNAP**



On average, a community farmers market in Michigan has 22 eligible food vendors at the market and 95% of them participate by accepting SNAP benefits. Across the state, only 45 of the 958 eligible vendors choose not to participate in the program when the market accepts benefits on their behalf. Markets report having as few as two vendors and as many as 125 vendors. The median number of vendors at a farmers market

accepting SNAP benefits is 16 and the most common amount is 10. Community farmers markets that accept SNAP on behalf of their vendors represent 913 farmers and vendors who would not be able to accept Bridge Cards without their assistance (these may not be unique vendors as many vendors sell at more than one farmers market).

In comparison, a community farmers market in Michigan that accepted Bridge Cards in 2009 had on average 31 eligible food vendors at the market and only 86% of them participated by accepting SNAP benefits. Across the state, 84 eligible vendors chose not to participate when the market accepted benefits on their behalf; therefore 2010 showed a 55% decrease in the prevalence of vendors who were unwilling to participate. Markets had between 10 and 100 vendors with a median of 29 vendors. The most common number of vendors was 10 and 30. Farmers markets accepting Bridge Cards represented 517 farmers and vendors. That number increased 73% between 2009 and 2010.

For an organization that runs a central point of sale device to benefit all eligible vendors, it is vital that that organization have a written agreement with the participating vendors. Of the markets that utilize a central point of sale device, 91% have a written vendor agreement in place while the remaining 9% do not. In 2009, 85% of participating markets had written agreements with their vendors while 15% did not.



**City of Wayne Farmers Market, by MIFMA**

Of the markets that accept SNAP benefits, 43% also accept credit cards and 48% also accept debit cards as payment options. In 2009, 58% of markets accepting Bridge Cards reported accepting credit cards while 53% of markets reported accepting debit cards. From 2009 to 2010, the percent of markets also accepting

credit cards decreased by 26% and the percent of markets also accepting debit cards decreased by 9%.

Of the markets that accept SNAP benefits, 51% do not have access to electricity and a landline phone line at their market location and must therefore use wireless technology. The remaining 49% are able to utilize the free hardwired point of sale device provided by Michigan's contracted EBT supplier and therefore do not pay any transaction fees for Bridge Card sales.

### **Associated Costs**

The costs associated with facilitating a food assistance program at a farmers market include: the cost of a point of sale device and the associated monthly fees, the cost of other necessary equipment and materials, purchasing and maintaining an alternative redemption system, electricity, a telephone line, staff, costs associated with a consumer outreach campaign, and other expenses as defined by the markets themselves. Equipment and materials include a cash box, receipt paper, phone line installation and other necessary supplies. Other expenses listed include checks for reimbursing vendors, a tent for the market booth, the costs of planning meetings, ink and a printer for the market.



**Detroit Eastern Market**, by MIFMA

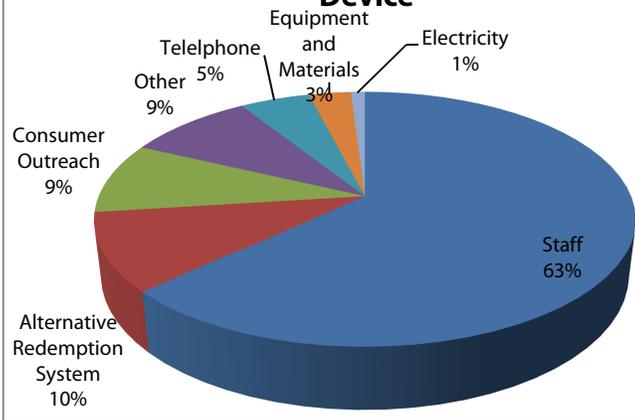
The trends observed in 2010 relative to the costs associated with facilitating a SNAP program at a farmers market are quite similar to the trends observed in the data from 2009, meaning the Food Assistance Partnership now has two years of data that report similar findings.

The costs that a market incurs vary depending upon how the program is implemented at the market. If a market has access to electricity and a phone line at their market location, then they can obtain a free, hard-wired point of sale device from Michigan's EBT contractor and not be subject to any transaction fees for SNAP purchases. If they choose to use the free, hard-wired device, that device can only be used to accept SNAP benefits and not credit or debit. If the infrastructure is not available at the market location, then they must purchase a wireless point of sale device and incur transaction fees, however they can avoid the costs of electricity and a telephone line. Obtaining a wireless point of sale device also allows the farmers market to choose to accept credit and/or debit cards as well. The following table below outlines the average costs of facilitating a food assistance program based on this distinction between a free, hardwired point of sale device and a wireless point of sale device that was purchased by the market.

Average Cost Per Market	Free Hardwired Point of Sale Device	Purchased Wireless Point of Sale Device
Staff	\$2,681.65	\$2,681.65
Point of Sale Device		\$563.30
Alternative Redemption System	\$439.45	\$439.45
Consumer Outreach	\$391.79	\$391.79
Other*	\$373.33	\$373.33
Monthly Transaction Fees		\$331.08
Telephone	\$195.17	
Equipment & Materials	\$118.30	\$118.30
Electricity	\$44.64	
<b>Total</b>	<b>\$4,244.33</b>	<b>\$4,898.90</b>

\*Other costs were defined by the markets and included: checks for reimbursing vendors, a tent for the market booth, the cost of planning meetings, ink and a printer for the market.

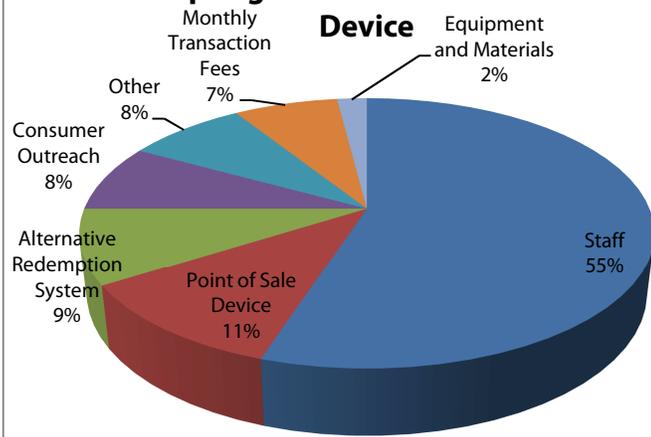
**Figure 9: Costs Associated with Accepting SNAP via a Hardwired POS Device**



As a percent of the total costs associated with facilitating a food assistance program, each year staffing requires the largest financial investment ranging from 55 to 63% of the total cost.

For a market using a hardwired point of sale device, the next two largest cost categories are for the alternative redemption system (10%) and consumer outreach (9%). The remaining 18% of costs are distributed among other expenses (9%), telephone (5%) and electricity (1%) for the point of sale device, and equipment and materials (3%).

**Figure 10: Costs Associated with Accepting SNAP via a Wireless POS Device**



When a market requires the use of a wireless point of sale device, the cost categories shift to reflect the cost of purchasing the machine and supporting the monthly transaction fees associated with it. For a market using a wireless point of sale device, 11% of the budget goes towards purchasing the machine and 7% is needed to cover the monthly transactions. In hierarchical order, the remaining costs include; an alternative redemption system (9%), consumer outreach (8%), other costs (7%) and equipment and materials (2%).

Markets have several means for acquiring the funds and/or materials needed to facilitate the program including through donations and/or grant funding. Markets reported receiving electricity, phone line usage and volunteer time through donations and they reported receiving grant funds to purchase wireless point of sale devices and alternative redemption systems.

## Staffing

One of the largest investments for a successful SNAP program at a farmers market is time. Each month volunteers and paid staff across the state dedicated a total of 1,715 hours to facilitate SNAP programs at farmers markets in Michigan. Market organizers report spending between three and 280 hours each month facilitating a SNAP program at one or more farmers markets. The average amount of time spent is 43 hours a month while the median amount is 22.5 hours and the most common amount of time reported is 10 hours.



**South Lansing Community Farmers Market, by MIFMA**

On average, an organization facilitating a SNAP program at a farmers market has 1.7 paid staff and 1.4 volunteers dedicated to the food assistance program. At farmers markets in Michigan, 81% of the people who are primarily responsible for accepting food assistance benefits at farmers markets are paid employees and the remaining 19% are volunteers. Organizations have as few as no paid staff and as many as 5 paid staff involved in the process. The median number of paid staff is 2 while the most common amount of paid staff is 1. Organizations have as few as no volunteers and as many as 25 volunteers that are involved in the process. The median number of volunteers and the most common number of volunteers is 1.

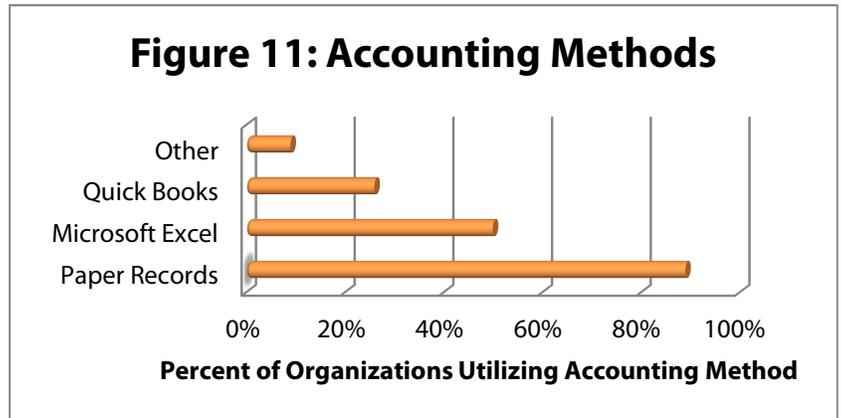
Each month a paid staff person will spend on average 17.24 hours managing the food assistance program and each volunteer will spend 8.83 hours. Paid staff spends as few as 1 hour per month and as many as 80 hours per month. Two hours is the median amount of time spent by paid staff each month while 5 hours is most common. In addition, volunteers spend as few as 1.2 and as many as 60 hours each month helping to facilitate SNAP programs at farmers markets. Nine hours is the median amount of time spent by volunteers each month while 10 hours is the most common.

Staffing a food assistance program costs, on average, \$1,787.77 per market per season, not including the in kind contribution of more than 8 volunteer hours each month on average. It is estimated that approximately \$87,600.73 is spent each year on staffing by organizations facilitating SNAP programs at farmers markets.

Each year the US Bureau of Labor Statistics estimates the hourly value of volunteer work. In 2009, the estimated value of one hour of volunteer time in Michigan was worth \$19.79.<sup>1</sup> If every volunteer was paid \$19.79 per hour for their contribution, an additional \$49,649.15 would be needed statewide to compensate the volunteers who contributed their time to this effort as well (8 hours \* \$19.79/hour \* 6.4 months<sup>2</sup> \* 49 markets).

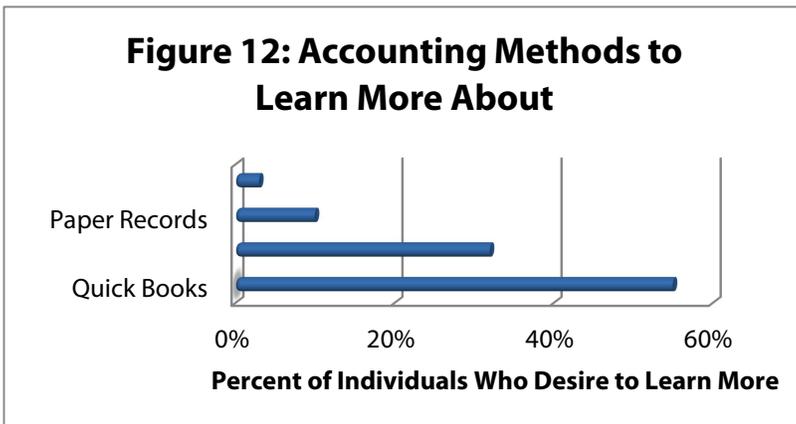
## Accounting

Accounting and recordkeeping are vital aspects of a successful SNAP program. Paper records are the most utilized accounting method used by 89% of organizations including 15 that report only using paper records. In addition, half of all organizations (50%) utilize Microsoft Excel spreadsheets to aid in accounting and 26% use Quick Books accounting software.



Other accounting methods are used by 9% of markets and include other accounting software and having a finance department of a sponsoring organization assist in accounting for the farmers market.

The majority of organizations that facilitate a SNAP program use more than one accounting method (average of 1.7 methods). Eleven markets use both paper records and Microsoft Excel while 4 use paper records and Quick Books and 7 markets use all three; paper records, Microsoft Excel and Quick Books accounting software.



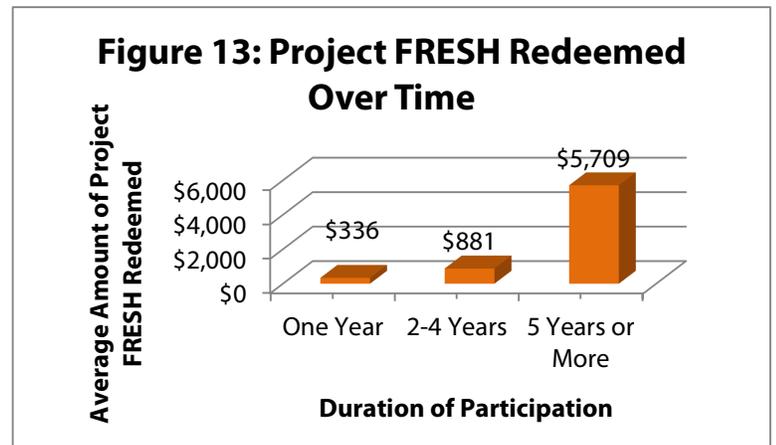
Recordkeeping and accounting are two areas of interest that perpetually show up on evaluations asking for suggestions for future training sessions. When asked which accounting method they would like to know more about, the most common response was Quick Books accounting software (17) followed by Microsoft Excel (10) and then paper records (3) and other (1).

<sup>1</sup> Independent Sector (2010) *Value of Volunteer Time* Retrieved from [http://www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time).

<sup>2</sup> On average, a farmers market accepting Bridge Cards is open 6.4 months each year.

## Project FRESH

Eighty one percent of the farmers markets that accepted Bridge Cards in 2010 also accepted Farmers Market Nutrition Program (FMNP) benefits, called Project FRESH in Michigan. Of the 39 farmers markets that accept both Bridge Cards and Project FRESH, 10 have been participating in the program for five years or more, 21 have been participating for two to four years, five participated for the first time in 2010 and three markets did not know how long they had been participating in the program.



Evidence from this survey shows that the average amount of Project FRESH redeemed at markets increases with the duration of time the market participates in the program. On average a first year market redeems \$336 worth of Project FRESH coupons while a market with 5 or more years of experience with the program redeems on average \$5,709.

When asked to compare Project FRESH redemption rates from 2009 to 2010, 7 organizations facilitating redemption at these farmers markets reported observing an increase in Project FRESH redemption while twice that amount (14) reported decreases in redemption rates and four organizations reported little to no difference at all. Organizations reported increases as much as 348% while others reported decreases between 4% and 29%. Program organizers were also asked if they could offer possible explanations for the difference between redemption rates in 2009 and 2010.

### Factors Contributing to an Increase in Project FRESH Redemption at Farmers Markets

- Increased outreach efforts (2)
- Economic downturn
- More benefits distributed in the county
- More Project FRESH recipients at the market
- Coupon distribution took place at the market
- Vendors may have turned them into other markets in the past

### Factors Contributing to a Decrease in Project FRESH Redemption at Farmers Markets

- Fewer benefits distributed in the county (3)
- WIC clients can now purchase fruits and vegetable each month at all authorized retailers
- More people were eligible to receive SNAP benefits
- More participating farmers markets in the area
- Changes to the way coupons were distributed including distribution not taking place at the market as in previous years and distribution later in the season
- New market location

## Outreach Strategies

In an open-ended question, facilitators were asked to list their most successful outreach strategies.

In 2009, the most popular strategies in ranking order included: signage, word of mouth, newspapers, flyers, working with community partners, radio, emails, holding educational events at the market, posters and brochures.

In 2010, the most popular strategies in ranking order included: signage, working with community partners, word of mouth, flyers, newspapers, banners, posters, a newsletter, holding educational events at the market, website, radio, emails, social media, buttons, and utilizing the statewide outreach materials provided by MIFMA.

## Advice for Market Managers Who are Starting to Accept Food Assistance Benefits

Sharing knowledge among market managers can be a very powerful way to improve food assistance programs at farmers markets. Facilitators that completed the survey were asked what advice they would give a market manager who was planning to begin accepting food assistance benefits at their farmers market. The following categorical list describes their advice as it relates to implementation, being prepared and having patience, planning, how the program will benefit their own community, and suggested outreach strategies.



### Advice for Implementation

- Keep thorough records, advertise well, and have a passionate person working the EBT transactions.
- Find a good third party processor.
- Make sure your wireless service is reliable.
- Offer your scrip/token in various dollar amounts- \$1 and \$5.
- Be prepared for a lot of time-consuming book-keeping and paperwork. Not fun but necessary. You get rewarded, however, when you see all the happy shoppers who are now able to buy fresh, locally grown healthy food for their families.
- Get help with the paperwork.
- The paperwork/reimbursement/check writing is easier to do if you just do it the same day as the market so it is all in one day.
- Keeping good records is very important.
- Train volunteers to run the Bridge Card machine and train vendors on accepting the tokens/ coupons.
- Communication is key, keep the lines of communication open with both the vendors and the customers.
- Plan ahead and talk to other managers that have experience. Go to the seminars planned by MIFMA.
- It is worth the time. Your vendors will benefit from the work you put into it.
- Try it and encourage the vendors to accept the SNAP Bridge Cards.
- Join MIFMA.

## Be Prepared & Have Patience

- Have patience.
- It takes an enormous amount of administrative time, but is a very worthwhile program.
- Expect extra work, but the reward is well worth the effort.
- Administratively it is more work, but it allows vendors access to earn additional funds.
- Get food assistance programs into your market as soon as you can as it takes time to advertise and promote to patrons that you have these services.
- Start slow and build up if you can. Work to establish a habit for your customers to use SNAP Bridge Cards at the market.
- Explain the economic benefits of these programs with your vendors and try to get them to buy into the overall effort.
- Do it! Make sure your phone line is the right kind of phone line for the free, state provided machine (I didn't know there were different types of phone lines).
- Carry as wide of a selection of fresh, healthy fruits and veggies as possible. Truly listen to what people say.
- If at first something doesn't sound like a good idea, write it down and sit with it. Don't be quick to judge.

## Planning is Important

- Think big and plan ahead.
- Plan before you move forward. Make sure you have utilities, hardware and be patient. It takes time to grow the program.
- Making sure that everyone has access to healthy local food is so important. This program is very user friendly and requires little administrative efforts. The resources available are very helpful in program start up.

- The process is relatively simple once the programs are up and running; however, I would encourage new market managers to get the application process started well in advance to ensure everything will be in place in time for the start of the market season.



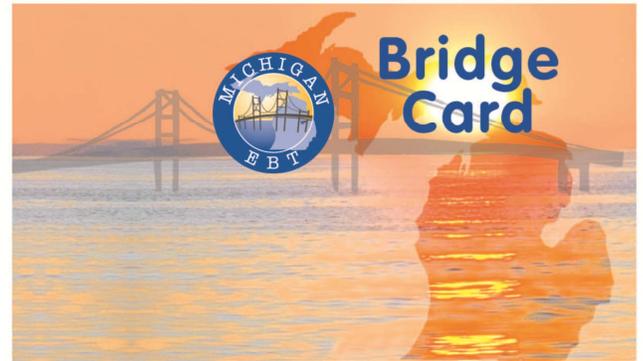
Wayne State Wednesday Farmers Market, by MIFMA

## The Program will Benefit Your Community

- It is good for the community that farmers markets can provide real whole foods to all citizens and residents.
- Do it.
- It is a very easy and user friendly system and a great boon to all members of the community.
- Make food assistance clients feel wanted and welcome and always treat them with respect. Most are first timers and are scared, ashamed, and confused of the operations. Always take time to listen, answer questions, and ease their fears. Once they feel safe, respected, and welcome they will come back.
- Gain partners with resources who will support your efforts and recognize the importance of having a market that accepts EBT.

### Suggested Outreach Strategies

- Make food assistance visible at the market and advertise at logical locations in a 10 mile radius of your market.
- Have a picture of the Bridge Card in the signage for your market.
- Promote, promote!
- Connect with folks in nearby neighborhoods to let them know of the market accepting this form of payment.
- Get the word out everywhere that you will be accepting SNAP and/or Project FRESH. Explain the benefit of buying local, healthy, fresh food.
- Have great signage at the market and a presence on any electronic media.
- Advertise as much as possible, free, if possible.



# BRIDGE CARDS WELCOME HERE



*Frankenmuth Farmers Market*