



NUTRITION ASSISTANCE AT FARMERS MARKETS: UNDERSTANDING CURRENT OPERATIONS (SUMMARY)

Background

The United States Department of Agriculture is seeking innovative ways to increase Supplemental Nutrition Assistance Program (SNAP) participants' access to fresh produce by increasing the number of farmers markets and direct marketing farmers authorized to accept SNAP benefits. This study describes how farmers markets and direct marketing farmers operate and their perceived benefits and barriers to accepting SNAP.

Methods

Data for this descriptive study were collected from a national survey of market managers representing 1,682 farmers markets (institutions or organizations) and 570 direct marketing farmers (individual farmers) between January and May 2012. The sample was drawn from four groups of markets and farmers that were: (1) SNAP-authorized and redeemed benefits in calendar year 2011, (2) SNAP-authorized but had no redemptions in 2011, (3) previously SNAP-authorized, or (4) never SNAP-authorized (does not include direct marketing farmers). Social network mapping was used to understand the sources of support for farmers markets and direct marketing farmers.

Findings

Farmers Market Operations: Overall, farmers markets in all four groups appeared to have a similar ownership and operations structure. However, currently authorized and redeeming markets tend to be more structured (e.g., more rules regarding vendor participation) than never-authorized markets. More currently authorized and redeeming markets operated in partnership with some other type of organization and on

multiple days, limited the range of products sold, required producers to report the value of their sales, and had annual operating budgets in excess of \$25,000.

Direct Marketing Farmers Operations: Overall, direct marketing farmers in all three groups appeared similar in ownership of farm land and growing practices. More direct marketing farmers with recent redemptions engaged in full-time farm work, had a farming tenure of over 20 years, and hired year-round full-time and part-time workers. A similar proportion (60 percent) of farmers in all three groups sold at farmers markets. More direct marketing farmers with recent redemptions generated annual farm sales in excess of \$100,000 and more than 25 percent of farm revenue from food sales.

Funding for Operating Costs: Farmers markets and direct marketing farmers relied on various, heavily localized funding sources. Eighty-three percent of the markets relied on vendor fees. About 40 percent of farmers markets and 30 percent of direct marketing farmers received financial or nonfinancial support from at least one organization. City, county, and State Government; nonprofits; and private businesses were the largest providers of support for farmers markets. Federal and State Governments and Cooperative Extension Agencies were the largest providers of support for direct marketing farmers.

Products Sold: Both markets and farmers sold more fruits and vegetables than any other kind of product. Fewer direct marketing farmers than farmers markets sold other food products. This suggests that SNAP-authorized farmers markets invite a variety of vendors that sell both prepared and nonprepared foods, and SNAP-

authorized direct marketing farmers limit their sales to nonprepared foods.

SNAP Participation: Findings from the market and farmer surveys indicate that when markets do not have SNAP authorization, individual vendors at these markets may be authorized and vice-versa. In some instances, markets as well as individual vendors have SNAP authorization. Lack of infrastructure or equipment was cited by farmers markets as a reason for not accepting SNAP benefits. Most direct marketing farmers reported lack of infrastructure as the primary reason for not accepting SNAP at all outlets. At outlets where direct marketing farmers redeemed the most SNAP benefits, over 80 percent of the farmers indicated that electronic benefit transfer (EBT) transactions accounted for 25 percent or less of their total sales. More direct marketing farmers than farmers markets used EBT machines instead of tokens for SNAP redemptions.

Benefits from SNAP Participation: Currently authorized and redeeming farmers markets were more likely to agree that participation in SNAP promotes access to healthy foods, supports the local economy, attracts different types of customers, and increases sales than nonauthorized or nonredeeming markets. Similarly, more authorized and redeeming direct marketing farmers reported that the benefits of accepting SNAP include increasing sales, attracting different customers, and improving the market's public image.

Challenges to Accepting SNAP: The process of becoming SNAP-authorized, the cost of a point-of-sale machine, and back-end accounting are barriers to market participation. Farmers markets frequently reported staffing needs to operate the EBT and cost associated with bookkeeping, startup, and transaction fees as barriers to participation. Direct marketing farmers frequently reported few SNAP

participants and ongoing transaction fees as barriers. While farmers markets reported the complicated process and personal choice as reasons to stop participation, farmers reported not having enough participants and high startup and ongoing costs as reasons to stop participation.

Methods to Promote SNAP: Farmers markets promoted themselves to the public at large using printed materials, Internet, and mass media, while direct marketing farmers promoted their products at the market.

Incentives for SNAP Participants: Farmers markets tended to rely on private foundations, nonprofit organizations, and local governments to institute incentive programs for nutrition assistance program participants. In 2011, about 50 percent of currently authorized and redeeming markets offered incentives (financial, nonfinancial, or both). About 17 percent of the markets reported receiving support for incentives from at least one organization; support for incentives was less localized than support for operations.

Mapping of social networks revealed complex, yet heavily localized support networks for both markets and farmers. Incentive support networks for farmers markets appear more centralized than that for direct marketing farmers, with a number of organizations supporting multiple farmers markets.

For More Information

Sujata Dixit-Joshi, John Burke, Barnali Das and Michael Steketee. *Nutrition Assistance at Farmers Markets: Understanding Current Operations*. Prepared by Westat for the U.S. Department of Agriculture, Food and Nutrition Service, April 2013. Available online at www.fns.usda.gov/research-and-analysis.