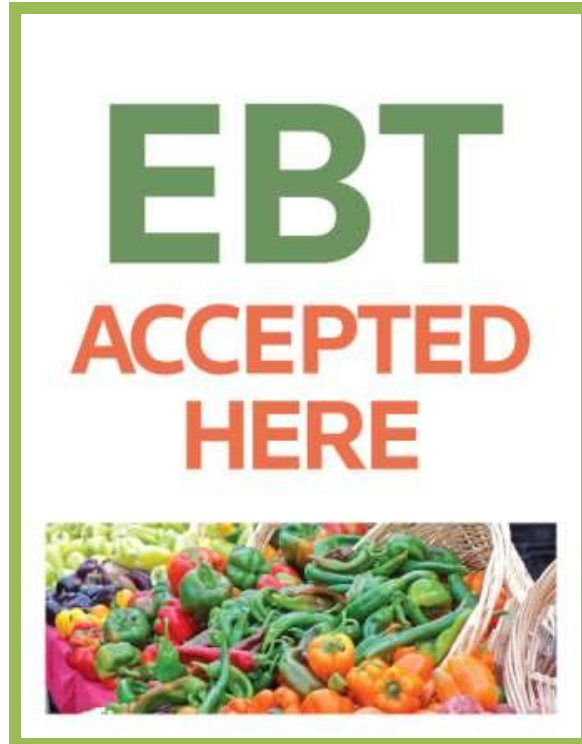


**Electronic Benefits at Three Farmers Markets in
Minneapolis:
An Analysis of the 2010 Pilot Program**



Prepared by the Institute for Agriculture and Trade Policy
For the Minneapolis Department of
Health and Family Support



INSTITUTE FOR AGRICULTURE AND TRADE POLICY

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Executive Summary

As part of the Homegrown Minneapolis Initiative, the Minneapolis Department of Health and Family Support (MDHFS), through funding from the Statewide Health Improvement Program (SHIP) of the Minnesota Department of Health, is investing in strategies to expand the availability and visibility of EBT (Electronic Benefit Transfer) at farmers markets in Minneapolis. The underlying goal of this work is to increase access to healthy, locally grown foods among Supplemental Nutrition Assistance Program (SNAP – formerly food stamps) participants.

In 2010, MDHFS and several community partners, including three farmers markets, the Institute for Agriculture and Trade Policy (IATP) and Blue Cross and Blue Shield of Minnesota (Blue Cross) worked together to make EBT services available for the first time at the Minneapolis Farmers Market and Northeast Minneapolis Farmers Markets. Program partners also created an incentive program, “Market Bucks”, to encourage SNAP recipients to use their EBT cards at these two markets and at the Midtown Farmers Market, which has accepted EBT since 2006. In addition, funding from MDHFS, Blue Cross and Hennepin County was used to design and implement a promotional and outreach campaign.

IATP has compiled lessons learned from the 2010 farmers market season based on EBT usage data, interviews with market staff and partners, in-person surveys with EBT customers (conducted by MDHFS and Blue Cross), and IATP’s first-hand involvement with many elements of the project. We believe that 2010 was an important year for learning and experimentation and that all of the participants in this work have much to be proud of.

Key observations include the following:

- EBT transactions across the three markets totaled \$20,659 in 2010.
- The farmers markets issued an additional \$7,127 in Market Bucks.
- EBT transactions at the Midtown Farmers Market in Summer 2010 were more than double 2009 levels.
- Approximately 736 SNAP participants used their EBT benefits at a participating farmers market during the 2010 farmers market season.
- Customers at all three markets expressed a high level of satisfaction with the EBT program.
- Most EBT purchases were for fresh produce.
- Technical assistance provided to the Minneapolis and Northeast Minneapolis Farmers Markets was critical to successful introduction of the EBT program.
- The promotional campaign included paid bus and radio advertising, earned media, and community outreach through trusted community leaders, community newspapers, market signage, etc. Most EBT customers indicate that they heard about the EBT and Market Bucks program through word of mouth or while at the markets.



Key recommendations for the future:

- Identify ways to streamline costs and to assess which types of market settings most effectively serve community needs given their existing and potential customer base, accessibility to public transit, hours of operation, product offerings and price-points.

- Continue funding the EBT initiative beyond 2010 and to decide which markets, program components and technical support to fund in 2011 by no later than early February 2011 so that participating markets and other partners can adequately prepare for the Summer 2011 season.
- Adequately fund the market-level staff time and other direct costs that are required to provide EBT services. Anticipate the need for additional staffing and machines given the likelihood that the volume of EBT transactions will increase in 2011, especially at the Minneapolis Municipal Market.
- Invest in markets that have the strongest potential to meet community needs and to deploy scarce funding most productively.
- Strive to position the EBT initiative for long-term sustainability by securing multi-year funding and further researching mechanisms to provide coordinated support services.
- Continue to fund Market Bucks, if possible, given the favorable response to this incentive program from EBT users.

I. Introduction

In 2010, the Minneapolis Department of Health and Family Support (MDHFS) launched an initiative to expand the availability and visibility of Electronic Benefit Transfer (EBT) services at farmers markets in Minneapolis. The Minneapolis Farmers Market, Northeast Minneapolis Farmers Market and Midtown Farmers Market all participated in a pilot designed to help EBT users access healthy, local foods at their markets. The Minneapolis and Northeast Minneapolis Farmers Markets launched EBT services in the summer of 2010, while the Midtown Farmers Market entered its fifth year of offering EBT services.

In addition, an EBT incentive program called “Market Bucks” (MB) was introduced at all three markets, providing a daily dollar-for-dollar match of up to \$5 when customers use their EBT cards at the markets. A multi-media promotional campaign was also launched to raise awareness about EBT services and the Market Bucks program.

The City’s involvement in this work has been funded by the Statewide Health Improvement Program of the Minnesota Department of Health and the Communities Putting Prevention to Work initiative of the American Recovery and Reinvestment Act of 2009. Blue Cross and Blue Shield of Minnesota (Blue Cross) contributed funding for promotional efforts and supported the Market Bucks program and program evaluation at the Midtown Farmers Market. The Institute for Agriculture and Trade Policy (IATP) also raised additional funds from the Hennepin County Human Services and Public Health Department for promotional activities in 2010 and 2011 and evaluation. MDHFS and Blue Cross staff members conducted EBT customer interviews. IATP and Blue Cross contracted with Fourth Sector Consulting for design of the promotional campaign.

The City of Minneapolis also contracted with the Institute for Agriculture and Trade Policy to execute various elements of the EBT initiative. IATP:

- conducted preliminary research on EBT programs around the country to identify the pros and cons of different approaches and document the capacities and activities needed to establish EBT in farmers market settings. IATP’s July 2010 report is available at http://www.ci.minneapolis.mn.us/dhfs/IATP_Report_072010.pdf.
- conducted research on EBT incentive programs around the country to inform the development of the Market Bucks program.
- coordinated development of the Market Bucks program.
- coordinated development of the promotional campaign.
- implemented portions of the promotional campaign.
- provided technical assistance to the Minneapolis and Northeast Minneapolis Farmers Markets. This included, but was not limited to:
 - developing a timetable and action plan for each market to institute EBT.
 - providing advice on accountability and record-keeping systems.
 - providing trouble-shooting support and conducting additional research as needed.
 - provided analysis and suggestions to hone the EBT and Market Bucks programs as the season progressed
- participated in evaluation activities, including analyzing sales data from the markets and conducting interviews with market managers and other key staff.
- compiled evaluation data from the various partners and wrote this post-season assessment report.

Market Descriptions

The three farmers markets that participated in the EBT and Market Bucks programs in 2010 vary in terms of their size, frequency of operation, and the type of products they offer.

Minneapolis Farmers Market

- Located between Downtown and North Minneapolis on North Lyndale Avenue
- The largest farmers market in Minnesota
- Open seven days a week for seven hours per day (49 hours per week) from May to November, and also holds a less frequent winter market.
- Averages 45 vendors on weekdays and 98 on weekends in the summer season
- Allows for vendors (resellers), that sell non-local products they themselves did not produce.

Midtown Farmers Market

- Located in South Minneapolis on Lake Street
- Open two days per week – Saturday mornings and Tuesday evenings – for a total of 9 hours per week from May to October.
- Averages 30 vendors on Tuesdays and 50 vendors on Saturdays
- Does not allow resellers
- Accepts credit and debit cards along with EBT

Northeast Minneapolis Farmers Market

- Located in Northeast Minneapolis
- Open on Saturday mornings for four hours from May to October.
- Averages 30 vendors per week
- Does not allow resellers

At all three markets, EBT services were provided through a market-based system, with a central EBT processing machine and wooden tokens. (This contrasts with a vendor-based system in which vendors have their own machines and tokens are not used.) The Market Bucks program used pre-printed coupons.

The bulk of the hands-on preparation for the EBT initiative took place on a very compressed timetable between April and July 2010. Funding for some project elements was not secured until spring 2010 and commitment to participate from one of the markets wasn't confirmed until the spring as well. While the Midtown Market already had their EBT systems in place when their summer season started in May, EBT was launched at the Minneapolis Farmers Market on July 1 and at the Northeast Minneapolis Farmers Market on August 7. Promotional activities were phased in as EBT services became available.

As a result, the 2010 pilot reflects less than a full season of activity. EBT sales figures would likely have been higher had EBT services been in place earlier in the market season. Nevertheless, the 2010 effort was an important opportunity to design, test, run and evaluate all elements of the EBT initiative.

II. Initial Outcomes

A. EBT Activity at the Three Markets

During the summer of 2010, a total of nearly \$28,000 of EBT transactions took place at the three participating markets: \$20,659 in EBT and \$7,127 in Market Bucks, as follows:

<i>Minneapolis Farmers Market (EBT started July 1 MB started July 17)</i>			<i>Midtown Farmers Market (EBT started May 1 MB started June 12)</i>			<i>Northeast Minneapolis Farmers Market (EBT and MB started August 7)</i>		
Month	EBT	MB	Month	EBT	MB	Month	EBT	MB
May	--	--	May	\$267	--	May	--	--
June	--	--	June	\$667	\$209	June	--	--
July	\$1779	\$370	July	\$1188	\$538	July	--	--
August	\$3302	\$1095	August	\$1516	\$718	August	\$97	\$50
September	\$4755	\$1293	September	\$1650	\$782	September	\$195	\$117
October	\$3270	\$1123	October	\$1468	\$635	October	\$150	\$82
November	\$355	\$115	November	--	--	November	--	--
TOTAL	\$13,551	\$3996	TOTAL	\$6756	\$2882	TOTAL	\$442	\$249

(For additional analysis of the EBT and Market Bucks statistics, please see the Appendix A.)

The Minneapolis Farmers Market is by far the largest of the three participating markets and accounted for 65% of the total EBT activity and 56% of the Market Bucks in 2010. Midtown Farmers Market accounted for 33% of the EBT transactions, with Northeast Minneapolis Farmers Market accounting for 2%.

The Midtown Farmers Market, the only market that offered EBT prior to 2010, saw the dollar value of their EBT transactions more than double from 2009 levels. With Market Bucks included, EBT activity tripled from 2009 levels. (For a detailed report on Midtown Farmers Market EBT and Market Bucks promotion, visit www.bluecrossmn.com/preventionminnesota and search "Market Bucks").

EBT sales increased throughout the season, peaking in September at all three markets. Sales consistently peaked in the second week of each month. This coincides with how SNAP funds, known as Food Support in Minnesota, are credited to users' EBT cards. Each EBT card is replenished once per month on a set date within the first two weeks of the month. By the second weekend of the month, most Food Support participants have received their monthly funds, making it the busiest EBT weekend of the month for the markets. EBT activity was the lowest in the first and last weeks of the month.

The average transaction amount at the Northeast Minneapolis Farmers Market was \$9, \$10 at the Midtown Farmers Market, and \$15 at the Minneapolis Farmers Market.

Individual EBT transactions ranged from \$1 to a few \$100 transactions at the Minneapolis Farmers Market. As the program gained momentum, the Minneapolis market began to run short of tokens and later limited transactions to \$60 per person per day. The largest transaction at the Midtown Farmers Market was \$72 and at the Northeast Minneapolis Farmers Market was \$20.

Some customers took full advantage of the Market Bucks program by charging \$5 on their EBT card each market day and receiving the \$5 match. At the three markets, between 42% and 54% of transactions were \$5 and under.

According to market data for the summer, the number of unique individuals who used their EBT benefits at the markets totaled 736. Some EBT users attended the market multiple times. The breakdown by market is as follows:

	Number of Individuals using EBT services	Number of Visits	Average Visits Per Customer
Minneapolis Farmers Market	472	834	1.8
Midtown Farmers Market	235	601	2.6
Northeast Minneapolis Farmers Market	29	50	1.7

At the Minneapolis and Northeast Minneapolis Farmers Markets, 69% of the EBT customers visited the market once throughout the 2010 season. At the Midtown Farmers Market, 50% of the EBT customers visited the market once throughout the season.

B. Feedback from EBT Customers & Market Staff

To gather input from these EBT customers, the Minneapolis Department of Health and Family Support conducted 39 customer satisfaction surveys with EBT customers at the Minneapolis and Northeast Minneapolis Farmers Markets. Blue Cross conducted 39 customer surveys at the Midtown Farmers Market. The feedback received from these EBT customers was very positive:

- Customers reported that they were very satisfied with the EBT programs at all three markets.
- They especially appreciated the Market Bucks incentive program, which was viewed as a helpful boost to EBT customers' buying power during difficult financial times.
- They felt that the price and quality of the produce at the markets was very good.
- All customers surveyed said that they would return to shop at the market.
- Comments from interviewees included:
 - "Fruits and vegetables are more affordable here than at the grocery stores".
 - "It's good to accept EBT because it makes it easy for me to shop here".
 - "I wish they had done this years ago".
 - "I look forward to going to the market every week".
 - "It's really great to spend \$15 and get another \$5 [referring to Market Bucks]".
 - "The \$5 in Market Bucks is great – hope it keeps going".

(To view the MDHFS customer survey tool, please see Appendix B.)

To gather input from market managers, IATP conducted in-depth interviews with the farmers market managers and staff members from the three participating markets. Highlights from these interviews include:

- Market staff reported that repeat EBT customers often conveyed that they felt like they were a part of the market community and felt welcomed. These customers made

comments such as, “this is my market” and “[shopping here] is the highlight of my week”. Many customers built a rapport with market staff as they returned to the market from one week to the next. The program also built goodwill among some non-EBT customers who voiced their enthusiasm that the markets are providing this service to their neighbors.

- According to market staff, the availability of EBT service itself is what drew many EBT customers to the markets. They also perceived that the Market Bucks program was seen as a welcome surprise by EBT shoppers and may have resulted in more repeat business. The Minneapolis Farmers Market in particular noted strong repeat business among some EBT shoppers who would come to the market frequently to obtain the per-day Market Bucks benefit.
- EBT cards carry both cash and food support dollars. Some participants, especially seniors, receive cash benefits. According to both market staff perceptions and the customer surveys, customers expressed a desire to use both benefits at the market.

(To see the market manager interview guide, please see Appendix C.)

C. Impact on Vendors

A wide variety of vendors benefited from the increased sales associated with the EBT program. While some of these transactions might have occurred without EBT and Market Bucks, it is likely that most of the nearly \$28,000 in EBT and Market Bucks transactions this summer represented increased sales for participating vendors.



Across all the markets, fresh produce vendors were the most common purchase sites. Midtown Farmers Market and the Northeast Minneapolis Farmers Market reported that the vast majority of their EBT token and Market Bucks coupons were redeemed by produce vendors (87% and 69%, respectively).

At the Minneapolis Farmers Market, those vendors that did the most EBT business were the resellers (who can offer tropical fruits and other non-local items) and the vendors that had culturally specific produce items (greens, bitterball, etc).

At all of the markets, vendor participation in the EBT program was voluntary, and the majority of vendors who were eligible to accept EBT chose to participate. Some vendors had declined initially, but several later signed on. Meat and cheese vendors were among those less likely to participate as they often price their products by the pound, typically resulting in prices that don't correspond with the dollar-denominated EBT tokens and Market Bucks. Because vendors are not allowed to give change for EBT tokens, it can prove difficult to ensure fairness to both the customer and vendor when prices are not set in round dollars.

While nearly \$28,000 of EBT tokens and Market Bucks were issued, not all were later redeemed by vendors. At the Minneapolis Farmers Market, 10% of EBT transactions and 5% of Market Bucks coupons were not redeemed. At Midtown Farmers Market, 13% of EBT tokens and 15% of Market Bucks coupons were not redeemed. These tokens and coupons were either not used by customers or were used but then not submitted for reimbursement by vendors.

III. Program Elements and Analysis

This section describes each of the major program components: staffing by the farmers markets, infrastructure, the promotional campaign, Market Bucks, contracting between two of the markets and the City, and program costs.

A. Market-Level Staffing

At the market level, the greatest challenge (and financial cost) associated with providing EBT services is that of staffing. In 2010, that challenge was magnified for the Minneapolis and Northeast Minneapolis markets by the newness of the program, along the task for running EBT services once they had been instituted. Start-up related activities at the market level included market staff time to:

- complete the USDA EBT application.
- select an EBT processor.
- obtain an EBT machine and phone/internet services.
- institute a market-level EBT accounting system.
- participate in the development of the promotional campaign, communications plans, and Market Bucks program.

On-going staffing needs (which are likely to increase if EBT is continued next year as EBT sales rise), include:

- staffing the EBT machine during market hours.
- promotions and outreach.
- preparing for each market (e.g. counting and sorting tokens, counting and preparing Market Bucks coupons).
- closing out each market (e.g. closing counts for tokens and coupons, reviewing accounting paperwork and EBT machine batch reports).
- training vendors.
- reimbursing vendors.
- contracting with the EBT processor.
- maintaining accountability systems.
- managing EBT-related volunteers and staff.
- collecting evaluation data.

During the EBT pilot, each market hired one additional part-time staff person with financial support from MDHFS (Northeast Minneapolis and Minneapolis Farmers Markets) or Blue Cross (Midtown Farmers Market). Staff costs that were covered by this outside funding across the three markets totaled roughly 856 hours of market staff time. In addition, market staff devoted significant additional time to the EBT initiative on top of their regular job duties. Uncompensated time (which was either subsidized by markets' on-going funding of staff salaries, reflected in unpaid overtime worked by staff, or covered by unpaid volunteers) was estimated by the markets to total roughly 910 hours. Even with the outside staff funding that was provided in 2010, an estimated 57% of the market-level human resources that went into the EBT initiative were borne by the markets and their staff.

Staffing needs were by far the largest at the Minneapolis market, which is open seven days per week during the summer season, has 200 vendors over the course of the season, and serves the largest customer base. The Minneapolis market also generated the most EBT activity among the

three markets and offers its shoppers a wide variety of culturally appropriate, value-priced products.

Farmers market organizations have no direct way to recoup the costs of providing EBT services. Already thinly staffed and tightly budgeted, most markets do not have under-utilized staff or additional funding on hand to cover the added work and direct costs of offering this service. Efforts to introduce EBT at other markets in the city are likely to face similar financial barriers. These must be addressed if EBT is to become a sustained and viable vehicle for increasing healthy food access in our local food system.

B. Infrastructure

Providing EBT service in a farmers market setting involves a unique set of logistical challenges. For instance,

- Each market needs to submit an application to the Food and Nutrition Service (FNS) of the USDA.
- A market representative must provide their name, address and personal social security number in order for the market to obtain authorization from FNS. As a result, that individual takes on certain liabilities for the market's EBT activity.
- Each market needs an EBT processing machine and phone or wireless access. This involves setting up a contract with a third party processor who handles the flow of money from EBT cards into the markets' bank accounts. The contracting process with this third party processor is challenging for markets as it typically involves complicated terms and requires multi-year financial commitments.

(A detailed list of steps needed to provide EBT services is available in IATP's July 2010 report.)

The Minneapolis Farmers Market, while open-air, has a permanent structure with electricity. Locations that have a telephone line and electricity are able to obtain a free, wired, EBT-only machine from the Minnesota Department of Human Services (DHS). DHS has a contract with eFunds to provide the machine and EBT transaction service, eliminating the need for the market to "shop around" and compare contracts. The Minneapolis Market needed to install new wiring to enable phone access, but the EBT machine itself was free and their only monthly charge was for telephone service.

The Northeast Minneapolis Farmers Market (which does not have the infrastructure for a telephone line and electricity and, therefore could not avail themselves of a free, wired machine from DHS) obtained a contract for and purchased a wireless EBT machine. Staff and board members spent a significant amount of time contacting potential providers, obtaining quotes and reviewing sample contracts. They ultimately chose the processor eFunds as contract terms allow the market to pay only for the months when the machine is in use. They did have to sign a three year contract. The City is able to cover eFunds fees incurred through the 2011 market season but cannot make assurances beyond that because of its funding restrictions.

Northeast Minneapolis and Midtown Farmers Markets, both of which use wireless EBT machines, experienced technical difficulties such as slow transaction times during inclement weather, dropped transactions, or dead batteries. As a result, the Northeast Minneapolis Farmers Market found it crucial to maintain a parallel system of paper vouchers (allowing a transaction to be initiated over the phone and completed on the EBT machine at a later date). The Midtown

Farmers Market staff indicated that having a wireless “booster” might improve transaction speed and reduce wait times for customers.

C. Promotional campaign

The program partners worked together to develop and implement a promotional campaign for the EBT and Market Bucks programs at all three markets. Fourth Sector Consulting was hired to design the campaign. The promotional campaign consisted of:



- on-site materials including vendor booth signs, one 3x5 foot banner (shown at left) and one stand-up banner for each market.
- on-bus ads, transit stop ads and radio spots on KFAI and Radio Rey.
- fliers, posters and brochures in English, Spanish and Somali.

The campaign was designed to provide a common look for the EBT promotional effort and combined paid advertising with community-based strategies (e.g. distributing fliers through community organizations and spreading the word through key community members).

As a first step, Fourth Sector conducted a set of stakeholder interviews to inform the design of the campaign. An overall media plan and an outreach plan specific to each market was developed through a collaborative process. A graphic designer was hired to develop the promotional material and at-market signage. The market staff, funders and IATP all provided feedback on each component of the campaign.

Fliers, posters and brochures were distributed throughout the city primarily by IATP and MDHFS with support from market staff and Blue Cross. Market staff also distributed materials on-site.

Below are some of the main observations from market staff and EBT customers regarding the promotional campaign:

- Most EBT customers reported that they heard about the EBT program while at the market or through friends and family. Some reported that they saw the program advertised online, saw a poster in the community or saw an earned media piece.
- Of the printed material, the fliers and brochures were viewed by market staff as the most useful pieces. The larger poster (11x17 inches) was too big for locations that had limited wall space. The 8.5x11 inch flier was used widely.
- Markets used the 3x5 foot banner and the stand-up banner extensively, although the utility of the signage was affected by each market’s unique operating environment (e.g. exposure to wind, layout and footprint of the market, and visibility of the EBT booth). All markets said more at-market signage would be beneficial.
- The Northeast Minneapolis Farmers Market is also working to build the market’s overall brand and would value EBT promotional tools that could be more easily integrated into promotions for the market itself.

D. Market Bucks

The Market Bucks program provided a dollar-for-dollar match of up to \$5 each market day for those purchasing market tokens on their EBT cards. Funded by MDHFS at the Minneapolis and Northeast Minneapolis Farmers Markets and by Blue Cross at the Midtown Farmers Market, Market Bucks was established to create an incentive for SNAP participants to use their EBT cards at the participating markets.

The Market Bucks program was implemented through credit-card sized coupons printed on heavy card stock. The Market Bucks were designed to be eye-catching, distinct from the markets' EBT tokens, and something that could be used consistently by all three markets. They included a space to put a market-specific stamp and the day on which the coupon was issued. They also included some fraud prevention features, such as a space for customer signature and a serial number. It was envisioned that ink stamps could be used for market identification, serial numbers and dates. In the end, the card stock did not accept stamp ink, so stickers and hand-written dates were used.

While the coupons functioned well in other respects, preparing and issuing the Market Bucks proved cumbersome. Fraud did not turn out to be a problem and a more simplified process (e.g. eliminating dates, signatures and serial numbers) could be used if Market Bucks is continued in 2011. Alternatively, markets could potentially use tokens as the match, eliminating the need to have a separate paper currency.

E. Contracting

The Minneapolis and Northeast Minneapolis Farmers Markets received funding from the City of Minneapolis for staff costs and reimbursements for Market Bucks transactions. While this financial support was greatly valued, both markets reported delays with the contracting process and subsequent payments from the City.

Initially, there were also issues related to reimbursement for the Market Bucks program at the Minneapolis market. Reimbursement checks from the City created serious cash flow concerns for the Minneapolis Farmers Market early in the season. In September, the City provided an advance to the Minneapolis Farmers Market from which the market could cover Market Bucks payments and staffing costs, alleviating cash-flow issues for the remainder of the season.

F. Program Costs

Looking at the EBT initiative overall, the EBT program in 2010 cost a total of \$110,677 (from all funding sources combined, across all participating markets). Funding for the EBT initiative was divided into the following program areas:

- Market staff time (both contracted with outside funders and salary costs paid by the markets): \$26,575
- Promotions (background research, development of original materials, printing): \$39,760
- Reimbursements to markets for startup program costs (machines, tokens, etc) and stipends: \$7,690
- Market Bucks (actual reimbursements plus development and printing): \$10,902
- Technical assistance and other program development: \$16,750
- Evaluation and post-season assessment: \$9,000

In addition to the program areas listed above, MDHFS and Blue Cross estimate that they spent a combined 570 hours of staff time on the EBT initiative in 2010.



In future years, the costs will likely shift over time. The start-up costs incurred in 2010 are likely to be sharply reduced in 2011 for the three markets that participated in 2010. Start-up costs included staff time for EBT and Market Bucks development, consulting services and staff time to develop the promotional campaign, and one-time hard costs (such as purchasing machines and tokens, promotions research and materials development). Approximately 50% of the costs incurred in 2010 were related to start-up.

However, readers are cautioned not to use these estimates as a basis for projecting future costs. Future costs could vary for a wide variety of reasons. For instance, adequately staffing the participating markets, even relative to the level of EBT activity that occurred in 2010, would take additional financial resources.

Increased EBT sales in future years may also result in the need for more EBT machines, more workers to staff the machines, additional accounting support, higher per-transaction costs and the like. On the other hand, components like evaluation, Market Bucks, and technical assistance for the markets could be stopped entirely or greatly scaled back. Returning markets would likely require less technical assistance. And, greater reliance on low/no-cost outreach strategies would greatly reduce promotional costs.

It must be noted that EBT services provide many benefits that are not reflected in “the numbers”. These include increased access to healthy foods for SNAP participants, an increased percentage of EBT dollars spent with small, local businesses, improved equity in the food system, and an opportunity for participating markets to meet community needs in new ways.

IV. Coordinated EBT System

As discussed earlier, EBT is a complex undertaking in a farmers market context and is difficult for thinly staffed markets to administer on a sustained basis. A centrally run, coordinated support system has the potential to change that dynamic.

Over the course of the 2010 season, a number of insights emerged about the potential role of a coordinated system to support EBT services at multiple markets. For instance, a wide array of EBT-related responsibilities could potentially be shifted from individual markets to some type of coordinating body. These could include:

- Helping markets assess their readiness for EBT and coaching them through the launch process
- Contracting with a third-party processor for EBT machines and handling associated costs (monthly fees, per-transaction fees, phone service, etc.)
- Providing tokens and other supplies
- Designing and providing guidance on financial accountability systems and accounting tools and procedures
- Developing and supporting implementation of promotional efforts

- Training vendors, market managers and staff
- Providing and managing staff to work the EBT machine at the markets
- Training and managing volunteers to support the program (e.g. to assist with promotional campaign and at the market)
- Providing prepared materials for each market day (e.g. counted tokens, paperwork)
- Handling post-market accounting (e.g. reconciling tokens with accounting paperwork and EBT machine reports)
- Reimbursing vendors
- Collecting data and evaluating the program across markets
- Providing coaching and troubleshooting throughout the season
- Generating “how to” and other training materials for markets
- Exploring and piloting new approaches such as advances in technology that could be adapted to farmers market contexts
- Fundraising and grant writing

It is clear that a centralized system could significantly reduce the staff time spent at the market level. This could make the provision of EBT services more financially and operationally sustainable for participating markets, primarily by shifting the workload from the markets to a centralized entity. It is currently less clear how much time could actually be saved, on net, from that shift and whether significant economies of scale would emerge.

There are many different combinations of services that could potentially be centralized, each with its own management and cost implications for the central entity and for participating markets. The potential for economies of scale would be influenced by the number and location of participating markets and the particular roles housed under the coordinating entity.

Designing, instituting and maintaining a coordinated EBT system across multiple farmers markets would involve its own set of new staff and organizational costs. It would require a critical mass of farmers markets who are interested in working with the coordinating entity. This may merit exploring structures that would include and extend beyond participating markets in Minneapolis.

It will also be important to address the liability risk associated with centralizing certain EBT-related functions. For instance, would the markets continue to handle their own accounting functions for EBT and retain liability for EBT-related financial management, or would the central entity take on that role? In the latter case, a significant investment would be needed in accountability systems that reach down to the market level so that the central entity could maintain sufficient accounting controls across many market locations for financial activity being handled by individuals who, potentially, are employed and managed by the markets, rather than the central entity.

Given the wide array of potential structures and roles for a coordinated EBT system, more in-depth research is merited. This should include an assessment of the potential costs, operating dynamics, economies of scale, and staffing implications for various approaches, among other elements.

V. Recommendations for the Future

Key Recommendations:

- Identify ways to streamline costs and to assess which types of market settings most effectively serve community needs given their existing and potential customer base, accessibility to public transit, hours of operation, product offerings and price-points.
- Continue funding the EBT initiative beyond 2010 and to decide which markets, program components and technical support to fund in 2011 by no later than early February 2011 so that participating markets and other partners can adequately prepare for the Summer 2011 season.
- Adequately fund the market-level staff time and other direct costs that are required to provide EBT services. Anticipate the need for additional staffing and machines given the likelihood that the volume of EBT transactions will increase in 2011, especially at the Minneapolis Farmers Market.
- Invest in markets that have the strongest potential to meet community needs and to deploy scarce funding most productively.
- Strive to position the EBT initiative for long-term sustainability by securing multi-year funding and further researching mechanisms to provide coordinated support services.

Additional Recommendations:

Market Bucks

- Continue to fund Market Bucks, if possible, given the favorable response from EBT users.
- Establish mechanisms for funders to reimburse or advance Market Bucks funding to markets well in advance of the season to avoid subsequent cash flow problems for participating markets.
- Explore whether the Market Bucks program could be administered through Market Bucks tokens rather than paper coupons. If not, print Market Bucks on card stock that can absorb additional stamped-on.
- Streamline Market Bucks protocols (e.g. by eliminating the requirement for same day usage, customer signature, date and serial numbers).
- Consider avenues for providing Market Bucks to other populations such as WIC participants.

Promotions

- Update the promotional package for 2011:
 - Keep the brochure, but make it less text-heavy
 - Keep the flier and omit the poster
 - Invest in more outdoor signage suited to the unique circumstances of each market
 - Invest less in radio and paid print ads if dollars are scarce
 - More fully engage trusted neighborhood leaders to help spread the word
 - Explore how the EBT promotional materials can be more fully integrated into markets' other promotional efforts

Technology and Infrastructure

- Encourage the State of Minnesota to provide wireless machines in the same way that they provide free wired machines, if possible.
- Offer technology improvements to participating markets, such as a laptop at Minneapolis Farmers Market and a wireless booster for Midtown and other markets with wireless machines.
- Explore the feasibility of accepting the cash portion from EBT cards, barring any burdensome logistical or financial barriers.
- Use metal tokens, which can be counted with a machine, saving staff time.
- For any markets that may institute EBT in the future but are likely to have a small volume of EBT transactions, consider using a paper voucher system rather than a machine-based system to reduce cost and complexity.
- Encourage USDA to explore new wireless technologies that could potentially reduce the complexities of current machine-based technologies.

Evaluation

- Enter the 2011 season with clear goals, success indicators and measurement tools in place and continue to invest in evaluation, if possible.
- Include a survey of market vendors and expand survey work with EBT customers.
- As the program matures, continue to assess overall costs and benefits of EBT at participating markets. Explore whether EBT services are an optimal investment given their overall impact on food access and how EBT services can best be targeted and organized to meet community needs.

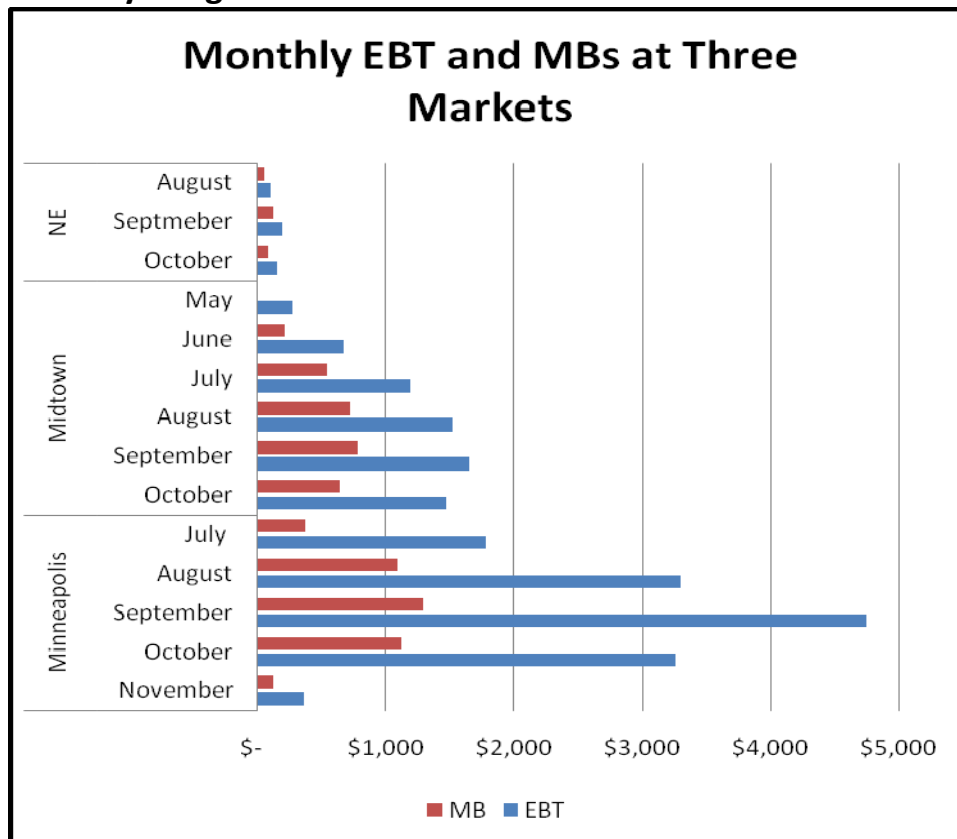
Appendix A: Summary EBT and Market Bucks Statistics for the 2010 Market Season

- Minneapolis Farmers Market
- Midtown Farmers Market
- Northeast Minneapolis Farmers Market

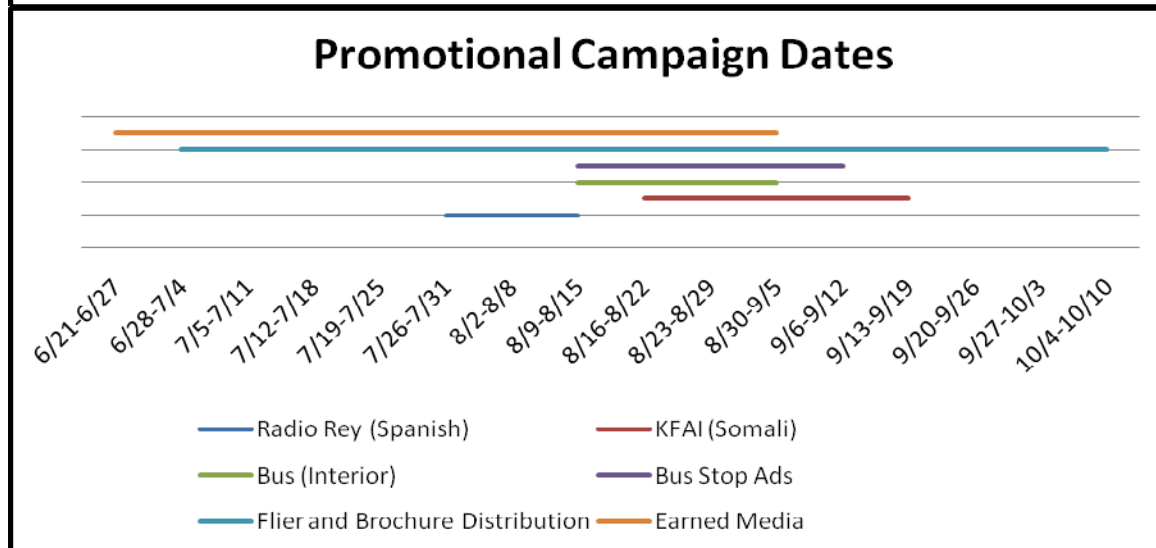
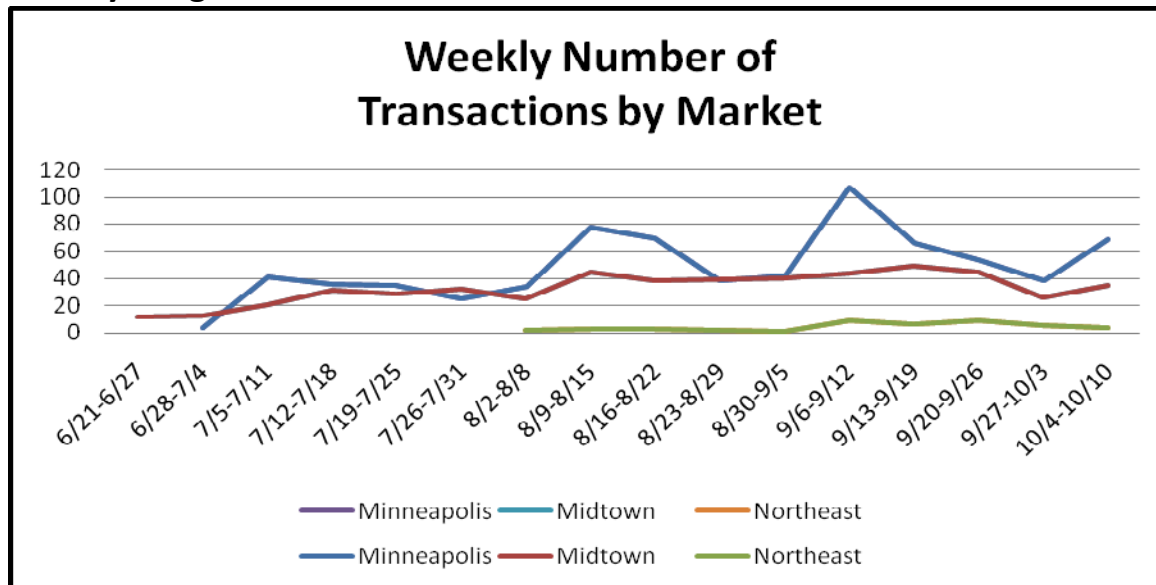
Overall Usage

Market	Total EBT Sales	EBT Dates	Total Market Bucks	MB Dates
Minneapolis Farmers Market	\$13,451	July 1 – Nov 7	\$3,989	July 17 – Nov 7
Midtown Farmers Market	\$6,756	May 1 – Oct 30	\$2,882	June 12 – Oct 30
Northeast Minneapolis Farmers Market	\$442	Aug 7 – Oct 16	\$249	Aug 7 – Oct 16
TOTAL	\$20,649		\$7,120	

Monthly Usage



Weekly Usage



Individual Usage

Market	Total Transactions/ Total Individuals	Avg # of market days attended per customer	Attended one market day	Attended two+ market days	Average/Median EBT transaction
Minneapolis Farmers Market	892/472	1.8	326 (69%)	146 (31%)	\$15/\$10
Midtown Farmers Market	663/235	2.6	118 (50%)	117 (50%)	\$10/\$8
Northeast Minneapolis Farmers Market	52/29	1.7	19 (66%)	10 (34%)	\$9/\$5

Appendix B: EBT/Market Bucks Customer Survey Minneapolis Department of Health and Family Support

The purpose of this survey is to gather information about EBT use and the Market Bucks program in Minneapolis Farmers Markets. Your answers will be used to help us improve our program. This project is being conducted by the Minneapolis Department of Health and Family Support.

Your answers to this survey will be confidential, and we will not be collecting your name or personally identifying information. The only people who will see the individual responses are the research staff at the city health department. When all of the surveys are completed, results will be summarized into a report, which will not contain any personal identifying information.

Completing the survey is voluntary. You do not have to participate or answer any questions you do not want to. Your decision on whether or not to participate will not have any negative effects for your relationship with the Health Department or Farmers Market. However if you choose not to respond to the survey, programs may be created without the benefit of your viewpoint. The survey should take between 5 and 10 minutes to complete.

INTERVIEWER: Initial here after reading the above statement to the participant.

1. How did you learn that this farmers market accepts EBT cards?

- ☐ from a poster or an advertisement
- ☐ from a newspaper or newsletter
- ☐ from a radio advertisement
- ☐ from word-of-mouth
- ☐ at the farmers market
- ☐ other (describe): _____

or

- ☐ none of these

1a. How did you learn that this farmers market has free Market Bucks coupons for customers who use EBT cards? (Please check as many answers as apply.)

- ☐ from a poster or an advertisement
- ☐ from a newspaper or newsletter
- ☐ from a radio advertisement
- ☐ from word-of-mouth
- ☐ at the farmers market
- ☐ other (describe): _____

or

- ☐ none of these

2. How easy was it for you to get your EBT tokens and Market Bucks coupons at this farmers market? (Please check only one answer.)

- ☐ very easy
- ☐ somewhat easy
- ☐ somewhat difficult
- ☐ very difficult

3. Have you used EBT at this farmers market before?

- ☐ yes
- ☐ no



If no, please go to Question 7 below.

4. Have you had any problems using your EBT card or EBT tokens at this farmers market?

☐ yes – please describe: _____

☐ no

5. How would you compare the quality of produce at this farmers market to the quality of produce at the store where you usually shop for food?

☐ the store where I usually shop is better

☐ this farmers market is better

☐ the store and the market are about the same

☐ I don't know

6. How would you compare the price of produce at this farmers market to the price of produce at the store where you usually shop for food?

☐ the store where I usually shop is better

☐ this farmers market is better

☐ the store and the market are about the same

☐ I don't know

7. Do you plan to shop at a farmers market again?

☐ Yes

☐ No

☐ Maybe

8. Please share any comments or suggestions you may have about using EBT cards or Market Bucks at farmers markets.

The following questions will help us describe who participated in the survey.

9. Which of the following best describes your race or ethnicity? (Please check as many answers as apply.)

☐ American Indian, Native American, or Alaska Native

☐ Asian or Asian-American

☐ Black, African, or African-American

☐ Hispanic, Latino, or Spanish origin

☐ White or European-American

☐ Other -- please describe: _____

10. What is your zip code? _____

Thank you for your feedback!

Appendix C: Interview Questions for Market Managers

EBT and Market Bucks Program -- 2010

EBT and Market Bucks

- What are your overall impressions about the experience of offering EBT and Market Bucks at your market this past season?
- In your opinion, how did it go overall? Were there any surprises?
- What was your experience with the following aspects of providing EBT and MBs at your market? What worked well? What did not?
 - Setting up EBT and MB
 - Day-to-day operations for EBT and MB
 - Reimbursing vendors for EBT and MB
- How do you think these programs impacted your market this past season?
 - What impact did the program have for vendors? Customers?

Promotional campaign

- What do you think was the impact of the promotional campaign? Which efforts seemed to be most and least effective?
 - PROMPTS: banners, posters/fliers, brochures, on-bus ads, transit stop ads, radio ads (Radio Rey, KFAI), promo distribution to community locations
- Which pieces of the promotional campaign were easy to implement and which were difficult to implement?
- What was your experience with any “earned media,” that is, blog comments, interviews or articles about EBT and Market Bucks that were not paid advertisements? What worked well? What did not work well?
- How do you think customers found out about EBT and Market Bucks at your market? Did customers mention specific promotional efforts?

Other

- What resources were most helpful to you in order to provide EBT and MB at your market? Were you lacking in any resources?
- What kinds of resources would you need to offer EBT and MB at your market in the future?
- How interested are you in providing EBT services and MB next year and why?
- How would you want next year to be different than this year? What needs to be built into the plan for next year?
- What advice would you have for other markets setting up an EBT and MB system from scratch?