



# FARM BILL

## **REUNITING SNAP PARTICIPANTS AND FARMERS MARKETS BY FUNDING EBT PROGRAMS**

A PUBLIC HEALTH  
**PRIORITY**

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# REUNITING SNAP PARTICIPANTS AND FARMERS MARKETS BY FUNDING EBT PROGRAMS

## A PUBLIC HEALTH PRIORITY

### Who We Are

Based within the Bloomberg School of Public Health, The Johns Hopkins Center for a Livable Future (CLF) is an academic center that conducts and promotes research and communicates information about the complex inter-relationships among food production, diet, environment and human health. The Center investigates these issues, and advocates on behalf of policies to protect the public's health and the environment, enhance food system sustainability, and increase food security. Improving the "Farm Bill" is a major priority for the CLF.

### OUR POSITION:

CLF urges Congress to fund fully SNAP access at farmers markets, as well as the complementary costs of program administration, training, and marketing that enable farmers markets to successfully serve customers who use SNAP benefits.

### Introduction

Farmers markets are increasingly important venues for Americans to purchase locally grown, nutritious food. These markets, however are not as accessible as they should be to low-income consumers. At many markets, participants in the Supplemental Nutrition Assistance Program (SNAP) cannot use their benefits because the markets lack wireless terminals that process Electronic Benefit Transfer (EBT) sales. The 2008 Farm Bill provided some funding to increase this access, as described in CLF's report, **Growing Healthy Food and Farm Policy** (p.12). As part of the 2012 Farm Bill, Congress should increase this investment, to improve access to healthy food while at the same time supporting America's farmers and local economies.

As the number of farmers markets continues to increase across the country, it will be critical for the government to keep pace with the need for greater investment in EBT technology and resources. Correspondingly, a continued federal commitment to the overall SNAP program must also mean continued support for SNAP participants who use farmers markets and for the farmers who supply them. Consider the

importance of EBT use to Baltimore SNAP participants, Maryland farmers, and the local economy:

- One Baltimore farmers market that introduced EBT machines garnered more than \$20,000 in EBT transactions in just the second year of the program.<sup>1</sup>
- In a survey of SNAP participants at three Baltimore farmers markets, 89 percent said that the acceptance of SNAP benefits (through EBT) was a “very important” reason they attended the market.<sup>1</sup>

## What Are the Links Among Farmers Markets, SNAP, and Public Health?

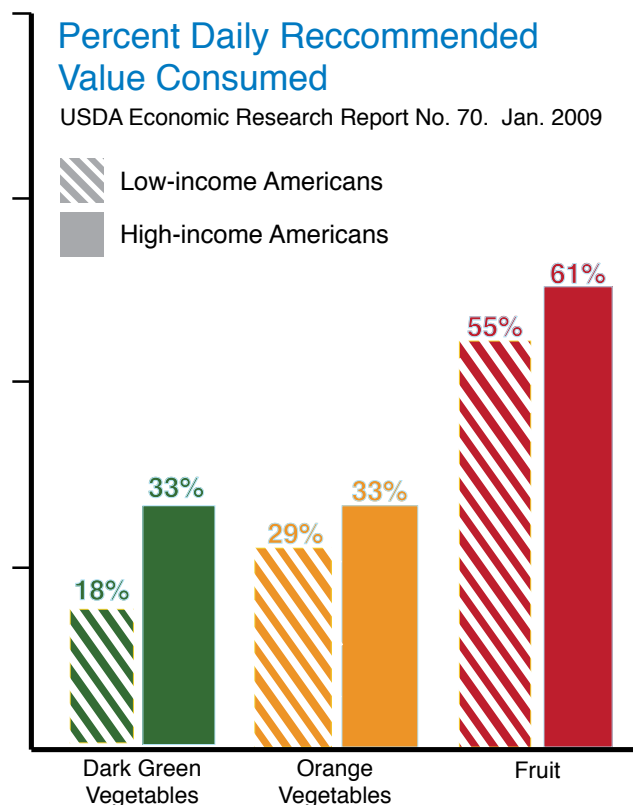
Consumption of fruits and vegetables is important for health and has been associated with a reduced risk of illnesses, such as type 2 diabetes, cardiovascular disease and certain cancers.<sup>2,3</sup> Additionally, emerging data suggest that fruits and vegetables may protect against strokes, chronic obstructive pulmonary disease, hypertension, diverticulosis, and cataract development.<sup>2</sup>

While few Americans consume the recommended daily amount of fruits and vegetables, many low-income consumers face particular barriers to accessing high-quality, affordable produce in their neighborhoods, and thus tend to have poorer diet quality than higher-income groups.<sup>4</sup>

- One study found that low-income Americans consumed only 18 percent of the daily recommended level of dark green vegetables and 29 percent of the recommended amount of orange

vegetables, compared with consumption rates of 33 percent for high-income Americans, for both vegetable groups.<sup>5</sup>

- The same study also found that low-income Americans consumed only 55 percent of the recommended daily amount of fruits compared with the consumption rate of 61 percent for high-income Americans.<sup>5</sup>



Providing the appropriate EBT technology at farmers markets could improve the diets and subsequently the health of SNAP participants by increasing access to fresh, local fruits and vegetables. While SNAP participants are already able to purchase fruits and vegetables at stores that carry them, farmers market access conveys several benefits:

- Shopping at farmers markets has been

shown in several studies to increase fruit and vegetable purchases and consumption among nutrition assistance participants.<sup>6,7,8,9</sup> For example, one study showed that access to farmers markets among low-income women led to them eating an additional 1.4 servings of fruits and vegetables for every 1,000 calories they consumed.<sup>9</sup>

- Fruits and vegetables sold at farmers markets are often equal in price to or less expensive than seasonal produce at grocery stores.<sup>10,11,12</sup> Accordingly, SNAP participants can often get as much or more nutritional return per SNAP dollar by shopping at farmers markets compared to other stores.
- Federal nutrition program participants shopping at farmers markets have reported that produce at their local farmers market was of higher quality and freshness than in supermarkets.<sup>9</sup> They have also reported enjoying, as one study stated, “the pleasant ‘community experience’ of meeting friends while shopping and interacting directly with growers.”<sup>9</sup>

Based on the research findings described above, it is clear that increasing access to farmers markets can play a valuable role in helping SNAP participants improve their health.

## What Is the Digital Divide That Keeps Low-Income Consumers from Farmers Markets?

SNAP, formerly called Food Stamps, is a major part of America’s food security safety

net. In an effort to modernize the program and improve its efficiency, all states have transitioned from paper coupons to an Electronic Benefit Transfer (EBT) system. EBT allows participants to spend their SNAP dollars with an EBT card, which requires a point-of-sale terminal similar to a credit card machine.

These machines are usually dependent on access to electricity and a phone line. The cost of hardware and fees associated with using this technology in retail stores is fully funded by the U.S. Department of Agriculture (USDA) and the states. Currently, however, there is no requirement for states to help fund the wireless technology and associated costs of implementation that are typically necessary for EBT sales at farmers markets.

Before SNAP benefits went electronic, many farmers markets were a source of healthy local food for America’s most food insecure. With the transition to EBT, which started in 1993, farmers markets no longer had the capacity to accept SNAP benefits. Between 1993 and 2009, SNAP redemptions at farmers markets fell by half, while overall SNAP redemptions more than doubled.<sup>13</sup> This represented a loss of income for farmers and a loss of access to fresh fruits, vegetables, meat and dairy for SNAP participants.

This inequity in access to communications technologies represents a “digital divide” that imposes an unfair barrier for SNAP participants who are trying to access the health-promoting fresh produce, meat and dairy sold at farmers markets. It also denies farmers access to a significant customer base for their goods. Extending

federal funding to cover EBT technology to farmers markets and other direct market outlets would help eliminate this digital divide and level the playing field for SNAP participants and America's farmers.

## How Can SNAP and Farmers Markets Stimulate Economic Activity at the Community Level?

- SNAP dollars represent a substantial economic stimulus. The USDA estimates that \$5 in new SNAP benefits leads to \$9.20 in economic activity.<sup>14</sup>
- A 2011 report by the Union of Concerned Scientists found that even a small government investment in 500 farmers markets per year could generate between 6,000 and 13,500 jobs in five years.<sup>15</sup>

This support for farmers markets via SNAP benefit redemption could be an important asset to communities and local economies. SNAP purchases at stores and other venues are already an important driver of agricultural growth nationwide; for each \$1 billion in purchases generated by the SNAP program, there is a corresponding \$340 million created in agriculture production, and 3000 farm jobs added.<sup>14</sup> In direct, localized agriculture systems, the farmers' return on the SNAP benefits could be even higher, given the degree to which dollars spent locally tend to circulate within local and regional economies before spreading out. Providing EBT at farmers markets might also help stimulate development of new farmers markets, especially in low-income

areas with poor food access. SNAP dollars then stay in the community, improving farmers' livelihoods and increasing access to fresh food for vulnerable Americans.

## What Would It Take to Mend the Divide?

Funding for EBT technology and program support from non-profits and federal grants (in particular the Farmers Market Promotion Program) have slowly begun to reverse these trends. The federal government has made an initial investment in closing this digital divide; in May 2012, USDA made an additional \$4 million available for this purpose. These funds are an important start, and could purchase many of the machines currently needed.

But machines are not enough. In order to facilitate the successful use of SNAP dollars at farmers markets, funding must support costs including training market managers and farmers, setting up administrative systems, purchasing tokens, staffing EBT booths during market hours, and performing outreach to SNAP participants. Markets that hire EBT coordinators have been particularly successful.<sup>16</sup> Without these investments in the program's smooth operation, significant challenges may arise for farmers and SNAP participants, leading to a loss of buy-in and program failure. Thus, to maximize success, investments in technical assistance should accompany those in the technology.

### The trend for the future is promising:

- Between 2010 and 2011, a 52 percent increase in the number of farmers

markets accepting EBT corresponded with a \$4 million increase in SNAP redemption at farmers markets, totaling over \$11.7 million spent by SNAP participants at farmers markets.<sup>17</sup>

- Between 2010 and the middle of 2011, the overall number of farmers markets in the U.S. had increased by 17 percent, totaling 7,175 markets.<sup>13</sup> As this number continues to increase, low-income consumers will have more opportunity to purchase healthy food if EBT access is able to keep pace with this rapid growth.

## Conclusion

As the number of farmers markets continues to increase across the country, it is important for the government to keep pace with the need for improved access for SNAP participants. A relatively modest investment in support for the technology that enables farmers markets and other direct mar-

keting venues to accept SNAP benefits—and in the complementary administrative and training needs—has the potential to increase SNAP participants' access to nutritious food and improve farmers' bottom lines. This represents a win for vulnerable Americans to improve their health and well-being, and for farmers and local communities that would benefit from the economic stimulus of additional dollars spent locally and associated job creation.

**CLF urges Congress to fully fund SNAP access at farmers markets, as well as the complementary costs of program administration, training, and marketing that enable farmers markets to serve customers successfully who use SNAP benefits.**

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The opinions expressed do not necessarily reflect the views of Johns Hopkins University.