

FARMERS MARKETS

WHAT FARMERS NEED TO KNOW



GREAT PLAINS GROWERS CONFERENCE
JANUARY 2011

- USDA Farmer Market Directory lists 6,132 markets operating in 2010, which is a 16% growth over 2009
- Top ten states:
 - California – 580
 - New York – 461
 - Illinois – 286
 - Michigan – 271
 - Iowa -229
 - Massachusetts – 227
 - Ohio – 213
 - Wisconsin – 204
 - Pennsylvania – 203
 - North Carolina - 182



- Top Ten States by Percentage for Market Growth (2009 -2010)
 - Missouri – 77
 - Minnesota – 61
 - Idaho – 60
 - Michigan – 60
 - Indiana – 47
 - South Dakota – 46
 - Arkansas -41
 - Washington – 37
 - Ohio – 36
 - Oklahoma - 31



Tarre De' Amore Farms

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- Year Round Farmers Markets
 - The USDA National Farmers Market Directory indicates that there are **886** markets that are open from November –March operating in 47 states and in DC .



DSM Winter Market 2009

- US farmers do not grow enough fruit & vegetables for everyone in America to eat a balanced/nutritious diet. It is estimated that we need another **13 million acres** in the production of produce to meet the minimum requirement recommended by USDA *.

*American Farmland Trust

- Iowa Dept of AG 2010 Study shows:
 - IA farmers markets have had a 92% increase in sales over the past 5 years.
 - IA markets generated an estimated \$59.4 m in direct and indirect sales.
 - IA markets created 374 direct jobs and more than 200 indirect jobs were attributed to the activities of farmers markets.
 - The average sale amount was reported as \$17.12 (Note: farmers using wireless POS had an average sale of \$25.66 for the same period)
 - Customers averaged 11 visits to markets per season.
 - 84.4% of customers bought fresh fruits/vegetables
 - 45% of customers bought baked goods

- Living La Vida Local*
 - If you spend \$100 at a local business, \$45 stays within the community.
 - If you spend \$100 at a national chain, only about \$14 re-circulates in your local community.
 - According to top trend expert, Joel Kotkin, the desire for localism isn't going to end any time soon. He expects the 'local' interest to grow as more people retire.



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*AARP/Institute for Local Self-Reliance


- Public & Private Support for Farmers Markets
 - Two key reports were released in the past few months:
 - 2010 publication from the Farmers' Legal Action Group, Inc. 'Planting the Seeds for Public Health'
 - Issues raised – childhood obesity, fair return on investment for farmers, and appropriate marketing of produce
 - The main goal of the report is the provide information to both the farm and public health communities on existing federal agricultural and nutrition programs and recommend policy changes.



This report recommended the following changes:

- WIC (highlights)
 - Increase WIC overall funding & individual benefit levels
 - Anticipating and aiding the transition to EBT to reduce the financial burden on farmers and encourage more farmers to participate
 - Adopting innovations from the Senior FMNP to the WIC FMNP, including authorizing CSAs as vendors and allowing alternatives to face-to-face training for farmers

- SNAP
 - Increase funding, education, technical assistance for farmers markets to adopt EBT
 - Increase education and outreach to SNAP participants regarding the use of SNAP to purchase seeds and plants
 - Revise regulations that prohibit discrimination against SNAP recipients to allow the use of incentives to encourage the purchase of fresh fruits & vegetables.



- The second report is 'Real Food, Real Choices' by the Community Food Security Coalition & Farmers Market Coalition
 - Their roadmap for change is: (highlights)
 - Farmers markets should not bear the entire cost of operating EBT. In California & Iowa, state SNAP agencies cover the variable and fixed costs associated with EBT transactions.
 - Encourage farmers markets to evolve and experiment with new models that help address concerns raised by SNAP participants
 - Increase support for education and outreach efforts for SNAP households to patronize farmers markets.
 - USDA should create a National Farmers Market Federal Nutrition Assistance Program Advisory Council

- Iowa EBT Wireless Project
 - Implemented June 2005
 - DHS provided wireless devices to individual farmers (167)
 - No tokens needed
 - Farmers can use devices 24/7 – at any market & on the farm or roadside stand.
 - State primarily uses rented or 'free' devices
 - State DHS draws 50% federal match on rental fees, EBT transaction fees and supplies
 - Farmers pay 100% of commercial transaction fees
 - Farmer signs agreement with the merchant provider.
 - 100% of all monthly fees debited from the farmer's personal checking account
 - DHS reimburses farmers monthly for rental fee, EBT related fees.

- What are the estimated monthly costs for a wireless device?

	Purchase	Free	Rental
Purchase Price	\$627-\$1000	NA	NA
Acct Set Up Fee (one time)	\$25-\$125	\$25-\$125	\$25-\$125
Yrly Acct Fee	\$0 - \$85	\$0 - \$85	\$0 - \$85
Wireless Set Up Fee	\$75,\$50,\$25 or \$0	\$75,\$50,\$25, or \$0	\$75,\$50,\$25, or \$0
Wireless Mo Fee	\$15.95-\$18.95	\$15.95-\$18.95	\$15.95-\$18.95
Mo minimum	\$5-\$25	\$5-\$25	\$5-\$25
Customer Service Fee	\$0-\$10	\$0 - \$10	\$0 - \$10
EBT/PIN Network Fee MO.	\$0 - \$5	\$0 - \$5	\$0 - \$5
Mo. Rental Fee	\$0 - \$30	\$0 - \$30	\$0 - \$30
EBT Trans Fee	\$.10 - \$.15	\$.10 - \$.15	\$.10 - \$.15
PIN debit Fee	\$.15 - \$.35	\$.15 - \$.35	\$.15 - \$.35
Swiped Credit Fee (min)	\$.25 + 1.78 to 1.89%	\$.25 + 1.78 to 1.89%	\$.25 + 1.78 to 1.89%

Total Sales/Calendar Year		2005	2006	2007	2008	2009	2010 Thru Oct	Cumulative
EBT		\$1423	\$18,524	\$39,733	\$41,845	\$62,078	\$67,497	\$163,603
Commercial		\$18,352	\$192,089	\$476,557	\$682,857	\$772,220	\$701,648	\$2,142,075
Total		\$19,775	\$210,613	\$516,290	\$724,702	\$834,298	\$769,145	\$3,074,823

# of Trans		2005	2006	2007	2008	2009	2010 Thru Oct	Total
EBT		158	2143	4457	4257	6009	6267	23,291
Commercial		773	7771	17001	23,444	26,499	27608	103,096
Total		931	9914	21,458	27,701	32,508	33,875	126,387

For 2009, participating Iowa farmers reported increases in gross sales from 10% -25%.

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- I-Phone/I-POD Wireless Applications
 - Can process credit/debit card transactions
 - EBT is not approved for an I-phone application today
 - Michigan 6 month WIC pilot underway
 - Issues for EBT
 - Requirement for a receipt (feds considering email option)
 - External printer (cost and viability)
 - Advantages for I-Phone
 - No transaction fees for SNAP/WIC if no TPP
 - Number of users increasing
 - Considerations for I-Phone
 - Must purchase software application for WIC/SNAP
 - Must purchase a separate application to process debit/credit electronic transactions
- According to VeriFone, the cost of an I-phone versus other wireless devices are about the same.

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- What else can 'WE' do to facilitate growth in farmers markets and encourage nutrition program participants to consume more fresh fruits/vegetables?



Here are some ideas to consider:

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- USDA should re-consider rules regarding eligible foods at farmers markets between SNAP, WIC FMNP, CVV, and Senior FMNP
 - Plain Honey – allowed for SNAP and Senior FMNP
 - Flavored Honey – allowed for SNAP
 - Yukon gold potatoes – allowed for SNAP, WIC FMNP, and Senior FMNP
 - Herbs – allowed for SNAP and FMNP.
 - Fresh whole grain bread – allowed for SNAP
- Let's review local produce versus out of state produce issue:
 - Iowa farmers can sell IA grown peaches (or bordering counties) to **all** nutrition programs
 - In June before Iowa peaches are ready, Iowa farmers may choose to sell Missouri peaches. Only SNAP can purchase. WIC FMNP, CVV, & Senior FMNP cannot purchase the peaches as they are not locally grown.

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- USDA/States should allow exceptions to the 51% rule. A majority of available produce must be personally grown by the certified WIC vendor.
 - Farmers should be allowed a waiver if weather conditions caused a major loss of produce.
 - The waiver process should be easy for the farmer and for the state to administer.
- Recommend that USDA/States review the signature requirements for FMNP and CVV.
 - Rules should be the same for FMNP and CVV
 - CVV checks cannot be pre-signed. FMNP can.
 - FMNP allows a proxy. CVV does not.
 - Eliminate the need to show ID once EBT implemented

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- Deposit dates for FMNP and CVV should be the same.
 - CVVs must be deposited by farmer within 15 days of accepting
 - FMNP vouchers must be deposited within 15 days following the expiration date on the voucher. (Nov 15th)
- States and USDA must be more aggressive in ensuring access at farmers markets for all SNAP recipients.
 - In 2009, only 18% of markets were able to accept SNAP*



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o USDA and States need to consider taking steps to revise the expiration date for FMNP vouchers/benefits. Here's why:

- With 886 markets operating from November through March in 47 states and in DC, the market season no longer ends at the end of September or October.
- More farmers are using high tunnels & greenhouses. Thus, produce is available earlier in the season and later in the season. (Midwest market shoppers can find apples, potatoes, pumpkins, onions, squash and greens readily available throughout the winter months.)

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If our goal is to encourage nutrition assistance participants to consume more fresh fruits and vegetables and shop at farmers markets, then changes are needed:

1. Simplification and uniformity of SNAP, FMNP and CVV rules are needed where ever possible. The variances in the rules create barriers for farmers and consumers.
2. A comprehensive campaign to make SNAP and WIC participants aware that benefits can be used at farmers markets.
3. Increased funding for nutrition education.
4. Increased federal funding to ensure that every eligible farmers market/farmer can accept EBT for SNAP and WIC.

Are we ready to change?

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For more information contact

Jan Walters

At

www.ebtmarketsolutions.com or
jan.walters@ebtmarketsolutions.com

(515) 971-1076

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