

FARMERS MARKET INCENTIVE PROVIDER STUDY (SUMMARY)

Background

To encourage Supplemental Nutrition Assistance Program (SNAP) participants to shop at farmers markets, various organizations are providing financial incentives to participants when they redeem SNAP benefits at participating farmers markets. This study describes the roles that different types of organizations play in designing and implementing SNAP-based incentive programs (SBIPs), including how they choose markets for the incentive and evaluate the success of the programs they fund.

Methods

Between February and June 2013, 141 representatives from 103 organizations involved in administering SBIPs at farmers markets were interviewed by telephone. Fourteen organizations also provided self-evaluation data on 222 farmers markets operating SBIPs with USDA Food and Nutrition Service waivers.

Descriptive analyses were performed to assess general market characteristics and to examine SNAP redemptions and incentives redeemed. Social network analysis was used to understand how the various types of organizations interacted in the implementation and support of SBIPs at participating farmers markets.

Findings

Organizations involved in implementing SBIPs can be grouped into four types based on their primary functions:

- **Funders** of the incentive
- **Coordinators** who develop and establish the SBIP
- **Supporters** who provide support services for implementation and outreach
- **Operators** who implement SBIPs in farmers markets.

However, many organizations were also involved in secondary functions. Funders participated in identifying financial resources and marketing and outreach. The other organization types engaged in identifying funding sources, marketing and outreach, providing technical assistance and training, and program operations.

For most organizations, involvement in SBIPs was not their sole activity. Most reported allocating 25 percent or less of their overall operating budget for SBIPs. SBIP activities undertaken by organizations tended to align well with one or more of the organizations' missions of increasing access to healthy foods, improving health outcomes, addressing social inequity, and/or improving the local economy.

Most SBIPs relied on partnerships and collaborations across organization types. Decisions regarding with whom to collaborate tended to be driven by geography, mission alignment, history with SNAP, and implementation capacity. Some organizations used an application process to select partner organizations, but the rigor of the process varied. Most Funder organization representatives reported having a formal application process, but an informal or invitational selection process was used if there was a limited applicant pool in the geographic area of interest.

Sustained funding was cited as the greatest challenge to implementing SBIPs. Organizations relied on multiple sources of funding to implement SBIP-related activities including philanthropic donations, foundations, grants, and vendor fees. Excess demand for limited resources and funder fatigue were challenges. In response, some representatives reported making program changes such as reducing the incentive amount and the duration of the incentive period, along with increasing fundraising activities.

Staffing and accounting were also cited as major challenges to SBIP implementation.

Coordinator and Support organizations mentioned training farmers market staff and working with volunteer-run markets as challenges. Funder organizations reported that the use of multiple forms of currency and of token systems were challenging for accounting.

Most farmers markets were seasonal, and the duration of the market season varied.

Over 70 percent of markets that reported operating times were open for 3 months to 8 months, 20 percent were open for 9 months to 12 months, and about 9 percent were open for less than 3 months in 2012. About 65 percent of these markets reported offering incentives throughout the market season.

The amount of SNAP benefits and incentives redeemed varied widely.

Analysis of the market-level data for SNAP transactions and SBIP redemptions at Coordinator-supported markets in calendar year 2012 show that the mid-point or median for the number of SNAP transactions at each market was 140, and the annual median for SNAP and SBIP redemptions was \$1,122 and \$565, respectively. Redemptions and incentive volumes tended to grow with the duration that the SBIP had been in operation. Newly SNAP-authorized farmers markets had lower median SNAP and SBIP redemption amounts than markets that had been SNAP-authorized for more than 3 years.

Most organizations collected, analyzed, disseminated, or used program data to assess program reach and guide future implementation, but fewer than 10 percent of the organizations conducted formal evaluations. Typically, organizations used the value of SNAP and incentive redemptions to assess program impact. Representatives from all

four types of organizations also reported engaging in informal discussions with SNAP clients and vendors about their experience with the program.

The purpose and use of collected data varied by organization type. Whereas Operator organizations collected data primarily for reporting purposes and for increasing community support, Funder, Coordinator, and Support organizations used data to assess progress towards meeting their overall goals and to secure additional funding. Coordinator and Support organizations also used data for advocacy and policy discussions.

SNAP misuse was not seen as a major issue in these farmers markets.

About 80 percent of the representatives interviewed indicated that SNAP misuse was not a major issue. Those representatives who perceived it to be an issue cited unintentional misuse (vendor errors) more than intentional misuse (SNAP participants sharing tokens with non-participants).

While the close-knit, self-policing nature of farmers markets was seen as the biggest *deterrent* to misuse and fraud, education about SNAP was seen as the most important way to *reduce* unintentional misuse. Technological solutions, such as moving away from the token system, were seen as the best ways to reduce intentional misuse.

For More Information

Melissa King, Sujata Dixit-Joshi, Keith MacAllum, Michael Stekete, and Stephen Leard. *Farmers Market Incentive Provider Study*. Prepared by Westat for the U.S. Department of Agriculture, Food and Nutrition Service, March 2014. Available online at www.fns.usda.gov/research-and-analysis