

## Starting a Supplemental Nutrition Assistance Program: Information for Starting This Program at a Farmers Market

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**Abstract:** *Farmers markets are important market places offering healthy food sources that can become more accessible for low-income consumers by incorporating Electronic Benefits Transfer (EBT) to facilitate the Supplemental Nutritional Assistance Program (SNAP) (Morales, 2011). We reviewed e-mails sent to the second author via the Farmers Market Coalition Listserv and found that many market managers have questions regarding starting this program. In the process, we found that many questions were asked multiple times, indicating the need for the type of technical assistance provided by Extension professionals. Extension agents can use this information to integrate SNAP into new and existing markets.*

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### Introduction

Farmers market managers can reach more consumers by incorporating the U.S. government-sponsored SNAP program. SNAP is meant to increase food access, but farmers markets managers face numerous questions regarding program implementation. This article will enable Extension professionals to reach out to market leaders to help launch new SNAP programs at their markets.

### Starting a SNAP Program

The Federal Government encourages states to assist markets in providing SNAP benefits. The technology cost is one serious deterrent. However, best practices are emerging: for instance, Illinois is funding wireless EBT/SNAP machines at farmers markets using federal funds. Additionally, some markets charge vendors a fee at the beginning of the season to subsidize SNAP technology or recruit volunteers to run their EBT machines. Non-SNAP customers can subsidize the program by being charged a fee to use their credit/debit cards. SNAP can also be funded through grants, such as the USDA's specialty crops grant or the USDA's Farmers Market Promotion Program (O'Hara, 2011). Grant funds from government, charity, and multiple other funding options will be available, making the program more feasible. See Table 1 for additional information on starting a SNAP program.

**Table 1.**

Additional Information on Starting a SNAP Program

- Handbooks
1. Supplemental Nutrition Assistance Program (SNAP) at Farmers Markets: A How-To Handbook: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5085298&acct=wdmgeninfo>
  2. Seven Steps for Creating a Successful SNAP/EBT Program at your Farmers Market: <http://www.pps.org/articles/seven-steps-snap-ebt-market/>
  3. Supplemental Nutrition Assistance Program (SNAP): [http://www.fns.usda.gov/FSP/ebt/ebt\\_farmers\\_markstatus.htm](http://www.fns.usda.gov/FSP/ebt/ebt_farmers_markstatus.htm)

- IRS Information
  - IRS Publication 1179: <http://www.irs.gov/pub/irs-pdf/p1179.pdf>
  - IRS 1099 Rule: <http://www.irs.gov/pub/irs-pdf/i1099msc.pdf>
  - IRS 6050 W:
    - <http://farmersmarketcoalition.org/wp-content/uploads/2011/10/October-10-Webinar-on-IRS-6050W.pdf>
    - <http://www.irs.gov/govt/fslg/article/0,,id=226894,00.html>

Financial information needs to be reported to the IRS. Additional information can be found in Table 1. Some market managers have voiced concerns that a market's liability insurance will increase with SNAP; while to our knowledge this has not happened, it is important to monitor this potential problem.

SNAP can be implemented by individual vendors or market organizations. Vendors can apply to be authorized to accept SNAP, contract with a merchant to obtain an EBT machine, and connect with a financial institution, such as Sage Solutions; however, it is important for vendors and market leaders to check with their local bank to get information on the best electronic system for them. Markets can do the same and run the program for the entire market. While not required, it is a good practice to have a signed agreement between the market and participating vendors that lists each party's responsibilities and expectations; many markets simply require their vendors to participate. Generally markets then have consumers use their EBT cards to purchase tokens or scrip that allow all vendors to accept SNAP.

### Tokens or Scrip to Bridge the Electronic Program and the Potential for Fraud

Many markets have chosen to use tokens or scrip to allow for only one EBT machine, for purchasing tokens or script to be used as money with vendors, instead of each vendor needing to own an EBT machine. This makes customers' purchases from vendors quick and easy.

Many markets use wooden, plastic, or metal tokens that are typically printed locally or purchased from vendors such as <woodennickel.com>. Some use different colored or denomination tokens to differentiate between SNAP and credit/debit tokens. Others have created their own plastic laminated market money. Others work with local "Time Dollar" programs. Generally markets do not impose an expiration date on tokens, unless they are given as a raffle prize. Some markets also accept tokens from different markets. Additional resources regarding tokens or scrip can be found at <farmersmarketcoalition.org>.

Token fraud has been reported, but Extension agents can help educate managers and vendors about the tokens accepted at regional markets for prevention; still, it is important not to be skeptical of every user in order to continue to cultivate relationships.

### EBT Machines

It may be possible to obtain a free machine from the USDA or another organization; otherwise they will need to be purchased. All machines require access to electricity to charge before using to run wirelessly, a phone number, and a service provider to operate. Several companies offer applications for smart devices, which allow accepting credit/debit cards (C. Welch, personal communication, February 24, 2012). Additional information on EBT machines can be found in Table 2.

**Table 2.**

Additional EBT Machine Information

<b>Additional Information on Obtaining EBT Machines:</b>	Oregonfarmersmarket.org Farmersmarketcoalition.org/information-marketplace Marketumbrella.org <a href="http://quickbooks.intuit.com/product/accounting-software/small-business/pos-cash-registers-plus/">http://quickbooks.intuit.com/product/accounting-software/small-business/pos-cash-registers-plus/</a>
Information on Applications for <b>Smart Devices</b>	<a href="https://squareup.com/">https://squareup.com/</a>
<b>Some Machines Used:</b>	Nurit 8020, Nurit 8000, Vx 510

### Reimbursing Farmers

Exchanging tokens for income happens in many ways. Some markets deposit all proceeds from their EBT sales into an account and then reimburse farmers by check, while others direct deposit into the farmers' account. Still others allow farmers to pay for their daily stall fee with their SNAP tokens or exchange them for cash. If the vendor has more tokens than is owed, cash is given for the remaining tokens. This does not exhaust the reimbursement methods.

## Advertising SNAP

It is critical for markets to advertise accepting SNAP to be successful. One way is to offer space at the market or partner with nonmarket space to encourage customers to apply for benefits or learn about this use of benefits. This outreach demonstrates interest in customers and increases market sales. The USDA also offers a food stamp education grant that could be used to offer one lesson each week based on a featured vegetable that would increase market usage as SNAP users learn about what is available at the market (Ohri-Vachaspati, Masi, Taggart, Konen, & Kerrigan, 2009).

Extension professionals should work with other professionals to promote the farmers market. Public service announcements provided to radio, TV, ethnic and foreign language media, newspapers, community colleges, community centers, organizations, churches, and libraries, as well as outreach to parent-teacher associations and parenting classes are other great advertising methods. Presentations, short videos, and social media are also effective tools; a sample video can be found at <<http://ohiofarmersmarkets.osu.edu/videos/ebt/>>. These advertisement methods will encourage customers from all income backgrounds to shop at markets.

SNAP matching programs offer additional market money to spend based on how much SNAP money is used. Additional scrip could be awarded for purchasing fruits and vegetables, and children could be sent birthday vouchers. These innovative incentive programs could be funded by grants and encourage low-income consumers to shop at farmers markets (O'Hara, 2011).

## Conclusion

We hope this article will lesson hesitation in starting a SNAP program at farmers markets. Extension can continue this by facilitating the implementation of SNAP programs at farmers markets by reaching out to market leaders. Our hope is that the number of markets offering SNAP will continue to increase.

## References

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