Contracts, Terminals and Apps!
SNAP-EBT Options for your Market in 2014
How do I choose?
You’ve Decided to Accept SNAP at Your Market. Now What?
April 15, 2014

Step 1: Determine what type of machine can be used at your farmers market. Farmers markets options are:
   1) Free WIRED point of sale if telephone lines and power are available on site. This machine is provided by all state SNAP database contractors (Xerox, FIS)
   2) WIRELESS point of sale terminal provided by some states, such as California. Check with your state SNAP agency. (Use this link: http://www.fns.usda.gov/snap/state-informationhotline-numbers)
   3) WIRELESS point of sale terminal from a third party processor such as TSYS, Merchant Solutions, Dharma Merchant Services, or other merchant services organization.
   4) SMARTPHONE with MobileMarket+ Select Application to accept credit, debit & SNAP.

Step 2: Determine the structure of your Farmers Market Card Service Program. Ask yourself:

   • How will I accept SNAP-EBT? (Scrip, tokens, or paper vouchers. Most markets choose to use a wireless machine and a token system. Some extremely rural areas may not have access to a solid wireless connection).

   • Do I want to accept debit and credit in addition to SNAP-EBT? (Do you have an ATM machine onsite? Do many vendors have their own non-SNAP card solution? Debit and credit can be a means to obtain funds for supporting the program. What is the cost to
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MarketLink
Technology that works for farmers, markets, and consumers
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Contracts & Terminals & Apps – Oh My!

Navigating the jungle of EBT technology options and service providers
SNAP Experience

- Operating SNAP at markets since 2007 in a small multi-market association
- Former Oregon Farmers’ Markets Association president and current policy adviser on SNAP and other issues
- Assisted Oregon’s SNAP agency with 2012 grant implementation
- Helping other Oregon farmers’ markets
Family portrait
(iPhone not pictured)
Learning objectives

- What kinds of entities are involved in getting a transaction processed?
- Where are we with this new technology?
- Research terms and conditions before you sign anything
- Figure out how you will pay for it both now and into the future – especially if you are using grants to get started
Who is involved?

- When you sign up with FNS, the company that is your state’s EBT contractor will send you a contract. Starting this year, WorldPay also will send you a contract. You are not required to take either of these options.
- No comprehensive list of merchant services providers – perhaps needed
- The merchant services company you sign with is often a reseller of these services
- Other SNAP parties: cell companies; data network
- For debit and credit, there’s another whole ecosystem of VISA, Mastercard and various types of card networks with varying rates
More shopping tips

- Check with your state association and other SNAP equipped farmers’ markets in your state to see who they have used.
- Some merchant services companies have little or no experience with SNAP/EBT.
- A few states pre-purchased machines with 2012 federal grant money. Those may still be available from your state’s SNAP agency – markets are eligible if no FNS # prior to Nov. 2011.
Beyond advertised rates: more early questions to ask

- What company actually signs your contract?
- What cell towers will my machine talk to?
- What data network does my machine use if I sign with you?
- You can look up companies here: www.cardpaymentoptions.com
How to use Cardpaymentoptions.com + an eBook

The Fee Sweep author’s site has his picks for “best” in several categories, but using his individual reviews is the best approach for farmers’ markets.

USE THE SEARCH WINDOW!

Especially if you plan to do debit/credit, this eBook is worth a read and even $20 if the promotion ends.
Money basics

- Monthly or annual base fee?
- Can I pay for just the months when my market is open?
- Do I have to pay extra to turn it on and off seasonally?
- Are there additional fees that apply to us?
- Can I find a way out if needed?
Terms & Conditions

- Every contract requires signers to agree to Terms & Conditions. Read them before you sign anything.
- What is the duration of the contract?
- Is there an exclusivity clause?
- What is the procedure and cost to end it early? Exactly when do I have to act?
Recent developments – apps and iThingies

- Novo Dia Group of Austin, TX developed a mobile market app for iPhone and other Apple devices in 2011 but could not secure full access to state EBT systems controlled by a few companies.
- 2012 – first USDA grant to increase SNAP in markets went through states.
- NDG joined with WorldPay to create 50-state access. 2013 season had a slow start.
- NAFMNP selected for new USDA grant program operating now as Marketlink.org. NAFMNP chose to create the program with WorldPay and NDG.
How is Marketlink.org different?

- Only pathway to use iPhone etc for SNAP
- USDA funding for “new” SNAP entrants is tied to a 3-year contract with WorldPay
- Eligibles pay only transactions for 1 year; $120 to World Pay for year 2; but they bear full cost for year 3
- Data-only iPhone in year 3 is not advertised by cell companies but may be possible for the intrepid.
- Debit/credit charges simplified to 15c + 1.79%
- NAFMNP says it will help any farmer or market with FNS application
Year 3 options

- Activate the iPhone as a real phone and pay for line fee and data. This could be $70-80 a month.
- Switch to an iPad, which has no phone line and potentially lower data cost.
- Coming Android app will create another phone option.
- To opt out of year 3 there is a $95 fee. There is no cost to opt out of later years, but notice to WorldPay must be given at a certain time.
What if I’m not eligible?

- Early adopters are not eligible
- Marketlink/WorldPay offers a full package for $1,963 (equipment plus two years of service, excluding transactions) and BYOD for $635 (some equipment, one year of service, excluding transactions)
- Or make your own selections of merchant service provider, hardware and point of sale device.
Contact

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A Complete Solution for Farmers, Farmers Markets and Consumers

Market Link
Technology that works for farmers, markets, and consumers
Our Partners

• USDA – Food & Nutrition Service
• National Association of Farmers Market Nutrition Programs (NAFMNP)
• The NOVO DIA Group, Mobile Market+™
• WorldPay™
2012: In their FY12 budget, USDA allotted $4m in funding to support providing wireless technology to increase the acceptance of SNAP at farmers markets nationwide.

- For farmers markets only at first, then farmers allowed as well in
- Funding covered equipment & some service fees only – no administrative costs allowed
- Less than 20% of funds were spent nationwide

2013: USDA had an additional $4m for the same purpose, for which proposals were requested

- NAFMNP won this proposal to administer all $4m
- MarketLink was designed to be a solution for all farmers markets and their vendors – whether or not qualified for USDA funding.
What Is MarketLink™?

- MarketLink™ is a Complete Technology Solution.
- MarketLink™ provides new state-of-the-art equipment to direct-marketing farmers and farmers markets to increase sales and build customer base.
- MarketLink™ is a national program with a solution for ALL farmers and farmers markets!
MarketLink™ Options

- **Eligible for FREE terminal**
  - New iPhone, card reader, and printer with one-year warranty to process ALL SNAP, Debit, and Credit Card Transactions, *wherever* you sell.
  - **Unlimited Mobile Market™+ data services for 2 years.**
  - **No** annual fee for Merchant processing account with WorldPay™ the first year.
  - World-Class Technical Support from day one!

- **Not eligible - need terminal & service**
  - Purchase terminal(s) and card reader(s) and get the processing plan

- **Not eligible - need service**
  - Sign up for the processing plan if you have a compatible terminal already
Why MarketLink™?

- Expanded customer base
- Less than 40% overlap of FMNP and SNAP clients; so 60% of SNAP participants are new customers!
- Increased sales
  - Largest reason why purchases are limited at markets is people run out of cash.
- Best rates for processing electronic payments
  - 48 hour payment settlement for all transactions
- Nationally negotiated rate on behalf of farmers and markets
SNAP Facts

Supplemental Nutrition Assistance Program

- Who is eligible: any person who qualifies based on income and household factors
  - 46 million Americans (13%) received SNAP in FY12

- Eligible foods: All fruits and vegetables; meats, fish, and poultry; cheese and dairy products; eggs; baked goods; processed foods; honey, cider, juices; herbs (plants and bunched); plants & seeds that bear fruit

- Ineligible foods: Non-food products, wine and alcohol products, hot foods, foods meant to be eaten on-site
Why Accept SNAP?

- **$86.5 billion** program nationwide
  - $16m through FMs last year (less than 2/10%)

- Program expands number of customers AND products (*beyond fruits & vegetables*).
FMNP & SNAP: Complementary Programs

FMNP and SNAP are programs with similar goals – to expand access to food.

With the addition of SNAP at your market or stall, you can help more customers access more food beyond fruits and vegetables.

• SNAP participants can use their benefits for fruits and vegetables PLUS other foods.

• By using FMNP and SNAP together, a market shopper can buy foods from all of the food groups.

• FMNP + SNAP = more sales for farmers.
State Examples of Success

Alabama:
- A farmer reported that using wireless technology for SNAP, Debit, and Credit Card payments increased Saturday sales by 60% ($1,000 up to $1,600-1,800)!

Michigan:
- Farmers in Kent County, Michigan had dramatic sales increases ($44,000 to $117,000) in one year when they used wireless technology to accept SNAP transactions.

New York:
- The Farmers Market Federation of New York reported that a direct-marketing farmer added $40,000 in sales the first year using a wireless terminal.
- SNAP sales at farmers markets have increased by triple digits for the past several years.
1. **Complete NAFMNP Eligibility Questionnaire:**
   - You must have a working email address and a bank account

2. **Become SNAP-authorized by USDA.**
   - Submit copies of photo ID and Social Security card.
   - Get your FNS number.

3. **Complete WorldPay Customer Processing Agreement.**
   - Setup terminal once it arrives.

You could be up and running in a month or less!
Equipment Package
## Free Terminal Program: Fees & Commitments

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>iPhone with card reader</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Wireless data service (2 years)</td>
<td>$0</td>
<td>$0</td>
<td>From $30/month*</td>
</tr>
<tr>
<td>Annual fee for payment processing (1 year)</td>
<td>$0</td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td>License Fee for MobileMarket+ application</td>
<td>$0</td>
<td>$0</td>
<td>$100</td>
</tr>
<tr>
<td>Transaction fees</td>
<td>SNAP: 15 cents per transaction Credit &amp; debit: 1.79% of sale plus 15 cents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$0</td>
<td>$120</td>
<td>$220</td>
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</table>

*This varies by provider (Verizon, AT&T, TMobile, etc.)
Support from Market Link™

- **Technical support** from initial sign-up through USDA SNAP authorization

- **Tailored setup assistance** of your iPhone and the application that processes all transactions – *Mobile Market+ Select™*

- Technical Support Help Desk available

- **Commitment from MarketLink’s ™ Customer Support Team** – *people who understand direct-marketing farmers and farmers markets!*
Data Available to You

- Ability to retrieve a transaction
- Weekly, monthly, annual sales data
- Great tool to track all of your electronic sales
Purchase Terminal Program

• If don’t qualify for this free terminal program, there are other options for you to consider.

• Depending on your needs, you can still qualify for the nationally negotiated rates and obtain the equipment that is right for you.
# Purchase Terminal Program: Fees & Commitments

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<tr>
<td><strong>Equipment</strong></td>
<td></td>
<td><strong>$500 - $2100</strong></td>
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<tr>
<td><strong>Wireless data service</strong></td>
<td>Included in some equipment options</td>
<td>From $30/month*</td>
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<td>(2 years)</td>
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<td>$120</td>
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<td><strong>payment processing</strong></td>
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<td><strong>MobileMarket+</strong></td>
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<td><strong>Credit &amp; debit: 1.79% of sale plus 15 cents</strong></td>
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MarketLink™ is a program of the National Association of Farmers Market Nutrition Programs (NAFMNP) launched in 2013 to connect farmers, markets, and consumers through technology. The United States Department of Agriculture (USDA) set a goal to increase the acceptance of the Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps) at farmers' markets nationwide, and awarded a contract to NAFMNP to work towards this end. The MarketLink program was developed out of this collaboration. MarketLink™ is an innovative solution that will help farmers grow their business, markets increase their customer base, and shoppers increase their consumption of fresh produce.

CLICK HERE TO SEE IF YOU QUALIFY FOR FREE EQUIPMENT

MarketLink™. Technology that works for farmers, markets, and consumers.
Questions & Answers

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www.marketlink.org