

## Year One of the USDA FINI Program: Incentivizing the Purchase of Fruits and Vegetables Among SNAP Customers at the Farmers Market

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**FINI-supported programs at farmers markets resulted in 16-32 million additional servings of fruits and vegetables for SNAP households, and an estimated \$14.3 million in economic activity for participating communities.**

The USDA's Food Insecurity Nutrition Incentive (FINI) program demonstrates positive progress towards the program's main goal of increasing the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) program. FINI funding is open to multiple types of produce retailers, but incentive programs were initially tested, and have proven to be successful at America's farmers markets. **In Year one, FINI supported incentive programs at almost 1,000 farmers markets, representing 4,000 direct marketing farmers in 27 states.** These farmers market programs alone generated almost \$8 million in SNAP and incentive sales spent on produce. Program evaluation conducted by grantees indicated uniformly high redemption rates, strong support for the program among stakeholders, and a great deal of collaboration from both public agencies and private program partners. These collaborations were particularly important in conducting outreach to SNAP recipients.

This report summarizes the first year results of 13 mid- and large-scale FINI projects that operated at farmers markets. The data and conclusions are drawn from grantee reports, information on the National Institute of Food and Agriculture's website, and additional information provided by grantees.



### The First Round of FINI Farmers Market Grantees

In FINI's first year of operation, 13 multi-year, mid and large scale projects were funded to conduct produce incentive programs at farmers markets in 27 states and the District of Columbia. **Incentives were offered to SNAP shoppers at almost one in eight of every farmers market in the United States.** Located in a wide range of rural and urban communities, more than 4,000 small and mid-sized farmers sell at these markets. Selling at farmers markets allows farmers to capture nearly 100% of the value of their sales, as opposed to wholesale, where according to the National Farmers Union, farmers and ranchers receive about \$0.17 of every dollar spent by consumers.



## How it Works

In most farmers markets, SNAP and incentives are distributed through a central location run by the market operation, typically at the market information booth. A staff person will swipe the SNAP recipient's electronic benefit transfer (EBT) card, and the recipient receives tokens, vouchers, or gift/loyalty cards to spend with vendors on eligible food items.



In some farmers markets, SNAP recipients redeem their benefits directly with farmers, who swipe their SNAP card and debit the appropriate amount, rather than use a central market location. In these cases, SNAP recipients typically need to sign up to participate in the incentive program and receive a specially designed gift or loyalty card. When recipients make a purchase from an eligible farmer using their SNAP card, the farmer then swipes the separate loyalty card to apply the incentive money. When a customer wishes to redeem the incentive money, the farmer simply swipes the loyalty card and debits the appropriate amount.

Through the FINI grant program, most grantees offered a \$1 incentive to spend on produce at the market for every \$1 in SNAP a shopper spent. The incentive amount was not prescriptive, so one grantee utilized a \$2 match for each \$5 in SNAP spent and another offered incentives ranging from \$.50 per \$1 in SNAP spent to \$2 in incentives per \$1 SNAP purchase. All of the grantees capped the amount that SNAP recipients could receive in incentives, with most using a \$10 per day limit.

**FINI programs generated almost \$8 million in SNAP and incentive produce purchases at farmers markets in 27 states.**

## SNAP Recipients Reported Increased Produce Purchasing and Consumption

Combined across all sites, during the first year of the FINI program, farmers markets distributed over \$3,000,000 in nutrition incentives and over \$5,000,000 in SNAP through more than 200,000 transactions. These purchases resulted in approximately 16-32 million additional servings of fruits and vegetables for SNAP households.<sup>2</sup>

The primary objective of the FINI program is to increase the purchase of fruits and vegetables to support healthy eating habits among SNAP participants. Seven of the FINI grantees included in this report conducted surveys of participating SNAP shoppers and found that between 74% and 94% of participants reported an increase in either their consumption or purchase of fruits and vegetables as a result of the incentive program.

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FINI projects also reported that their incentive programs encouraged participants to broaden the fruits and vegetables they ate and encouraged them to try new foods:

- 77% of participants in the Market Match New Orleans program, operated by Market Umbrella indicated that they increased the different kinds of fruits and vegetables they purchased as a result of the market match.
- The Food Trust’s Food Bucks program found that “Food Bucks users were more likely than non Food Bucks users to have purchased a fruit or vegetable at market that day and to report having tried a new fruit or vegetable since first visiting the market.”
- Utahns Against Hunger found that for 70% of participants the variety of fruit and vegetables in their diet increased as a result of the program.

One additional finding of note comes from the Ecology Center’s Market Match program, which found that 80% of participants reported that their family’s health had improved as a result of the program.



## **FINI Increases Food Security**

### **FINI is Improving Food Access Among the Food Insecure**

Research conducted as part of the Utahns Against Hunger grant indicated that the FINI program was improving food security for individuals who previously struggled to access food. From the research: “Food security status improved from baseline to follow up. At baseline, 30% of participants reported they experienced very low food security as compared to only 3% at the 4-week follow up.”

### **FINI Helps to Address Food Deserts by Stabilizing Farmers Markets in Low Income Neighborhoods**

Market managers and FINI Grant administrators report that incentive programs help anchor farmers markets, particularly in communities with high SNAP eligible populations where access to healthy, high quality produce is often limited. Market operators reported that incentive programs increased SNAP spending at farmers markets, increased the number of both new and repeat shoppers, and increased the diversity of customers. This increase in shoppers helps to ensure that the market will continue to serve that particular neighborhood as a healthy food access point. Additionally, the administrative funds provided through the FINI program helped hundreds of farmers markets to stabilize and develop small business capacity.



**The \$8 million in SNAP and incentives redeemed at FINI-supported farmers markets represents at least \$14.3 million in economic activity for those communities.**

## **FINI Fuels Increased Revenue to Farmers and Rural Communities**

Incentive programs operated at farmers markets offer a local economic benefit by increasing revenues for independent, small, and medium sized farms. This, in turn, creates jobs. Using the SNAP Economic Multiplier determined by the USDA's Economic Research Service, the \$8 million in SNAP and incentives redeemed at FINI-supported farmers markets represents at least \$14.3 million in economic activity for those rural economies.

According to the Ecology Center: "73.9% [of farmers participating in Market Match] report making more money, and 82.6% report having more customers" and 38.6% report "increasing the scope of their operations by planting more acres, buying equipment, building greenhouses or hoop houses, or hiring more workers." Additionally, Florida Organic Growers reported that: "87.5% of market managers reported that vendors have a "positive" perception of the [incentive] program." One farmer that sells at farmers markets that are part of Wholesome Wave's National Nutrition Incentive Network noted that SNAP spending is much higher at markets with incentives. He stated, "if it weren't for the incentive we would only sell about one-third of what we do now... It is also really exciting to see folks that couldn't normally [afford to] eat fruits and vegetables buying and consuming these foods."

## **High Redemption Rates at Farmers Markets**

Grantees reported consistently high rates of redemption for incentives in farmers market settings with most reporting rates between 88% and 95%. Only three grantees reported redemption rates lower than 88%, with the lowest at 78%. These redemption rates refer to the percentage of tokens/vouchers redeemed by farmers as compared with those given out to customers, or in the case of loyalty cards, the percentage of funds redeemed with farmers versus the amount loaded onto the cards.

These numbers offer some insight into the desire of SNAP shoppers to purchase fruits and vegetables at farmers markets but fail to fully capture how meaningful that opportunity is for participants. According to one participant in Fair Food Network's Double Up Food Bucks program, "In winter, I can only afford a fraction of the produce I need. This has helped me change my life. I wept when I found out! This is the difference between healthy eating (which I need for severe chronic illness) and much less nutrients."

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## **FINI Facilitates Improved Administration of Incentive Programs**

The first year of the FINI program offered a significant learning opportunity for farmers markets and incentive operators. The expansion of the incentive programs through FINI, as well as FINI’s robust evaluation component, have fueled an increase in knowledge among incentive program operators. This has provided the opportunity to assess how incentive levels impact SNAP redemption, how best to promote SNAP incentive programs, and how to be most efficient in administering redemption systems.

Incentive programs at farmers markets require a significant investment in the execution and administration of these projects. In most cases, this comes in the form of staff time spent on distributing, collecting, and processing tokens, vouchers or loyalty cards, training staff and vendors, marketing and promoting the program to participants, making and tracking payments to farmers, and tracking and documenting non-federal match. In some cases, grantees have invested in technology to facilitate these activities, which increased implementation costs in this first year but which should reduce overhead in coming years.

### **Lessons Learned**

- Financial incentives are most effective when coupled with experiential nutrition education.
- There is no one, best way to implement an incentive program. The incentive level and delivery mechanism are less important than the commitment and enthusiasm of market leadership, farmers, and partners.
- SNAP households participate when they understand the program, incentives are easy to earn and use, and they feel good about the shopping experience. Effective communications with SNAP households requires that information come from a trusted source.
- Existing sales and processing systems are difficult to adapt and developing new, appropriate technology is expensive. It would be more effective if groups could collaborate on system development and share information and resources.
- USDA SNAP retailer policies are not clear and consistent for farm-direct retail and newer approaches for underserved communities including mobile markets, farm shares and farm delivery boxes.
- Collaboration among a range of public and private agencies is critical to success.

## Participating 2015 FINI Grantees

### Ecology Center

carle@ecologycenter.org  
www.marketmatch.org

### Maine Farmland Trust

shannon@mainefarmlandtrust.org  
207-338-6575

### Utahns Against Hunger

info@uah.org  
www.uah.org

### Fair Food Network

www.doubleupfoodbucks.org

### Market Umbrella

www.marketumbrella.org

### Washington State

#### Department of Health

www.wafarmersmarkets.org/  
ebt-match

### Farmers Market Fund

www.farmersmarketfund.org

### Opportunity Council

http://www.opcco.org/fresh-bucks/

### Wholesome Wave

julia@wholesomewave.org  
www.wholesomewave.org

### Florida Organic Growers

katied@foginfo.org  
www.freshaccessbucks.com

### The Food Trust

nrivera@thefoodtrust.org,  
http://thefoodtrust.org/  
phillyfoodbucks

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## Notes

<sup>1</sup> Data for this report represents 11 of these projects as one project was delayed and did not have results in the first period and another did not share data.

<sup>2</sup> Calculation based on an average cost of \$.25-\$.50/serving, according to data from the Perishables Group, 2011. (<http://efnep.ucanr.edu/files/86477.pdf>) and USDA ERS, 2011 ([https://www.ers.usda.gov/webdocs/publications/eib71/7965\\_eib71\\_reportssummary.pdf](https://www.ers.usda.gov/webdocs/publications/eib71/7965_eib71_reportssummary.pdf)).

<sup>3</sup> Based on USDA's Economic Research Service calculation of a SNAP Economic Multiplier of 1.79, from the "The Food Assistance National Input-Output Multiplier (FANIOM) Model and the Stimulus Effects of SNAP," 2010. ([https://www.ers.usda.gov/webdocs/publications/err103/7996\\_err103\\_1\\_.pdf?v=41056](https://www.ers.usda.gov/webdocs/publications/err103/7996_err103_1_.pdf?v=41056)).

**Wholesome Wave**

