Best Practices: EBT & Nutrition Incentives

Presented by: Katie Myhre and Rachael Ward, FMC
About the Farmers Market Coalition

The national Farmers Market Coalition is a 501(c)(3) nonprofit dedicated to working with farmers market operators to strengthen farmers markets across the United States so that they can serve as community assets while providing real income opportunities for farmers.

The mission of the national Farmers Market Coalition is “to strengthen farmers markets for the benefit of farmers, consumers, and communities.” FMC’s primary role is supporting those individuals and entities that operate farmers markets.

An Education Center

FMC works to equip market managers and farmers with the tools necessary to run successful markets, while also supporting research that promotes widespread understanding of the impact of farmers markets. Information is shared through webinars, newsletters, and our Resource Library.

A Voice

While market organizers and farmers are busy growing healthy food for their communities, FMC gives farmers markets a voice in public policies that impact our food system. We ensure that the interests of local producers are understood and represented at state and federal levels.

A Network

FMC provides a network of support to market managers, vendors and customers, where ideas and issues are discussed, and best practices are shared. We work closely with regional leaders to build the capacity of state farmers market networks and associations.

farmersmarketcoalition.org
Katie Myhre (My-ree) has been an advocate for creative and profitable adoption of technology within food and farm communities for her entire career. With work spanning various areas of food system advocacy, she has managed multiple markets in Minneapolis. Katie’s central focus has been supporting small food and farm business viability on a regional scale, with an emphasis on a grassroots approach. Katie joined FMC in August 2020 and develops resources and analyzes SNAP/EBT related technology, all the while advocating for improved technology-based, grassroots market solutions targeted at the needs of the market community.

**Current focus:** Providing technical assistance to GusNIP grantees and analyzing EBT/Technology, as well as other technology solutions for the benefit of farmers markets, CSAs, farmstands, and local food shoppers.
Rachael Ward

Farmers Market Support Project Manager

Rachael Ward brings 10 years of project management experience in the non-profit sector at the intersection of nutrition, public health, and agriculture. She is passionate about tying the fields of food assistance and local food together to create equitable and inclusive environments. After completing her Masters in Global Health at Emory University, Rachael worked with several Atlanta based non-profits creating and running programs like farmers markets, community gardens, food pantries, CSA programs, and low-income food co-operatives. She served as the Director of Programs for Wholesome Wave Georgia for four years, managing and evaluating nutrition incentive programs across the state. Before joining FMC Rachael acted as the Nutrition Director at a Community Action Agency in southern Oregon. Here she directed a regional food bank distributing over 4 million pounds of food annually and supported programs promoting gardening, cooking education, and community food system development.

Current Focus: Rachael manages projects within the farmers market support team. Her current focus is on managing FMC’s work as part of the Nutrition Incentive Hub. This project provides training, support, and resources to Gus Schumacher Nutrition Incentive Program (GusNIP) grantees working with farm direct sites like farmers markets, CSAs and farm stands. Rachael facilitates this work across staff at FMC as well as with external partners Ecology Center and Michigan Farmers Market Association.

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FARM DIRECT INCENTIVES GUIDE

Plan
Learn the basics of nutrition incentives and start building a program at your farm direct site.
Learn more

Implement
Take your nutrition incentive program from seed to scale and find support for day-to-day administration.
Learn more

Promote
Grassroots outreach, social media strategy, and more: learn how to connect with the community and build your customer base.
Learn more

Evaluate
How do you measure your program's results? Access our tools for data collection, management, and publication.
Learn more

Reiterate
Turn your data into funding for new programming through reporting and storytelling.
Learn more
Our time together:

Plan: capacity assessment
Plan: administrative and financial systems
Plan: your market’s model
Implement: authorization and accounting
Implement: technology selection
Promote: strategies for inclusion
Evaluate: timelines and data collection
A brief history of EBT

1964
Food Stamps emerged as a permanent program administered by the USDA, and FNS -- Food Nutrition Services.

1990-2000s
Farmers Markets piloted first scrip/token system. Still using today!

2004
Transition to EBT officially required in all 50 states via Farm Bill.
The Central Terminal Model, or the “Single Swipe” Model:
USDA-FNS manages SNAP Authorization

Third Party Processors manage EBT transactions

...and often will sell SNAP-EBT devices.

Then, your market can accept EBT.
Using a **central terminal model**, a farmers market can be authorized to accept SNAP-EBT.

In this “single swipe” system, shoppers swipe their SNAP card and receive tokens or “scrip” which they can then spend with eligible vendors.

**Vendors must be trained in accepting currencies for eligible foods.**

Then, vendors give the tokens/scrip back to the manager for counting and reimbursement.
Example 2: Community org is authorized

Do you have a partner that could shoulder the administrative and on-site operations?

Here are some examples of organizations in your area to seek partnership with:
- Food bank
- Non-profits
- Community centers
- Foundations
- Insurance companies
Example 3: Vendors are authorized

We host a weekly market with a small group of 3 farmers. We plan to offer EBT to increase farm sales and ensure fresh options for the neighborhood, and we want our farmers to host the FNS number to allow them greater flexibility in sales to community members and faster access to funds. We’re working with these farms to get their FNS numbers and free equipment via Marketlink.

“We started accepting SNAP/EBT because it was an opportunity to educate a variety of people from the community about organics and beyond. It’s an easy program to navigate and a good way to be inclusive of people all income levels.”

Juan Carlos Arango, Sobremesa Farm (Bloomington, IN)
What do we need?
How do we pay for it?
What do I need?

How do I pay for it?

Assess the need, your capacity & existing administrative/financial systems

Imagine your market’s model

Choose the appropriate systems.
FIRST STEP: What is the community need for SNAP?

Who can you ask about this?

*What are the current barriers?*
Assessing our capacity: *starting up*

<table>
<thead>
<tr>
<th>What do we need?</th>
<th>Considerations:</th>
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<tbody>
<tr>
<td>● <strong>Getting set up:</strong></td>
<td>● <strong>Think long term.</strong> Will your “responsible official” be with your organization for a long time, and are they reliable? Where will you keep your FNS application information?</td>
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<tr>
<td>○ A person to be your “responsible official” on the FNS paperwork</td>
<td>● <strong>Thinking through these questions before you apply for SNAP will help the entire process go smoothly.</strong></td>
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<tr>
<td>○ A checking account</td>
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<td>○ An address for the FNS application</td>
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<td>○ A reimbursement system and a timeline you will use to pay farmers</td>
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<td>● <strong>Resources to enable EBT transactions:</strong></td>
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<tr>
<td>○ Upfront costs of technology ($1-5000)</td>
<td>● <strong>Fundraising skills:</strong> What strengths do you have financially?</td>
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<td>○ Annual fees ($200-5000): transaction fees, <strong>cellular data</strong>, etc.</td>
<td>● Check if you are eligible for state <strong>equipment programs</strong> or nation-wide Marketlink program.</td>
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<td>○ Funds to support on-site operation staff and off-site administrative staff</td>
<td>● Work with your board/community to determine the best strategy for purchasing or renting equipment, which could include county agencies or local public health organizations.</td>
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Assessing our capacity: **staffing and sustaining**

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<th>Questions to ask:</th>
<th>Considerations:</th>
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| **Assess your team.** | **Low-capacity:** How can you spread the load across a volunteer network or…  
| ○ Do you have someone to run on-site operations during market hours?  
| ○ How about off-hours reconciliation?  
| ○ Promotion? | **High capacity:** how will the selection of software help your market grow even more? |
| **Partnerships.** Evaluate your relationships -- is there an ally that can support you in this work? | **Where can you look for alignment in goals?** Look to your community ecosystem and develop partnerships. |
| **Vendors:** How many SNAP-eligible vendors are part of your market? What is their relationship to this idea? | **Should/Can vendors be the authorized parties?** |
| **Connectivity:** What sort of connectivity potential do you have/need at the market? Wi-fi? Ethernet/dial-up? | **See 7 mistakes markets make**, some relating to connectivity. |
Getting SNAP Authorized

Applying is a three step application process:
1. Create a USDA-FNS account;
2. Fill out the application online; and
3. Mail your supporting documentation to FNS to complete your file.
4. You may check the status of your application using the FNS online system.

To complete the application, you’ll need the following:

- **Photo identification** and **Social Security card** for all owners, partners, and corporate officers, unless the market is owned by a government agency. In cases where a farmers market is owned by a non-profit cooperative, the cooperative may designate a single “responsible official,” and provide such information solely for that person.
- **USDA FNS Completed Certification** and **Signature Statement**, which is received after submitting the application online;
- Any **business licenses** you may have for doing business at your location, under the current owner’s name (this is optional for farmers markets located on temporary sites).

Source: FMC’s [SNAP Guide](#)
## What technology is right for me?

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<tr>
<th>Wired Terminals</th>
<th>Wireless Terminals</th>
<th>Mobile Terminals</th>
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<td>Think old school on this one – if you have dial up internet access at your farm/market stand, or if you have an ethernet cord that you use to connect to the internet, this might be the right choice. These devices skew a bit older, and many wired devices also come with wireless capabilities.</td>
<td>If your farm stand or market has a reliable wi-fi connection, whether it be your own wireless connection or a hotspot, wireless may be the right choice. EBT transactions require a lot of cellular power. Check with your TPP (third party processor) or local cellular company to verify that the strength of the signal at your specific location is enough to process transactions. You’ll want to make sure any wireless connection you use is secure according to PCI compliance -- and ask your TPP about the security of your local wireless network. If you do not have a PCI compliant network, you may be charged a fee.</td>
<td>These devices connect to cellular networks (like AT&amp;T or Verizon), much like a cell phone. They require a separate monthly data plan typically sold through an internet provider. The mobile device category is expanding rapidly, and includes a wide range of devices – from wireless-capable terminals to touchscreen devices, and from smartphone based point of sale apps to loyalty card systems. Mobile devices require a cellular contract, often a monthly or annual bill. Newer mobile devices also often require a separate software contract for the point of sale app that you choose. We break this category down into app-based point of sale (on a mobile phone device), device-based point of sale, and loyalty card-based point of sale.</td>
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Technology Options

Mobile terminals

These devices connect via cellular networks (such as AT&T or Verizon), and function much like a cell phone via a “data plan.”

Make sure you have an understanding of the data plan costs before you purchase one of these devices.

Make sure you select a device that runs on signal that is 4G or later.
Technology Options: Wireless

Wireless terminals:
These devices primarily rely on wi-fi (wireless connections)

Check to make sure that:
(1) Your wireless signal that you plan to use is strong enough and
(2) Your wireless connection is secure and “PCI compliant” – talk to your third party processor about this!
Wired Terminals

Think old school - these devices have a physical cord that will connect to an internet or phone line connections.

These devices are great because they’re simple and reliable, but they may be outdated for many markets’ needs.

Verifone VX520

First Data 150 (FD150)

Ingenico Desk 3500

Wired Devices

Source: EBT Device Category Overview
What does EBT technology cost?

Processing Fees:
- Visa/MasterCard/Discover Processing Rate: Interchange + 0.15% + Transaction Fee
- Per Transaction Fee: $0.10

EBT transactions will not be charged the above processing rates
- EBT Transaction Fee: $0.10
- Monthly IRS Regulatory Fee: $4.95
- Statement Fee: $8.00
- Monthly Fee: $9.95
- Customer Support (24 hours/7 days a week): $0.00

One Time Fees (to be paid at time of account setup):
- Merchant Account Setup Fee: $99.00

Equipment Fees:
- Clover Flex: $449.00
- Wireless Monthly Fee: $15.00

Annual Fee: $79.00
Early Termination Fee: $300.00

$29.95 / month or $323.40 / year (10% savings vs. month-to-month)

free for two years, then:
"How do we pay for it?" – State Contracts?
“How do we pay for it?” – Marketlink

Smart Device Based Equipment
For those eligible for USDA funding

Bring Your Own Device
(“BYOD”)

- Program Fee for 1 Year included
- Bluetooth Reader
- Any carrier
- Equipment you have: Android 21+, Apple iOS 11+ devices
Can I sell to my SNAP customers online?

Possibly, soon!

Alexandria, VA (January 2022) – Direct marketing farmers nationwide are already familiar with the highly successful MarketLink mobile app Totil Pay Go. Early in 2022, the NAFMNP MarketLink Program will launch an Online SNAP Payments Solution, adding to its federal nutrition payments portfolio. Direct marketing farmers will have the option to accept secure, PIN-based online SNAP transactions and grow their SNAP customer base using the MarketLink Online Solution. The NAFMNP MarketLink Program, in partnership with Nova Dia Group, Inc. (NDG) and FIS Worldpay, will develop four eCommerce platforms, beginning with Local Food Marketplace, and then adding Fellow Farmer; GrownBy; and WhatsGood.

SNAP-authorized direct marketing farmers will receive:

- Authorization assistance to become online-ready
- Access to one of the four eCommerce platforms at no cost for one-year
- Technical and training support from the eCommerce platform team
- On-going communication as well as platform maintenance and security updates.
SNAP Accounting & Taxes

Managing tokens requires some additional bookkeeping and documentation. A best practice used by many markets around the country is to set up a separate bank account for the token program. This greatly simplifies tracking activity, reconciling balances and reporting. You should know where all tokens are at all times.

Your tracking system should accurately track:

a. How many tokens you have on hand at any given time;

b. How many you distribute per market day;

c. How many tokens are returned per market day; and

d. How many tokens are outstanding or unredeemed at any given time.

Source: FMC’s SNAP Guide and the Farmers Market Legal Toolkit
Promote:
*You Built it but They Didn’t Come*

**Promotion Guide**
- Community Involvement
- Partnerships
- Marketing & Messaging
- At Market
- Repetition!
Evaluate: Tracking and Feedback

Evaluation Guide

• What questions are you trying to answer?
• Example data to collect from different populations
• Technology and systems
• Sharing & reporting out
Questions?

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