

# Food Insecurity Nutrition Incentive Grant Program (FINI)

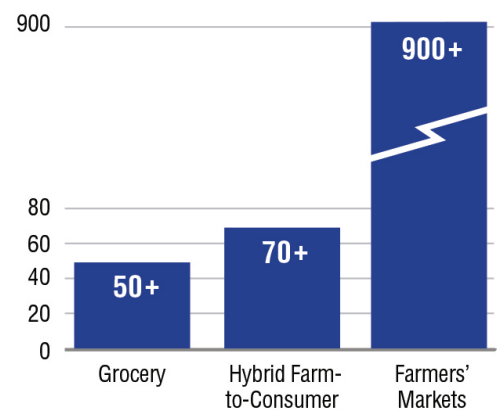
## 2015 Program Results

The Agricultural Act of 2014 created a new competitive grant program to test the idea that providing incentives to SNAP program participants to buy fruits and vegetables could increase the consumption of produce and improve dietary health. The first Food Insecurity Nutrition Incentive grants were made in the Spring 2015, and this report summarizes the results of the medium and large size projects.<sup>1</sup>

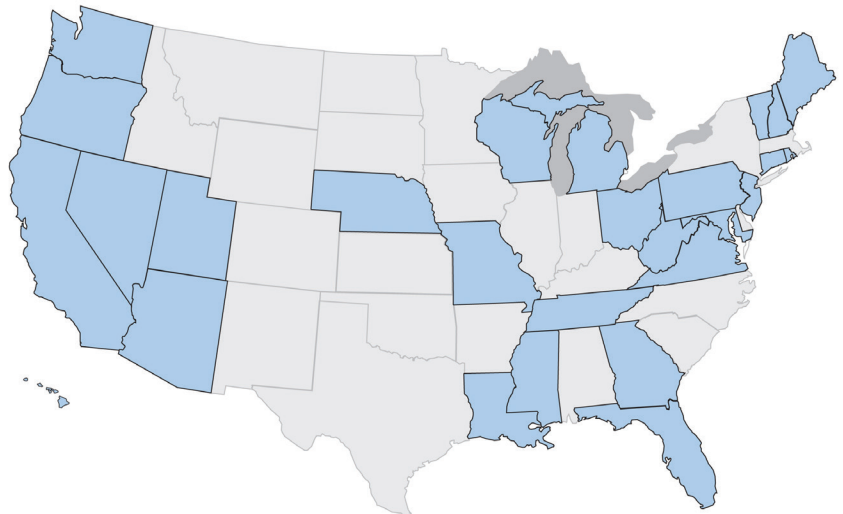
In 2015, FINI-funded SNAP produce incentive programs operated in 27 states at more than 900 farmers' markets, more than 50 grocery stores and more than 70 non-traditional farmer-to-consumer food retailers serving rural and urban communities across the country.

**Thousands of low-income SNAP households used more than \$5 million in SNAP benefits to buy mainly fresh fruits and vegetables and earned more than \$3 million in incentives to buy more healthy produce. Surveys of participating SNAP shoppers reflect that produce incentives were popular and helped families increase the amount and expand the variety of produce they ate.**

Consumer Retail Operation



More than 1,000 farmers sold in farmers' markets participating in FINI-supported SNAP incentive programs or provided fresh produce to participating grocery stores, mobile markets or food hubs, adding a rural economic stimulus to the nutrition benefit the incentive programs provide.



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**“It’s the greatest thing since sliced bread. The customers love it, we love it and the farmers love it. It’s a win-win-win situation.”**

*– Participating Grocer*

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## PROGRAM MODELS

FINI SNAP incentive programs adopted one of two basic approaches: providing an immediate price discount on produce purchased with SNAP, or offering incentive dollars earned on SNAP produce purchases to use on future fruit and vegetable purchases. Most programs and all the farm-direct retailers provided incentive dollars for future purchases, while several of the grocery stores offered immediate half-price discounts.

The most common incentive level was \$1:\$1, but several other purchase-incentive ratios were used and none were obviously superior to the others. Incentives were provided in various ways: as tokens in farmers' markets, pre-printed or cash register generated coupons, as gift cards, or on store loyalty cards.

Almost all the projects supplemented the financial incentives with nutrition education, food shopping, and/or cooking training – often offered through collaboration with the SNAP Education program. The combination of incentives with experiential education seemed to be particularly effective at boosting incentive use.

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**“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” – SNAP Participant**

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## PARTICIPANT FEEDBACK

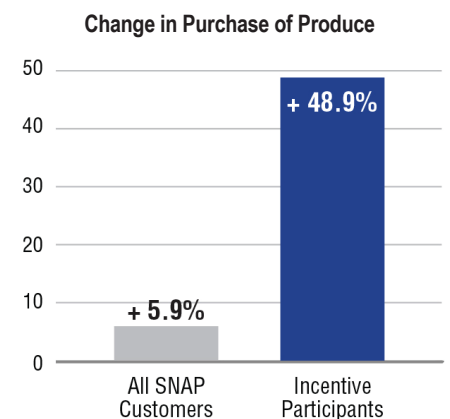
SNAP incentive programs have been operating in farmers' markets for more than ten years, and the 2015 results reflect their continued popularity among low-income shoppers. Almost all the FINI farmers' market incentive programs achieved 88 – 95% redemption rates, meaning that almost every incentive penny earned was used to buy more healthy fruits and vegetables.

**Between 74% and 94% of participating SNAP farmers' market shoppers reported that they were either buying or consuming more fruits and vegetables as a result of the incentive program, and well over half reported trying new kinds of produce because of the incentives. In California, 80% of Market Match participants reported that their family's health had improved as a result of the program.**

Grocery stores are a new environment for SNAP incentives and present a new set of implementation challenges. Redemption rates in grocery stores ranged from six percent to 78%, but customer feedback was uniformly positive. The one program that provided customer survey data collected in grocery stores found that 63% of participants said that they were eating more fruits and vegetables as a result of the incentives and 52% reported eating less junk food because of the program.

One program was able to do a matched sample (by store loyalty card) of SNAP households and found that program participants spent almost 50% more on produce during the 2015 incentive program than they did over the same time period in 2014. SNAP customers overall spent almost six percent more on produce at that supermarket over the same time period.

Hunger is a real threat for many low-income families and sometimes *any* calories are better than none. **Researchers in Utah found that the state's Double Up Food Bucks SNAP incentive program improved food security for participants and helped them achieve healthy diets.** “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 three percent at the 4-week follow up.**”<sup>2</sup> This is an important finding because according to a 2014 Feeding America report, 84 percent of the low-income households with children that they served reported they purchased junk food even though they knew it was not nutritious but because they had to provide enough calories to make their children feel full.<sup>3</sup>



## ECONOMIC IMPACTS FOR FARMERS & RURAL COMMUNITIES

All but two of the incentive programs operating in 2015 included a connection to regional agriculture, including five that operated incentives in conventional supermarkets, grocery or corner stores. **The 2015 FINI-funded SNAP incentive projects stimulated more than \$8 million in fruit and vegetable purchases from specialty crop producers, benefiting more than 1,000 farmers.**

The USDA estimates that every \$1 in SNAP spending creates \$1.80 in economic activity, but the program's impact is magnified when food dollars are being spent to purchase locally and regionally grown food. Two programs surveyed

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**“Shoppers are staying closer to home and coming to our market as opposed to leaving and going to the larger market 30 miles away, and they’re repeat customers”** – *Participating Grocer*

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participating farmers and both found that increased demand from incentives was stimulating additional spending and expansion of farming operations. **Well over half of participating farmers in both surveys reported that they were making more money (55% and 74%), and in one state 40% reported that they were “increasing the scope of their operations by planting more acres, buying equipment, building greenhouses or hoop houses, or hiring more workers.”**

Grocers also saw benefits to their businesses in a connection to local produce: “I think we got better deals from the local farmers, the produce looked better, looked fresher.... I think we should bring (the incentive program) back.”

## LESSONS LEARNED

- Produce incentives increase SNAP shoppers’ purchases of healthy fruits and vegetables in all kinds of food retail environments.
- 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 store and market leadership, cashiers and farmers.
- Effective communications with SNAP households requires that information come from a trusted source.
- SNAP households participate when they understand the program, incentives are easy to earn and use, and they feel good about the shopping experience.
- Financial incentives are most effective when coupled with experiential education.
- Incentives can be an effective mechanism to improve access to fresh produce in underserved urban and rural communities but existing and new retailers in these places need training, technical assistance and administrative support to be successful. At least in the start-up phase.
- Existing sales and processing systems are difficult to adapt and developing new, appropriate technology is expensive. It would be 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.

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**“If it weren’t for the incentive we would only sell about 1/3 of what we do now.... It is also really exciting to see folks that wouldn’t normally eat fruits and vegetables buying and consuming these foods.”** – *Participating Farmer*

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## CONCLUSION

Many factors influence what food people buy: price, taste, convenience, education, nutrition and cooking knowledge. Price is particularly important for low-income households, and incentives can help make healthy produce an easier choice for SNAP participants. Simple rules, reliable outreach and effective signage help shoppers understand how to use the programs. Collaboration with nutrition education programs including SNAP Ed provides shoppers the knowledge they need to prepare healthy foods. Welcoming retail environments minimize the stigma many SNAP participants feel and help low-income shoppers feel good about using the incentives.

With just several months of FINI-funded incentive programs in 2015, all the indications are that produce incentives are an effective way to support healthy diets for SNAP participants.

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**“In the end, you’re helping customers with their families and their lives by offering the (incentive) program. If that’s not reason enough to participate, honestly I question why you are in this business.” – Participating Grocer**

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*The information in this report is based on data publicly available on the USDA National Institute of Food and Agriculture (NIFA) website<sup>4</sup> and information provided voluntarily by the grantees. We would like to thank all the grantee organizations for their generosity in sharing results. It should be noted that the programs used different metrics to measure their work, not all collected the same data and not all shared all of their information. As a result, the number of SNAP participants who benefited from FINI-funded incentive programs in 2015 is larger than what is reported here, as are the number of participating farmers.*

## LINKS FOR MORE INFORMATION

AARP Foundation, Patrick Raitt Director, Foundation Relations/Interim Hunger Program Manager, praitt@aarp.org

Ecology Center, Carle Brinkman, carle@ecologycenter.org, www.marketmatch.org

Fair Food Network, www.fairfoodnetwork.org

Farmers Market Fund, www.farmersmarketfund.org

Florida Organic Growers, Katie Delaney, kated@foginfo.org, www.freshaccessbucks.com

Maine Farmland Trust, Shannon Grimes, shannon@mainefarmlandtrust.org, 207-338-6575, maineharvestbucks.org

Mandela Marketplace, Trisha Chakrabarti, Program + Policy Manager, trisha@mandelamarketplace.org

Market Umbrella, www.marketumbrella.org

The Food Trust, nriviera@thefoodtrust.org and <http://thefoodtrust.org/phillyfoodbucks>

The Opportunity Council, www.oppco.org/fresh-bucks/

Washington State Department of Health, www.wafarmersmarkets.org/ebt-match/

Wholesome Wave, Skye Cornell, Skye@wholesomewave.org, www.wholesomewave.org

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Funded by **Wholesome Wave**

1 <https://nifa.usda.gov/press-release/usda-awards-31-million-grants-help-snap-participants-afford-healthy-foods>

2 Savoie-Roskos, M., Durward, C., Jeweks, M., & Leblanc, H. (2015). Reducing Food Insecurity and Improving Fruit and Vegetable Intake Among Farmers’ Market Incentive Program Participants. *Journal of Nutrition Education and Behavior*, 48(1), 70–76. <http://doi.org/10.1016/j.jneb.2015.10.003>

3 <http://www.feedingamerica.org/hunger-in-america/our-research/hunger-in-america/hia-2014-executive-summary.pdf>

4 <https://nifa.usda.gov/program/food-insecurity-nutrition-incentive-fini-grant-program>