



**HEALTHY
FOOD
INCENTIVES**

**CLUSTER
EVALUATION**

2011 FINAL REPORT



CLUSTER EVALUATIONS

A cluster evaluation is an analysis of multiple grants or organizations that are addressing the same issue but that have different approaches to tackling them. Cluster evaluations use data and input from those being evaluated, and are not intended to pick winners or losers but rather to describe approaches and results. Findings can be used to identify common threads and themes that, having cross-confirmation, take on greater significance, supporting the development of particular approaches and informing current and future efforts. This Cluster Evaluation was completed by The Community Science Evaluation Group, to which the four organizations evaluated owe a debt of gratitude.

I

Introduction

The use of federal food assistance benefits at farmers' markets has skyrocketed in the past five years. Between 2007 and 2011, yearly growth in sales was more than 50%. In addition, the number of farmers' markets has grown by more than 448%, from 1,755 to 7,864 in 2012 since the previous 1993 peak in the use of SNAP at farmers' markets.¹ Between October 1, 2010, and September 30, 2011, Supplemental Nutrition Assistance Program (SNAP) sales at farmers' markets nationwide topped \$11.7 million.

Shopping at farmers' markets leads to increased fruit and vegetable consumption among low-income individuals,² and farmer's markets have a positive economic impact on individual communities and the larger economy.³ With these positive impacts, how can we increase the use of SNAP at farmers' markets? This report summarizes initial results for a cluster evaluation of four organizations that offer SNAP incentives at farmers' markets. It is our hope that a thorough evaluation can help inform further investments in SNAP incentives that have the potential to increase access to healthy food for low income consumers, improve the economic viability of farmers, and strengthen local communities.

1 Agricultural Marketing Service (AMS), 2011.

2 Herman, Harrison, Afifi, & Jenks, 2008; Kropf, Holben, Holcomb, & Anderson, 2007

3 Henneberry, Whitacre, & Agustini, 2009; Hughes, Brown, Miller, & McConnell, 2008; Market Umbrella, 2010; O'Hara, 2011



Overview of the Cluster Evaluation & the Organizations Involved

The four organizations featured in this report, among others, have been actively involved in encouraging low-income consumers to use their food assistance benefits at farmers' markets by matching their SNAP benefits, enabling the customer to purchase additional fresh, local food.

In order to learn from the experience of the four organizations while taking into account the variability in their approaches, cluster evaluation methodology was selected for the evaluation. The study examined available data on all the markets supported by the organizations participating in the evaluation and a sample of 30 markets was selected for closer examination.

The four organizations evaluated, while varying somewhat in their approaches to offering incentives, are all nonprofit organizations and rely on private sector funding to support their incentive programs. Altogether, they supported 349 markets in 22 states and the District of Columbia in 2011, where consumers redeemed more than \$938,000 in SNAP incentives and more than \$1.47 million in SNAP benefits during the time when incentives were offered.

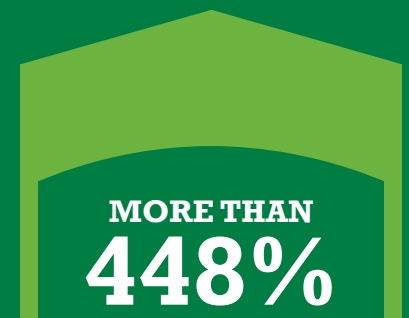
FFN was the only organization that provided comparable data in 2010 and 2011 for all the markets for which it provided incentives. In those markets, SNAP redemption more than doubled (151% increase).

II

YEARLY GROWTH IN SALES
(2007 - 2011)



**GROWTH IN NUMBER OF
FARMERS' MARKETS
SINCE 1993**



**TOTAL SNAP SALES AT
FARMERS' MARKETS
NATIONWIDE**



THE ORGANIZATIONS

Fair Food Network (FFN)

Headquarters

Ann Arbor, MI

Mission

FFN works at the intersection of food systems, sustainability, and social equity to guarantee access to healthy, fresh, and sustainably grown food, especially in underserved communities.

Founded

2009

Incentive program

Double Up Food Bucks (DUFb)

Reach of Incentive Program

75 farmers markets and 25 other sites in Michigan and Toledo, Ohio (2012)



DUFb matches SNAP purchases at participating markets up to \$20 per visit with DUFb tokens or credits, which can be spent only on Michigan-grown fresh fruits and vegetables. DUFb began in 2009 as a pilot project at Detroit's Eastern Market and four other farmers' markets in the city; it expanded to 54 markets by 2011, and by the summer of 2012 was available at more than 100 sites, including farmers' markets, farmstands, and mobile produce trucks. Tens of thousands of Michigan residents and hundreds of local farmers participate in the program.

Most DUFb market sites process EBT at a central terminal operated by market management and issue tokens or scrip; others use a card-based system with vendors having their own processing device. FFN provides incentive funds, program materials, and technical support to markets that meet the qualifications to participate, and runs a centrally-coordinated outreach and marketing campaign.

Market Umbrella (MU)

Headquarters

New Orleans, LA

Mission

Since its initial focus on promoting ecologically sound economic development in the Greater New Orleans area, MU has expanded its geographic reach by cataloguing and sharing innovations to improve the effectiveness of public markets.

Founded

2008

Incentive Program

Market Match

Reach of Incentive Program

3 farmers' markets and practical tools for larger community of public market practitioners.



Market Match was created for SNAP and the Farmers Market Nutrition Program that provide checks or coupons to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) for their use at farmers' markets. Market Match operates during annual two-month campaigns that bridge seasons in an effort to drive additional foot traffic to the markets. During the Market Match campaigns, SNAP shoppers come to any of the three Crescent City Farmers Market locations, swipe their Louisiana Purchase Card (or other state EBT card) at the Welcome Tent, and, while supplies last, MU matches up to \$25 per market visit.

Roots of Change (ROC)



Headquarters

San Francisco, CA

Founded

2002

Mission

ROC was created with the intent of growing a network of diverse stakeholders united by the vision of healthy, affordable, safe, just and ecologically responsible food and agriculture in California by the year 2030.

Incentive Program

Market Match

Reach of Incentive Program

134 farmers' markets in California (2012)

Since October 2009, ROC has managed the California Farmers' Market Consortium (CFMC), a statewide partnership that builds capacity within community-based organizations to improve food security by increasing healthy food access and farming livelihoods at farmers' markets. CFMC supports specialty-crop farmers through promotion, outreach, and incentives – particularly by harnessing the purchasing power of SNAP (known in California as the CalFresh Program), Social Security Income (SSI), and WIC benefit customers. Incentive programs increase the value of redemptions made at CFMC partner farmers' markets and can only be spent on California-grown specialty crops.

ROC requires CFMC partners that are receiving funding for incentive programs to invest time and effort into their own fundraising efforts to match ROC-provided funding for incentives.

Wholesome Wave (WW)



Headquarters

Bridgeport, CT

Founded

2007

Mission

WW's mission is to improve access to and affordability of fresh, healthy, locally grown produce to historically underserved communities, while creating economic viability through local food commerce that can invigorate local economies while rebuilding our nation's food system.

Incentive Program

Double Value Coupon Program (DVCP)

Reach of Incentive Program

More than 300 farmers' markets and other farm-to-retail venues in 25 states, and D.C., 60 partner organizations, and nearly 2,500 farmers (2012)

Federal nutrition benefits eligible for matching with DVCP incentives include SNAP, WIC and Senior Farmers Market Nutrition Program (FMNP) checks, and WIC Cash Value Vouchers (CVV). DVCP was fully launched in 2008 at farmers' markets in Connecticut, California, and Massachusetts. Incentives double the value of federal benefits, however individual markets have discretion on the nuances of allocation.

WW encourages partners to use a variety of community-specific strategies to implement DVCP, but requires all partners to meet certain guidelines: collect a minimum level of data requested; have the capacity, training and certifications to accept at least one form of federal benefits and incentive coupons; increase the value of federal benefits by doubling the benefit; and use incentives specifically for locally produced fruits and vegetables.

WW provides seed funding for incentives, outreach, and program management, and helps partners to increase their fundraising capacity along with other technical assistance, including: data collection training; data analysis; a facilitated learning community to share innovations and best practices; and external communications tools and training.

EXHIBIT 1

Characteristics of SNAP incentive programs, 2011

FEATURE	ORGANIZATION			
	Fair Food Network	Market Umbrella	Roots of Change	Wholesome Wave
Number of markets offering SNAP incentives in 2011	54	3	72	225*
Location of markets	Michigan, plus two in Ohio	New Orleans	California	21 states and Washington, DC
Match (how much incentive is provided for every \$1 in SNAP incentives)	\$1	\$1	Varies	Varies; \$1 in most markets
Maximum amount of incentive benefit offered per day	\$20	\$25	Varies	Varies
Source of incentive-funding support offered to markets	Private funding (mainly foundations, but also other private organizations and direct fundraising)			

* Five of the markets supported by WW also received support from ROC

EXHIBIT 2

Location of markets that offer SNAP incentives that are affiliated with FFN, WW, ROC, and MU, 2011



EXHIBIT 3

Number of markets affiliated with FFN, WW, ROC, and MU offering SNAP incentives





**Between 2010
and 2011, the
organizations
involved in the
cluster evaluation**

**ALMOST
DOUBLED**

**the number of
markets where
they helped
support SNAP
incentives.**

III

30 Markets in Sample

Sample selection criteria

A sample of 30 markets was selected for deeper data collection from the set of all markets offering incentives. These markets were selected based on the following criteria:

- A mix of smaller, medium, and large markets;
- Inclusion of markets that had a greater capacity to collect data; and
- Geographic diversity, which WW was able to provide through its range of markets across the country

The sample markets considered have variability on key characteristics, such as the number of years operating EBT, the size, and number of paid employees; yet all provide incentives to low-income citizens using SNAP benefits. The 30 markets in the sample had total SNAP redemptions of \$386,651 and SNAP incentive redemptions of \$253,488 in 2011.

Between 2010 and 2011, the organizations involved in the cluster evaluation almost doubled the number of markets where they helped support SNAP incentives.

Implementation of incentives & EBT

Half of the sample markets began offering incentives in 2011; 30% began in 2010; and 20% began in 2009. The relative newness of the incentive programs reflects the extensive growth in the organizations' incentive initiatives over the past few years.

While five markets were using Electronic Benefit Transfer (EBT) for the first time in 2011, five others had been doing so for seven years or more, providing more experience using EBT when they began accepting incentives.

Market size

Market size was based on the average number of vendors who sell food that can be purchased using SNAP benefits. Small markets accounted for 40% of the sample; medium markets 37% and large markets 23% of the sample.

Market employees

Only two markets were volunteer-operated. Two-thirds of the markets had more than one employee working on the incentive program, and 40% had three or more employees.

Amount of incentives offered

The markets in the sample varied to a small degree on the amount of every SNAP dollar that they matched and to a greater degree on the maximum amount of SNAP benefits for which a customer could receive incentives.

Two markets offered an unlimited one-to-one match. Twenty-three markets offered at one-to-one match with a limit between \$5 and \$30. Five markets offered a less than one-to one match.

The markets with the smaller match (i.e., \$0.40 and \$0.50 per \$1.00 in SNAP benefits) varied their incentives over the course of the year and offered incentives of \$0.50 and \$1.00 for part of the year.

The variation was driven by an attempt to stretch incentive budgets over the course of the year.

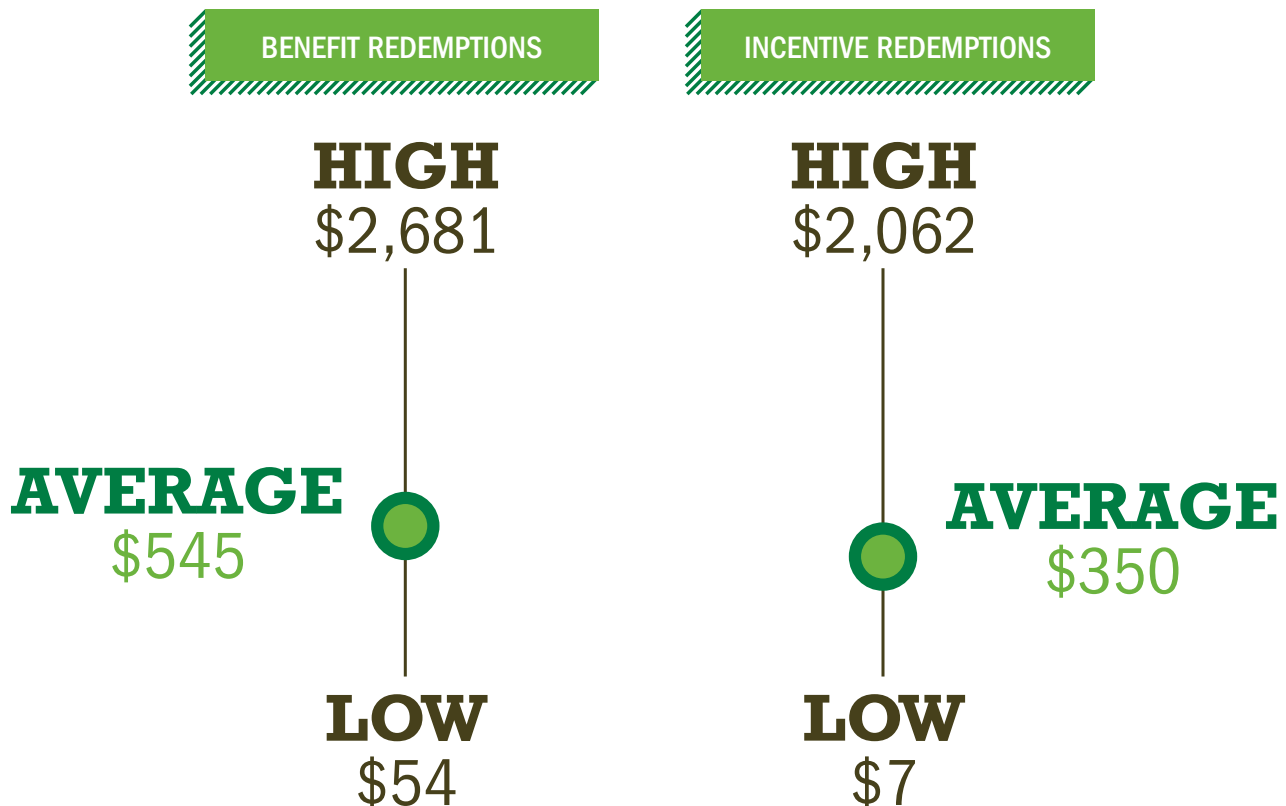
Seventy percent of vendors who sold eligible food at the markets participated in the incentive program, suggesting that a substantial number of vendors are very interested in participating in incentive programs.

Redemption of SNAP & SNAP incentives

The average vendor participating in the program accepted \$545 in SNAP benefits and \$350 in incentives for a total of \$895 over the course of the season. SNAP benefits ranged from an average of \$54 in the market with the smallest amount per vendor to \$2,681 in the market with the highest amount. The incentive amount per vendor in individual markets ranged from \$7 to \$2,062, with a median of \$289. What is apparent from the analysis is that a SNAP incentive program can benefit all vendors.

EXHIBIT 4

SNAP incentive program can benefit all vendors: redemptions of SNAP and SNAP incentives





70% OF VENDORS

who sold eligible food at the markets participated in the incentive program, suggesting that a substantial number of vendors are very interested in participating in incentive programs.

Customer & Vendor Surveys

Survey data for 2011 from the organizations are not directly comparable, because different survey methods were used by the four organizations evaluated, but indicate common themes across programs. The organizations will be implementing a common set of survey questions in 2012 to enhance comparability.

A. Customer surveys

Purchase & consumption of fruit & vegetables

Eighty-one percent of FFN customers indicated the amount of fruits and vegetables they purchased increased because of SNAP incentives. Eighty-six percent of WW customers indicated that their consumption had increased as a result of farmers' market shopping.

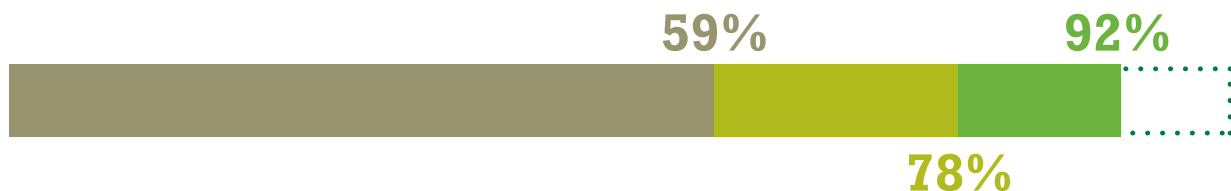
More than 50% of customers surveyed indicated that the incentives were one of the factors that drew them to the market. This, combined with evidence that incentives increase the number of SNAP customers and the amount of SNAP redemptions, suggests that incentives are an effective strategy for drawing SNAP recipients to farmers' markets.

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EXHIBIT 5

Importance of incentives in drawing customers to the market



■ Percent of FFN incentive customers who said incentives were one of the reasons for visiting the market (n=286)

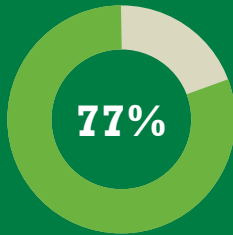
■ Percent of ROC incentive customers who said incentives were important or very important in drawing them to the market (n=125)

■ Percent of WW incentive customers who said incentives were moderately or very important in getting them to spend food stamps or market checks at the market (n=1134)

EXHIBIT 6

FFN vendor perceptions of incentive program benefits

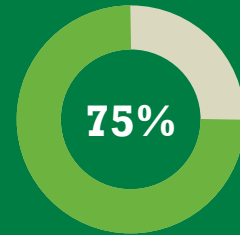
New customers shop at my stand or stall more often (n=105)



I sell more fresh fruits and vegetables (n=102)



I make more money at this market (n=107)



Spending in the area near the market

WW sought to determine the extent to which farmers' market customers spend money in the surrounding neighborhoods. It attempted to do this by using a survey question developed by MU to examine economic impact of all consumers at a market (n=1,147). They found that almost a third of customers who use incentives at farmers' markets planned to spend money at nearby businesses — an average of \$28 each — equaling \$760,000 in estimated spending in support of such businesses. MU's survey question on this topic will be incorporated into the 2012 Cluster Evaluation Consumer Survey.

B. Vendor surveys

FFN conducted a vendor survey in 2011 and WW did so in 2010. Some key findings from the FFN vendor survey are shown in Exhibit 6.

WW's Vendor survey results show:

- 50% of farmers (n=167) reported that the incentives were important or very important to their sales; and
- 55% (n=164) said that the fact that the market redeemed SNAP and offered incentives was important or very important in their decision to continue as a vendor at the market

Additional findings from surveys by FFN:

- 33% of farmers (n=104) reported that they plan to grow more produce next year because of DUFB

Most farmers' markets vendors see positive economic benefits from SNAP incentives. Incentives have the potential to enhance the success of individual markets and ensure their continued viability. This is important because markets are prone to closure if they do not find the right mix of vendors and customers.

Conclusions & Implications

Incentives represent an effective strategy for increasing SNAP sales at farmers' markets.

SNAP incentives offer a viable and promising tool for increasing the use of SNAP benefits at farmers' markets and for increasing the purchase and consumption of fruits and vegetables among low-income individuals and families. Data from the organizations involved in the cluster evaluation show a substantial increase in SNAP redemptions when incentive programs are implemented. SNAP incentive programs typically result in at least a doubling of redemptions and in some cases

substantially more. SNAP sales at farmers' markets have increased dramatically since 2007, but are still a very small proportion of total SNAP sales, suggesting that there is ample room for continued accelerated growth at farmers' markets.

Intermediary organizations play an important role in promoting SNAP incentives.

Intermediary organizations, such as FFN, MU, ROC, and WW, have played a critical role in expanding incentive programs. They have been able to locate and support markets with the capacity to implement incentive programs and have enhanced the markets' capacity and motivated other markets to seek private support. The organizations helped link markets and created tools such as *marketshare*, which provides the opportunity for peer learning. In addition, they have played a critical role in fundraising and encouraged their partners to also leverage more resources.

Customer and vendor surveys show the incentive programs are popular and result in promising changes in customer purchasing behavior and vendor sales.

Over 80 percent of customers participating in FFN and WW surveys of the incentive program report an increase in the purchase or consumption of fruits and vegetables. More than half of the customers surveyed by FFN, WW, and ROC reported that incentives were important in drawing them to the farmers' market. More than half of the vendors surveyed by FFN and WW reported that the incentive program was having a positive impact on their sales, an important indication of vendor satisfaction that largely contributes to the success and viability of individual markets.

There are indications that SNAP incentive programs have positive economic benefits.

Evidence suggests that SNAP incentives have already resulted in economic benefits to the

Most farmers' markets vendors see positive economic benefits FROM SNAP INCENTIVES.

Incentives have the potential to enhance the success of individual markets and ensure their continued viability. This is important because markets are prone to closure if they do not find the right mix of vendors and customers.



communities where farmers' markets are located and to the farmers and their employees who work at the markets. Further increase in the use of incentives is likely to result in a bigger impact on the viability of local growers and their communities. WW survey data indicates that one-third of customers using SNAP incentives spend money in the area surrounding the market. Vendor surveys for FFN and WW show that a considerable number of farmers were planning on increasing production and growing more diverse crops as a result of the incentive program. Further analysis of the economic impact of farmers' markets incentives is planned for the 2012 season with particular attention to the economic benefits that accrue when goods are purchased directly from locally-based producers.

Private funding has played a critical role in supporting the use of SNAP incentives, but additional public funding would provide the opportunity for further growth and experimentation.

Fundraising absorbs a lot of the energy of these organizations and limits the reach of the programs because the opportunities to use incentives to increase SNAP participation outstrip available funds. Private partners have generously contributed to incentive programs with the hope that if the strategic use of incentives is successful, public funders will become interested and provide additional support. So far, public funding has been fairly limited, with support coming from the Farmers Market Promotion Program, the Specialty Crop Block Grant, state agriculture viability programs, and other state sources. If a substantial increase in public funding occurs as a result of Farm Bill reauthorization, there will be an opportunity to expand incentive programs and to learn more about ways to maximize their effectiveness. At this point, both the Senate and House Agriculture Committees have demonstrated strong bi-partisan support for expanding this well documented demonstration project on effective utilization of incentives to encourage healthier eating and stronger economies.

Picture of tomatoes courtesy of Visser Farms.





THANK YOU

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Open Society Foundations

