

# Sustaining Farmers Markets that Serve Low-Income Consumers

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Grant Recipient: Michigan State University

Region: North Central

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## Project Information

### Summary:

“Sustaining Farmers Markets that Serve Low-income Consumers” was designed to explore the conditions and constraints that farmers face when participating in farmers markets in low-income areas. The recent proliferation of farmers markets and subsequent competition for farmers has created a number of sustainability challenges for farmers markets located in these areas including high rates of vendor turnover and overall lack of vendor commitment. The goal of this research was to uncover farmers’ perspectives on their decision-making to inform market managers of key factors associated with (1) recruitment and retention of farmers for markets located in low-income areas and (2) farmer participation in on-site Electronic Benefit Transfer (EBT) redemption programs. Three low-income, urban areas were selected as case studies. Between 2010 and 2012, twenty-seven interviews were conducted with farmers selling at six different farmers markets, two markets in each of the three low-income areas. Five of these farmers markets had EBT programs in place. Three main themes emerged during this research. First, based on their experiences with EBT both at farmers markets that were research sites and in other markets, farmers have a positive attitude regarding EBT. Second, farmers have a positive attitude about EBT programs in farmers markets because they are simple and convenient. Third, farmers believe that when a farmers market accepts food assistance benefits it attracts new customers therefore expanding the market’s customer base. Many farmers indicated that EBT programs and the acceptance of a wide variety of food assistance benefits were essential for the sustainability of farmers markets in low-income areas.

## Introduction:

A farmers market is a public and recurring assembly of farmers or their representatives selling directly to consumers food and products which they have produced themselves. In addition, the market may include a variety of vendors as determined by market management (MIFMA, 2011). Farmers markets are credited with providing a vast range of benefits from promoting small and mid-sized farm viability to strengthening communities (Abel et al., 1999; Ross, 2006). Considering these benefits and the growing popularity of locally grown foods, the six fold increase in the number of farmers markets across the country is not surprising (1,755 in 1994 to 7,175 in 2011) (USDA, 2012). The growth trend has been similar in Michigan with the number of farmers markets growing from 90 in 2001 to 280 in 2011 (MIFMA, 2012).

Along with this growth, however, have come challenges which tend to be more pronounced in low-income, urban areas. These markets often struggle with high rates of farmer turnover and general lack of vendor commitment (Alkon, 2008; Fisher, 1999). To mitigate these two issues, market organizers seek ways to expand a market's customer base with the thought that increasing the number of shoppers will increase sales and lead farmers and vendors to more regularly participate in these markets. Research indicates this assumption is true. The number of customers present has a significant positive influence on vendor participation in a farmers market (Hofmann et al., 2009). One way to increase the customer base is through improved access which is where Electronic Benefits Transfer (EBT), as a mechanism of access, becomes important. EBT is an electronic system that allows a recipient of food assistance benefits to authorize the transfer of his or her government benefits from a federal account to a retailer's account, such as a farmers market (Montri et al., 2011).

The Supplemental Nutrition Assistance Program (SNAP) (formerly known as the Food Stamp Program) transitioned from paper coupons to EBT between the early 1990s and mid 2000s. During this time, redemptions in farmers markets dropped dramatically. One reason is because farmers markets as open-air venues often do not have electricity or access to a landline telephone line necessary to use the technology provided by each state's EBT contractor. Additionally, farmers markets have had to create a different model to accept SNAP through alternative redemption systems thus developing more complex systems that require the capacity to offer such a program. At the practitioner level, market organizers, managers and policy makers have published how-to guides and case study reports to implement EBT programs at farmers markets (e.g. Montri et al, 2011; Wasserman et al., 2010). By contrast, the peer-reviewed literature has primarily focused on consumers specifically addressing nutrition education and the impacts of food assistance programs (Anliker et al., 1992; Balsam et al., 1994; Dollahite et al., 2005; Johnson et al., 2004; Just and Weniger, 1997). Nevertheless, little is known about farmer experiences with EBT programs at farmers markets. Gaining a better understanding of farmer perceptions and preferences will help researchers and practitioners develop programs that work for farmers and contribute to the overall sustainability of farmers markets.

## Project Objectives:

The purpose of this project was to explore the conditions and constraints that farmers face when participating in farmers markets in low-income areas. This research sought to uncover farmers' perspectives on this experience. It aims to inform market managers of the key factors involved in (1) recruiting and retaining

farmers for markets located in low-income areas and (2) improving farmer participation in Electronic Benefit Transfer (EBT) programs managed by farmers markets.

## Cooperators

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## Research

### Materials and methods:

Qualitative methods were used to explore motives for farmer participation in farmers markets located in low-income, urban areas and their attitudes regarding EBT programs. Three low-income cities were identified that had at least three farmers markets spanning the range of stages of development as described in the literature (Lloyd et al., 1987; Andreatta and Wickliffe II, 2002). Sampling involved deliberate and purposeful selection of settings and persons who have knowledge of a specific phenomenon (Maxwell, 2005) was used to select a pair of farmers markets in each city. Five of the six farmers markets had EBT programs in place during the time of the study.

The majority of farmers markets in Michigan, and all of the markets included in this study, use a central terminal model where the entire farmers market uses one point of sale device (POSD) and an alternative redemption system. An alternative redemption system establishes a market currency, usually a wooden nickel or paper scrip, that is disbursed to EBT customers in exchange for SNAP benefits deducted from their EBT card at the central terminal (Montri et al., 2011). Any farmer or vendor that sells eligible food items and has signed a vendor agreement with the authorized farmers market can accept the tokens or scrip as payment. SNAP/EBT eligible food items include food items for use at home as well as seeds and plants to produce food (USDA FNS, 2012).

Twenty-seven farms that either currently or had previously participated in the six selected farmers markets were interviewed. Farmers were defined as individuals or families who grow and sell edible crops for human consumption including, but not limited to, fruits, vegetables, meat, poultry and dairy products. In small markets with < 10 vendors, census sampling was used. In markets with ≥10 vendors participating, random sampling within categories was used to get a range of perspectives from farmers that have had different experiences at the market including farmers that were currently participating in the farmers market and farmers that had participated in the market at one time but then dropped out.

Although only five of the six farmers markets had EBT programs in place, all of the farmers interviewed had experience selling at a farmers market that accepted EBT. In-depth interviews were conducted between October 2010 and April 2012. In-depth interviews yield descriptive and explanatory data (Hesse-Biber and Leavey, 2006) and were chosen because of their strength in providing data based on first-hand knowledge, experience and perceptions pertaining to the research questions posed. Interviews lasted between 45 minutes and 2 hours and 30 minutes and were conducted using a structured, open-ended interview guide (approved by the Social Science/Behavioral/Education Institutional Review Board at Michigan State University; IRB# 10-495). Farmers were asked about their history in farming, characteristics of their farm (e.g. location, ownership, acreage in production, products produced, production practices, labor, marketing outlets), and the role the farm played in supporting their family. Interviews also focused on farmers market participation and participation in market EBT programs. In exchange for participating in the study, farmers were provided with a \$25 cash honorarium. Each in-depth interview was audio recorded and transcribed verbatim. A coding system was developed to identify recurring themes and then extract the textual data. Data was summarized into displays for systematic analysis. A display is a visual format that allows for information to be presented systematically to aid in drawing valid conclusions (Miles and Huberman, 1994). Throughout the study, data collection and analysis occurred simultaneously as is recommended for inductive, qualitative work (Hesse-Biber and Leavy, 2006; Miles and Huberman, 1994).

#### Research results and discussion:

Farmers interviewed ranged in age from about 25 years to 73 years and in years of farming experience from 5 to 70 years representing diversity in both life experience and agricultural experiences. In terms of scale, production areas ranged from 400 square feet to 900 acres. Farmers also had variety in farmers market experiences. At the time of the interview, farmers were selling at between zero to 20 different farmers markets and had been doing so for one year to 64 years. Eighty-nine percent of interviewees sold horticultural products, primarily fresh fruits and vegetables. Respondent and farm characteristics are provided in Table 1.

Before identifying how the attitudes expressed by farmers were reduced into thematic areas, it is important to note one of the challenges in understanding farmers' attitudes and experiences regarding onsite EBT programs. Farmers oftentimes did not correctly identify or differentiate food assistance programs from one another. During the course of 27 interviews, farmers used 26 different terms to identify four major food assistance programs. When referring specifically to SNAP EBT, farmers used 13 different terms to refer to the electronic technology, the federal or state program name, or the alternative redemption system used in the farmers market (Table 2.). For analysis, we concentrated on the EBT program farmers were referring to instead of the language they used to describe the program.

Three main themes emerged during this research. First, based on their experiences with EBT both at farmers markets that were research sites and in other markets, farmers have a positive attitude regarding EBT. Second, farmers have a positive attitude about EBT programs in farmers markets because they are simple and convenient. Third, farmers believe that when a farmers market accepts food assistance benefits it attracts new customers therefore expanding the market's customer base.

Twenty-three of the farmers interviewed participated in EBT programs at the

selected research sites. Of those farmers, 87% had positive comments about the program. The remaining 13% were indifferent meaning they did not view the program negatively; it just did not impact their business or their participation in the market. Building on these results, the second major theme that emerged is that farmers have a positive attitude about EBT programs in farmers markets because the way the program is established and operationalized by management makes it simple and convenient for them. One farmer articulated very succinctly the point many other farmers were making. He described that during the market hours he needs to focus on selling his product and that he depends “on the market to take care of all the stuff like that” meaning he depends on the market administration to complete the U. S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) authorization paperwork, to create and administer an alternative redemption system in the market, and to make the whole program as easy as possible for the vendors. Farmers described EBT programs as a “piece of cake” and “very simple.” They are simple because they are “well administered” and “managed for” them. The third theme that emerged is that farmers believe that when a farmers market accepts food assistance benefits it attracts new customers and expands the market’s customer base. One farmer described this by explaining that it “brings a different crowd of people down.” Understanding farmers perspectives on EBT programs as a means for attracting new customers is important. New market customers may lead to increased sales revenue for farmers which is one important factor in whether they decide to continue to participate in the market. Additionally, while it was not a strong theme throughout all interviews, a few farmers discussed both new market customers and the expanded purchasing power of customers using food assistance benefits. One farmer explained that not only are they “seeing many lower-income people” but “for maybe the first time in their life they are able to buy fresh, organic produce.” She said, “It’s amazing to watch.” In this example, the farmer describes that the EBT program attracts new customers and also gives customers the opportunity to purchase new items.

At the end of each interview, farmers were asked about what they identify as most important for the survivability of farmers markets in low-income areas. Many farmers indicated that EBT programs and the acceptance of a wide variety of food assistance benefits were essential for the sustainability of farmers markets in low-income areas.

- [Results and Discussion, Table 1 and Table 2](#)

## **Participation Summary**

### Educational & Outreach Activities

#### **PARTICIPATION SUMMARY:**

Education/outreach description:

Montri, D., A. Segar, K. Chung and R. Mino. 2011. Accepting Bridge Cards at Michigan Farmers Markets, 3rd Edition. Michigan State University Extension Bulletin E3163. Available online at [www.bookstore.msue.msu.edu](http://www.bookstore.msue.msu.edu).

Montri, D., B. Behe and K. Chung. In manuscript. Improving Equitable Access to Fresh Produce through Assessing Michigan Farmers’ Attitudes Regarding

## Project Outcomes

### Project outcomes:

Over the course of this project, there has been an increase in awareness of EBT programs at farmers markets amongst Michigan farmers. Dru Montri, the Ph.D. candidate coordinating this project, continues to serve as the Director of the Michigan Farmers Market Association (MIFMA), an organization that she and partners started in 2006 when she was a first year doctoral student. At that time, Michigan had three farmers markets that accepted EBT. At the time of writing this NCR-SARE proposal in early 2008, Michigan had 11 farmers markets that accepted EBT. Since then, the Michigan Farmers Market Association and partners have provided training, technical assistance, financial assistance, mentorship opportunities, and statewide outreach (with separate funding) to start EBT programs in 100 additional farmers markets, increasing the number of farmers markets accepting EBT to 103 in 2012. There are now more than 1,900 farmers and small businesses participating in EBT programs at Michigan farmers markets (Segar, 2012) up from approximately 175 in 2008 when this project started. This research has informed this growth and the continued development of resources for Michigan market managers and farmers.

By working collaboratively with farmers and understanding their constraints, Michigan market managers have been and continue to create conditions that provide profitable business opportunities for farmers, increase access to local foods by low-income individuals, and improve the vibrancy of farmers markets as public spaces. MIFMA's Food Assistance Partnership, a group of more than 50 partners including market managers and farmers, was created to provide networking opportunities, share resources, and facilitate collaboration for individuals and organizations working to increase consumers' access to healthy, locally-produced foods through farmers markets. Dialogue, co-learning and collaborative problem-solving efforts to engage the wide diversity of stakeholders are common practice evolving from monthly conference calls to bi-monthly webinars. Additionally, annual statewide year-end meetings are held to better understand farmer attitudes toward participation in EBT programs at farmers markets and timely topics regarding food assistance programs at Michigan farmers markets.

This research project was conducted in a way that complemented and supported other outreach and educational efforts. As a result of combined efforts, Michigan continues to lead the Midwest in the number of farmers markets accepting EBT and the amount of EBT sales that take place at farmers markets. Michigan is third in the nation in number of farmers markets authorized to accept EBT and fourth in the nation in the amount of EBT sales that take place at farmers markets (Roper, 2012).

## Economic Analysis

Along with the increase in the number of Michigan farmers markets accepting EBT, the amount of SNAP benefits redeemed at farmers markets increased from \$15,832.95 in 2007 when this proposal was written to \$898,194.75 in 2011 when the project was completed (Segar, 2012). While this increase cannot and should not be solely attributed to this research project, this research project was conducted in a way that complemented and supported other outreach and educational efforts and

was one part of the overall strategy to increase farmer participation in EBT programs at Michigan farmers markets.

## Farmer Adoption

All of the farmers interviewed (100%) had experience participating in farmers market EBT programs. The majority of farmers had positive comments about the program and willingly participated in the program. While some farmers did not have a strongly positive attitude about EBT programs in farmers markets, they did not view the program negatively; it just did not impact their business or their participation in the market. Results indicated that farmers adopt this technology and system because the program is established and operationalized by management in a way that makes it simple and convenient for them. It is also important to note that in this study, the market research sites covered all of the costs associated with managing the EBT program (including purchase of or rent for the Point of Sale Device, development and purchase of an alternative redemption currency, electricity, a telephone or wireless fees, monthly fees and transaction fees, and administrative fees) so that farmers reaped the benefits without directly contributing to the management of the program or sharing in the costs.

Recommendations:

### Areas needing additional study

While there are boundless areas of interest when it comes to studying the sustainability of farmers markets, three main areas for additional study emerged as part of this research process and through interviews with farmers. First, although there has been a tremendous increase in the number of farmers markets, and thus farmers, participating in Michigan farmers market run EBT-programs, there are still approximately 200 farmers markets that do not accept EBT. We need to identify the geographic gaps in Michigan farmers markets accepting SNAP and explore the conditions and constraints by region in order to inform targeted expansion. This study focused on low-income, urban areas. Low-income, rural areas should be included in future studies. It is likely that the development of EBT programs in farmers markets is influenced by population and SNAP participation as well as the lack of availability of support (financial and in-kind) from outside organizations. Accordingly, the second area for additional study includes research focused on the organizational capacity of the farmers market and partnering organizations necessary to successfully implement an EBT program.

Finally, additional research is necessary to understand farmer adoption of technology and EBT acceptance as individual producers, as opposed to participating farmers market managed and operated central terminal models. In 2012, specialty crop producers in Michigan's Kent County will be the first in the nation to pilot accepting Women, Infants and Children (WIC) Cash Value Benefits (CVB), WIC Project FRESH, Summer EBT for Children, SNAP, Double Up Food Bucks, debit cards and credit cards via individual i-devices. Research and evaluation is necessary to understand farmers perspectives regarding participation in the pilot using an i-device at the individual vendor level in order to understand what is needed for farmers to continue participation in these programs when they are eventually required to cover the technological costs.

# Information Products

- [Accepting Bridge Cards at Michigan Farmers Markets \(Manual/Guide\)](#)

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