

***Farmers' Markets in Low-Income Communities in  
L.A. County: Assessing Needs, Benefits and  
Barriers, with a Focus on the Shift to Electronic  
Benefit Transfer Technology for Food Stamp  
Recipients***

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## **Background Information on Farmers' Markets in the United States and California**

Over the past few decades the United States has experienced a renaissance of farmers' markets, and the popularity of grower-to-consumer markets is skyrocketing. The United States Department of Agriculture (USDA) reports that a little more than two decades ago there were fewer than 100 farmer's markets operating in the nation, and that the first farmer's market directory published in 1994 listed 1,744 markets. From 1994-2000 there was a 63% increase in

popularity with the new technology of refrigeration and the building of better roads; as a consequence, food could be transported for thousands of miles and still be edible (Abel et.al.1999). The post-war construction of irrigation infrastructure and the new highway system drastically altered the produce industry and ‘destroyed the market for local, seasonal produce’ (Brown et.al. 2001), and these as well as other land-use changes that happened during this era facilitated the deterioration of central business districts, thereby threatening the existence of central city markets. Wholesalers gradually took over many of the farmer’s markets in the United States, and these markets were replaced over time with grocery stores and supermarkets that became the nation’s main source of food (Jablow et.al. 1999).

The situation of farmer’s markets worsened in the 1950s and 1960s as state and nation-wide policies regarding the standardization of produce were implemented, essentially making it impossible for farmers to sell their produce directly to consumers (Gottlieb 2001). It was not until later in the 1960s and 1970s that a renewed interest in farmer’s markets was born along with the organics movement, and California played a major role in the modern revival of farmer’s markets in America. As information regarding the dangers of pesticides and other dangerous growing practices became more widely known, Californians were particularly concerned about food safety. In the mid-1970s farmers and consumers came together to protest regulations that limited grower-to-consumer sales, and this unified effort resulted in creation of the Certified Farmer’s Market Program of the California Department of Food and Agriculture; conventional distribution regulations were thus revised, which made it easier for small farmers to sell their produce locally (Jablow et.al. 1999)

At this point in time an interest in direct marketing was growing not only in California but throughout the nation, and this desire for the USDA to support direct marketing practices



of decades farmer's markets have significantly shifted toward locations in middle-income communities. The many obstacles that prevent markets in low-income areas from flourishing or even surviving have resulted in a dearth of support for these markets, and this reluctance to support farmer's markets efforts in low-income communities has caused those who are most in need of the many benefits offered by a farmer's market to suffer the consequences of this lack of access.

As the rise of farmer's markets continues in the United States it will be increasingly important that markets in low income neighborhoods and areas gain support, thereby helping to make fresh food access a reality for people of all incomes in this country. Evidently, initiating markets in low-income communities and maintaining their operation is a difficult task; learning how to balance the disparate needs of particular markets, farmers, consumers, and communities will undoubtedly be critical to their success.

By exploring the various obstacles and barriers that typically plague the success of farmer's markets in Los Angeles as well as the immense potential benefits that exist through case studies of four low-income farmer's markets, this study seeks to identify for policymakers why it is crucial to support and sustain these markets. Additionally, this study analyze how farmer's markets can both bolster a stronger sense of community while addressing food access problems for the city of Los Angeles' low-income residents.

### **Study Objectives**

Through background research, surveys of producers and interviews with market managers and other relevant parties, the main objectives of this study are as follows:



- To identify the various barriers and benefits experienced by market managers in charge of market operation of farmers' markets in low-income communities, and also to identify the benefits and barriers faced by producers who want to sell their produce/products at these markets
- To determine the success of the federal Food Stamp Program and Woman Infant and Children Farmers' Market Nutrition Program (WIC FMNP) in four specific farmers' markets in Los Angeles County, and to explore whether the use of these federal nutrition benefits could be increased
- To explore the benefits, barriers, and potential use of the Electronic Benefits Transfer (EBT) technology in farmers' markets
- To propose recommendations that will ideally result in the increased funding and support of farmers' markets in low-income communities in Los Angeles County; ultimately, these new policies can be used as a model for other states that want to bolster farmers' markets in their own low-income communities



or tree, the more its vitamin content decreases (Eller 2002). Because farmers selling their produce at farmers' markets have the luxury of picking their produce and then selling it within the next day or two in a local venue (Corum et.al 2001; Eller 2002), the nutrient value of their produce is at its peak when it is sold to the consumer. This factor is especially relevant for low-income persons who may suffer from a lack of fresh fruits and vegetables, and thus lack necessary vitamins and minerals.

Variety is another aspect of why consumers choose to patronize farmers' markets. At farmers' markets people are often able to see and sample varieties and products that cannot be found in everyday supermarkets, including ethnic and specialty items (Los Angeles Fresh Food Access Guide 2002). While a common food retailer may only sell one variety of a product, such as apples, direct marketers may sell a wide range of different varieties of apples (Corum et.al.2001). And it is not only the diversity of different types of varieties that makes the produce special, but it is arguably also the natural differences that occur in fruits and vegetables of the same variety that make farmers' market produce a choice for consumers. In the realm of the modern supermarket where all produce is predictably the same size, shape, and color, it is refreshing to shop at farmers' markets where the foods are unadulterated and have 'real personality' (Eller 2002).

Price is always one of the greatest considerations that consumers take into account when making purchasing decisions, and farmers' markets are no exception. The prices at farmers' markets are often described as 'premium' or 'competitive' (Delacruz pers. comm 2004), and are thus usually affordable for persons of all income levels. Price has been shown to be the next most important factor for consumers after freshness and quality, and a survey conducted in 1993 found that farmers' markets provide consumers with lower prices than supermarkets, with 59% of consumers finding prices at farmers' markets to be lower (Ashman et.al.1993). This affordability

of farmers' market produce is due to the fact that farmers who sell their goods are able to set their own prices without having to go through a middleman (such as grocery retailers) who would otherwise take a portion of their profits, thereby forcing the farmers to increase their prices (Los Angeles Fresh Food Access Guide 2002; Ashman et.al.1993).

system to the consumer-from the farm to the table (Los Angeles Fresh Food Access Guide 2002). The social atmosphere at farmers' markets creates a nexus between the grower and the consumer, and it has been shown that shoppers have three (Ashman et.al 1993) to seven (Jablow et.al 1999) times as many social interactions in a farmers market as they do at supermarket. In contrast to the 'depersonalized institutions' (Ashman et.al.1993) of supermarkets, farmers' markets celebrate human interaction. Consumers and farmers alike can benefit from conversations about how and where the food was grown, and through this discussion the farmer may even be influenced by the consumer in what he or she chooses to grow and how it is grown (Community Food Security: *Farmers' Markets* 2003).

### **Benefits of Farmers' Markets for Communities**

A successful farmers' market can be extremely valuable to a community, providing a single place in which economic, social, and cultural activities can be effectively integrated. Communities that host farmers' markets are therefore able to reap the many advantages that markets have to offer, as does the environment as a whole.

A successful farmers' market can be economically advantageous to a community. Food dollars that are spent on local fruits and vegetables instead of produce transported or imported

from far away go directly into the hands of the producer, thereby keeping the food dollars in a given region and strengthening local economies (Abel et.al.1999). Cities have been transformed and revitalized with the implementation of farmers' markets, and markets are now viewed as important vehicles to the rejuvenation of declining downtown areas (Corum et.al. 2001; *Farmers' Markets* 2003). Although some falsely believe that farmers' markets may hurt the local economy by taking business away from local retailers, it has in fact been shown that farmers' markets actually stimulate the local economy with the foot traffic generated on market days (Abel et.al. 1999; Ashman et.al. 1993).

Often fun social and educational events are offered at farmers' markets, such as workshops on cooking certain types of foods, thereby helping to create farmers' markets as a place for important community interaction. And although many cities in the United States are rife with racial tension, farmers' markets can be viewed as a non-divisive 'haven', a place where people can become knowledgeable about other cultures through food (Ashman et.al 1993; *Farmers' Markets* 2003). People who may not normally have a reason to interact with their neighbors have the valuable opportunity to forge relationships with one another at their local farmers' markets, exemplifying the idea that markets provide a venue for a diverse group of people of all races, income levels, and ethnic backgrounds to come together with the common goal of purchasing fresh and healthy local produce (Ashman et.al.1993; Corum et.al 2001; *Farmers' Markets* 2003).

### **Benefits of Farmers' Markets for the Environment**

When looking at the larger picture, it is evident that farmers' markets not only have a positive effect on the health of consumers who shop at the markets, but that farmers' markets also can be seen as a means of improving the health of the environment and planet.

Organic vegetables and fruits are quickly growing in popularity in the United States, and

direct marketing is one of the main ways that organic produce is sold to consumers. Loosely defined, organic agricultural practices can be described as the use of chemical-free and ecologically conscious farming methods as opposed to the use of destructive toxic sprays and nitrogen fertilizers (Goldstein 2000). It has been shown that a much higher percentage of organic growers use direct marketing than do conventional growers, and out of total organic sales in the U.S. in 2000, 3% were through direct marketing practices such as farmers' markets (Greene et.al. 2001). And though many farmers who sell at farmers' markets would like to employ organic agricultural practices because they are undeniably safest for the environment, not all farmers selling at farmers' markets can grow organic due to the various costs involved. However, studies have indicated that in general, the majority of farmers who sell their produce at farmers' markets are conscious about the environmental effects of farming (Ashman et.al. 1993). Therefore, the act

of these foods is highly decentralized: miles the food has traveled are therefore low, as is the distance that people need to travel in order to purchase local food (Norberg-Hodge et.al. 2002). Consequently, shopping at farmers' markets can be viewed as a small step toward counteracting the negative effects of the globalized food industry.

### **Food Insecurity in the United States and California**

Most third-world countries suffer from hunger due to food shortages, yet hunger in the United States is can not be attributed to a lack of food; instead, it is the inequitable allocation of food resources that cause people to go hungry or to experience food insecurity in America (Ashman et.al. 1993). The term 'food security' can be defined in many ways, but is most commonly defined as "all persons having access to culturally acceptable, nutritionally adequate food through non-emergency sources at all times" (*Weaving the Food Web: Community Food Security in California* 2002; Ashman et.al. 1993). More generally, having food security means that a person has, at all times, enough food for an active, healthy life (*USDA Community Food Security Initiative Action Plan*). Three key elements to food security have been outlined by the USDA in it's Community Food Security Initiative Action Plan, including: 1) Physical and



economic access to food by individuals and households; 2) Adequate availability of food; and 3) Full utilization of food: a balanced, adequate diet; safe water; sanitation; education; and health care. Therefore, if a community lacks one or more of these three factors to food security, it is said to be 'food insecure'.

Although there are multiple reasons that contribute to food insecurity, studies have shown that the most common reason for experiencing food insecurity is a lack of financial resources (Ashman et.al 1993; FNS: *Food Stamp Participants Food Security and Nutrient Availability*), and factors that affect the personal income of the poor commonly include job availability, wage rates, and taxes, as well as the cost of non-food items such as heating, housing, and transportation (Ashman et.al. 1993). Unfortunately, after having experienced recent declines in the 1990s, the nation's poverty rate is now rising again, increasing from 11.3 percent in 2000 to 11.7 percent in 2001. These data indicate that 1.3 million more people were poor in 2001 than in 2000, bringing the total number of the nation's poor from 31.6 million up to 32.9 million (US Census Bureau 2003). And because the poverty rate has been increasing in America, the rate of food insecurity has also been on the rise.

If food security can effectively measure the existence of adequate resources for the prevention of hunger, then hunger can be viewed as a negative consequence of food insecurity (Ashman et.al 1993). Millions of people are hungry or suffer from food insecurity in the United States despite the nation's more-than- adequate food supply, and USDA studies have indicated the number of people who live in households that experience hunger or food insecurity is between 31 million (Los Angeles Fresh Food Access Guide 2002) to 36 million (*USDA Community Food Security Initiative Action Plan*). Additionally, the prevalence of food insecurity in America has been increasing over the past few years, and whereas food insecure households were 10.3 percent



There are many serious diet and health-related consequences that result from a lack of availability of healthy foods, and poor minorities are also disproportionately impacted due to the fact that they make up the primary demographic in inner cities. One of the most severe outcomes of poor nutrition is an increased incidence of chronic disease, and Latinos and African-Americans have been shown to be most vulnerable to suffer from these illnesses; studies have indicated that 35-60% of all cancers in the United States are diet-related (Gottlieb et.al. 1996). Other relevant statistics include the fact that childhood anemia, a deficiency due to poor nutrition, is found in 20-33% of all black children in America, and that Latinos have three times the likelihood of developing diabetes as whites. Obesity is also another major health concern in the United States, and although obesity is a problem that is growing among all groups, the poor and lower-income minorities are at a much higher risk (Corum et.al. 2001). It has been shown that 58% of African Americans and 54% of Latinos are overweight, as opposed to 44% of whites (Gottlieb et.al. 1996). In Los Angeles, as many as 25% of children are considered to be overweight or obese (Los Angeles Fresh Food Access Guide 2002). And although obesity is a problem that is growing among all groups, the poor and lower-income minorities are at a much higher risk. These various statistics illustrate that food insecurity has longer-lasting and more devastating consequences than mere hunger, and that peoples' eating habits are directly related to their level of health. Because 2/3 of Californians don't eat the recommended 5 servings of fruit and vegetables per day (and one in three eat 2 servings or fewer), the health of California's people will continue to suffer until residents are both aware of the impact that their eating habits has on their health and have increased access to these necessary fresh fruits and vegetables.

In addition to health consequences that result in malnutrition, there are many other negative impacts that result from food insecurity. Children that are underfed have been shown to



low-income women as an obstacle to increased produce consumption. Some of the other major risks associated with buying fresh food for poorer people also typically include factors such as not being in the habit of eating produce, spoilage, cost, time, and a lack of skills needed to prepare food (Fisher 1999). These barriers result in a lower percentage of fresh food consumption among low-income individuals, and also present major difficulties to encouraging low-income consumers to shop at farmers' markets.

The challenge of balancing low-income consumers' need for an affordable product with the producers' need to make a profit on his or her sales is clearly the greatest challenge faced by farmers' markets in low-income areas (Corum et.al.2001). Although there are multiple factors as to why producers choose to sell their produce or products in a low-income market, it is evident that if the producer cannot generate a profit in a certain market, they will have little (if any) incentive to sell at that particular venue. Likewise, if a low-income consumer does not feel that he or she can afford to shop at a farmers' market or if the produce and products are not 'worth the money spent', the consumer will likely make the decision to shop at a food retailer where the prices are lower (even if the quality of produce is not as high as it would be at a farmers' market). Consequently, farmers' markets that cater to mixed or low-income individuals typically need to be subsidized in order to be a success for both producers and consumers. The utilization of federal food nutrition benefits at farmers' markets (described in detail in the following sections) is perhaps the best way to ensure that both the low-income consumer and the producer selling in a low-income community will benefit from the transaction.

Farmers' markets can also be useful in addressing the problem of what has been shown to be consumers' increased reliability on ready-made food and restaurants and a consequent deterioration in cooking and food preparation skills (Fisher 1999). A lack of time for cooking is

something that impacts individuals of all income levels, yet in poorer households where both partners are forced to work to earn their livelihood, it is a greater challenge to find the resources (namely the time and money) to cook a meal from scratch. Food nutrition and cooking classes offered at farmers' market are therefore potential ways for consumers to be exposed to the products available for purchase as well as to learn basic cooking skills needed in order to feel more confident about their ability to prepare fresh foods.

Even if low-income persons are not deterred from purchasing fresh food because of the aforementioned barriers (such as not being in the habit of consuming produce and lacking a knowledge of food preparation), the food that they desire to buy may simply not be accessible to them for purchase. One of the most highlighted issues regarding food access within inner-cities is the 'flight' of supermarkets from poorer areas; as supermarkets have increasingly abandoned cities and have chosen not to invest in low-income areas, the impact upon low-income residents has been devastating. Studies have also proven that when there are fewer supermarkets in an area the competition declines, and therefore the few supermarkets remaining in a particular low-income area are able to demand higher prices for a lower quality of product or produce (Shaffer

therefore be forced to travel outside of their immediate community in search of nutritious food. However, it is also frequently the case that a significant number of low-income consumers are without cars and may not have the means to travel longer distances for the purpose of food shopping.

Transportation issues typically plague the poor in all areas of the United States, and the problem is particularly acute in the city of Los Angeles. A previous study showed that in Los Angeles farmers' markets 20% of lower-income residents did not have a car (Ashman et.al.1993), and a lack of private transportation coupled with Los Angeles' notoriously inadequate public transportation system compounds the issue of the poor obtaining access to fresh food. In addition to the creation of more farmers' markets in low-income communities that are within walking distance of neighborhood residents, it would be most beneficial to low-income persons to increase the accessibility of farmers' markets that are currently in existence in the Los Angeles county area. Previous studies have recommended the creation of transit programs to help shoppers without transportation farmers' markets; such a program can also serve to increase a particular market's trade area by reaching a larger group of consumers (Fisher 1999). Additionally, it has been shown that because the poor are often transit dependent and have to work long hours, the highly limited days and hours of farmers' markets also present significant barriers for low-income shoppers (Sharp, pers. comm. 2004). Therefore, it has been suggested that farmers' markets catering to lower income communities adjust their hours of operation in order to accommodate those who work, such as opening the market during the weekends or in the evenings on the weekdays (Fisher 1999).

Increasing low-income individuals' fresh food intake is a significant challenge, for the common barriers that prevent low-income consumers from eating nutrient-rich fruits and

vegetables range from food preference to a basic inability of accessing the foods needed for a healthy diet. Bolstering the patronage of these types of consumers at farmers' markets can help to address and overcome these barriers, ultimately resulting in the improvement of the diets of a greater number of low-income individuals.

### **Combating Food Insecurity: The Federal Food Stamp Program**

Although many criticize the Federal government for not doing enough to combat the severe problem of food insecurity in the United States, federally funded programs do exist with the sole purpose of providing nutrition assistance to low-income residents. The most wide-reaching and well known of these federal programs is the Food Stamp Program.

The Food Stamp Program was an idea born more than seventy years ago in the 1930s, and over the years the program has evolved greatly. The current program structure was adopted in 1977, with the goal of 'alleviating hunger and malnutrition by permitting low-income households to obtain a more nutritious diet through normal channels of trade'. The Food Stamp Program essentially provides monthly coupons that can be used to buy food for eligible low-income families, and the federal government pays 100% of food stamp benefits; in the Fiscal Year 2002, over \$18.2 billion was allocated in food stamp benefits to 19 million individuals (FRAC: *Food Stamp Program: Basic Facts and Data*).

In terms of basic statistics, it is shown that nearly 90% of food stamp households have income below the poverty line, and the average gross income of food stamp households is \$633 per month (FRAC: *Characteristics of Food Stamp Households*). More than half of all food stamp recipients are children, and over 79% of benefits go to households with children. Additionally, 27% of food stamp households contain at least one disabled person, and 1.7 million seniors (9%



of all total recipients) receive food stamp benefits. Therefore, over 90% of benefits go to households with either a child, senior, or disabled individual (FRAC:

shown to increase nutrient intake considerably (Butler 1996).

Although the Federal government's website maintains that the Food Stamp Program is the single federal benefit program available nationwide to all who need it and meet eligibility standards (FRAC: *Food Stamp Program Frequently Asked Questions*), it is argued that there are many people who are actually eligible for food stamps than apply for and use the service; some studies have found that in certain areas in the United States only 50% of those eligible actually apply for and receive food stamps (Butler 1996). Additionally, from 1996 to 1999 participation in the U.S. Department of Agriculture's food-stamp program dropped by nearly 30%; although a portion of this decline can be attributed to the improvement of the economy during this period, many of those who no longer receive food stamps are former welfare recipients who are employed in low-paying jobs that make it hard for low-income families to cover necessities, including food (*Fewer food stamps for poor Americans* 1999). These statistics are worrisome, for they indicate that the Food Stamp Program may not be providing benefits to all people who are eligible and needing assistance in the nation.

The inadequate participation in the Food Stamp Program nationally is also reflected in the declining participation rate in California; in Los Angeles County, participation dropped by a full 37% from 1995-2003, and some USDA estimates show that the program may only be reaching half of all people who may be eligible in Los Angeles County (Lopez et.al. 2004). One of the main reasons attributed to the plummeting participation in Los Angeles County is that although most legal immigrants and many working poor households are considered eligible to be food stamp participants, there is a rampant misconception that they are not able to receive nutrition benefits. Therefore, people who could potentially receive the benefits that food stamps have to offer then suffer the consequences. (Los Angeles Fresh Food Access Guide 2002).

Evidently, the Federal government needs to work more diligently at upholding its objective of increasing the level of food security in America. The United States Department of Agriculture (USDA)'s Food and Nutrition Service (FNS) lists the intervention strategies to increase fruit and vegetable consumption among low-income groups as one of its top areas to focus on (USDA:*Nutrition Program Facts: Food Stamp Nutrition Education*), and therefore the Federal government's continual and increased support of programs such as the use of food stamps at farmers' markets is a way in which the nation can move toward effectively achieving this goal.

### **Benefits and Barriers: Food Stamps and Farmers Markets**

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Through the assistance of the USDA the application process for farmers' markets to start accepting food stamps is not complicated, and many farmers' markets in the United States have already integrated food stamps into their markets because the benefits of being able to accept food stamps extend to consumers as well as farmers. The most obvious benefit of food stamps in farmers' markets is the ability of low-income residents to purchase fresh and healthy fruits and vegetables that they might otherwise not have access to or be able to afford (Sharp, pers.comm. 2004). Farmers are eager to accept food stamps because they can sell their products to consumers of all income levels, thereby expanding their overall customer base and hopefully increasing their sales. Additionally, the acceptance of the food stamp nutrition benefits can help a market become mainstream within a community and a permanent rather than niche food provider for all residents.

### **USDA's Farmers' Market Nutrition Program: A Focus on the Woman, Infant, and Children Program (WIC FMNP)**

Although food stamps are hailed as the most important federal program that is working to combat hunger and food insecurity in the United States, the innumerable food-related problems are so severe in this country that it has been necessary for the Federal government to supplement the Food Stamp Program with other hunger-fighting programs. The U.S. Congress has developed both the Woman, Infant and Children (WIC) Farmers' Market Program, and, more recently, the Senior Farmers' Market Nutrition Pilot Program (SFMNPP). Both of these programs are funded by the USDA, and were established in order to encourage low-income people to consume more fruits and vegetables (*The Use of Farmers' Market Nutrition Programs in the Mid-Atlantic* 2004) as well as seek to increase awareness and use of farmers' markets by expanding the customer base



greater level of SFMNP participation to factors such as seniors being more likely to care about

these benefits in either redeemable coupons or cashable checks in units from \$1 to \$5. State agencies also have the discretion of supplementing the annual level with matching funds (FNS: *WIC Farmers' Market Nutrition Program; The Use of Farmers' Market Nutrition Programs in the Mid-Atlantic 2004*).

A variety of fresh, nutritious, unprocessed and locally grown produce and herbs can be purchased with FMNP coupons, giving the consumer the freedom to shop for the products and produce they want to purchase. However, just as there are certain limitations as to what can be purchased with Food Stamps, each state that has an authorized WIC FMNP is responsible for defining which foods qualify under the basic definitions that are provided by the USDA (*The Use of Farmers' Market Nutrition Programs in the Mid-Atlantic 2004*). For example, honey and dried fruit (both items that are typically found at farmers' markets) cannot be purchased with WIC FMNP coupons, and yet plants that will ultimately flower and produce food are accepted as a WIC FMNP purchase.

In terms of operation, the FMNP is administered through a Federal/State partnership in which the USDA's Food and Nutrition Service (FNS) provides cash grants to state agencies for the WIC FMNP program (FNS: *WIC Farmers' Market Nutrition Program; The Use of Farmers' Market Nutrition Programs in the Mid-Atlantic 2004*). States are required to provide 30% of the funds for the program from either state or private monies, and the federal government provides the additional 70% (Ashman et.al.1993). Importantly, each state can choose to allocate as much as 2% of its funding to the promotion and/or development of farmers' markets in low-income or remote locations (

plan to be approved by the USDA's Food and Nutrition Service. This WIC FMNP plan describes the manner in which the state will implement, operate and administer the program (including the training of farmers and market managers and the plans for nutrition outreach and education), and the plan also serves to define exactly which farmers' markets are authorized to accept WIC coupons, how farmers will be authorized, and exactly what portion of the WIC population is to be targeted (FNS: *WIC Farmers' Market Nutrition Program; The Use of Farmers' Market Nutrition Programs in the Mid-Atlantic 2004*).

The WIC FMNP has spread quickly across the nation over its 12 year history (since 1994), and the money allocated for the program as well as the number of participants has increased significantly since its inception. In Fiscal Year 1993, 22 states were participating in the program (California was not yet participating in the program at this point in time), and \$3 million was appropriated for the program nationwide (Ashman et.al. 1993). The numbers have since climbed significantly: in 1994 \$8 million was authorized for the program, and in 2003 Congress provided a total of \$25 million for the 44 states that currently authorize WIC FMNPs.

The increase in funding is encouraging, for it indicates that more needy women, infants, and children are receiving better nutrition assistance. Prior to the implementation of the WIC FMNP, pregnant women and young children were unable to receive fresh fruits and vegetables with their nutrition benefits; now the number of WIC recipients who are able to reap the needed nutritional benefits is substantial, and in fiscal year 2001 more than 2 million recipients received WIC benefits at farmers' markets nationwide (*Q & A: Iowa Farmers' Market Nutrition Program 2003*).

Farmers also benefit from the financial support that WIC FMNP provides, and acceptance of WIC FMNP coupons has been shown to increase profitability of marginal farmers' markets in



low-income neighborhoods (Ashman et.al 1993). As a result of Congress providing a higher level of funding for the WIC FMNP, data from 2002 indicate that 13, 176 farmers at 1,911

Southern California farmers are able to produce seasonal vegetables and fruit year-round.

Funding and support for the WIC Farmers' Market Nutrition Program is an especially relevant topic today, due to the fact that President George W. Bush's current budget proposal seeks to slash the WIC FMNP by a full 26%. This proposal would reduce current funding from \$27 million to \$20 million nationwide, and the effects on the farmers who accept WIC coupons as



are substantial benefits to making this electronic transition, numerous studies also indicate that there are a great number of drawbacks hindering the implementation of EBT within farmers' markets. Because California has been one of the last states to make the transition from food stamps to EBT at farmers' markets as well as typical food retailers (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress* 2003), the state therefore has the advantage of examining other states' transition processes in order to help ensure the ease of its own.

Initially, EBT was mandated by the Federal government as a means of providing cost savings through a reduction of the printing and handling costs of paper food stamps (Fisher 1999; Fisher; Sender 1998). Faster processing can potentially be provided with electronic technology, and retailers also can reduce labor costs by eliminating the need for the bundling up and the counting of food stamps (Taneja 1998). Additionally, the idea that fraudulent retail behavior can be reduced with the implementation of EBT is a major benefit of the system, due to the fact that data from EBT provides a trail of transactions that could not before be determined with the use of paper food stamps (Hammonds 1999).

Another important advantage to the recipient of EBT, according to Matt Sharp of the California Food Policy Advocates, is that 'replacing the coupons with a plastic card will significantly reduce the stigma experienced by participants.' Because the EBT cards look and work just like other common forms of electronic payment, such as credit and debit cards, it will not be (visibly) apparent that the recipient is using Federal nutrition benefits when they swipe their card in a grocery store or in a farmers' market. Helping to reduce or erase the social stigma experience by food stamp recipients could even result in an increased number of individuals applying to receive these important nutrition benefits.

Aside from these advantages of converting to EBT, there are many who feel that the

electronic system's flaws and problems more than outweigh its benefits: especially when the

voucher to the vendor (*Improving and Facilitating a Farmers' Market in a Low-Income Urban Neighborhood: A Washington, DC Case Study* 2002). Clearly, walking back and forth between each transaction was an inconvenience for consumers, and such inconveniences may be particularly burdensome for elderly consumers, consumers with handicaps, or consumers with children. This example underscores the great importance of simplifying the EBT transaction process for the consumer so that he or she will continue to shop at farmers' markets.

It has also been indicated by both farmers' market operators and vendors that the implementation of EBT has been detrimental to sales, and the drastic decline in food stamp redemption at farmers' markets between 1994 and 1998 from \$6.4 million to \$3.8 million has also been linked to the time period when States began implementing EBT for food stamps (*USDA Community Food Security Initiative Action Plan*). Studies have also been conducted in order to examine the validity of the claim that the transition to EBT in farmers' markets has a negative impact on sales. In a study that was conducted in Hawaii in 1999 that sought to test an alternative to the conventional implementation of EBT, it was shown that following the EBT rollout in the Hilo Market in June of 1998, the average monthly amount of food stamp redemptions at the market fell 98%, from \$13,000 to \$233 (Offerman 1999).

Likewise, as California has now begun its transition from paper food stamps to EBT, some farmers have experienced a negative impact in their sales. As of March 2004 around 50 of the wireless machines had been provided free of cost to individual authorized vendors or certified vendors in the state, and in Fresno one farmer who does not yet have access to the technology has experienced a sales loss of \$600-\$1000 per week as a result of the paperless system (Pollock 2004). And just as an increase in food stamp dollars being spent at farmers' markets indicates that both farmers and consumers are benefiting from the exchange, so a major decline in sales points to

the fact that both parties are suffering the negative consequences; food stamp recipients are purchasing and consuming less nutritious, local produce, and farmers are seeing a reduction in revenues and profits.

Carolyn Thompkins, a Benefit Access Coordinator in Los Angeles County who is closely involved with the state's implementation of EBT, discussed many of the logistics, problems, and benefits of implementing the paperless system in California's farmers' markets. When questioned on why California was the last state to have implemented EBT, Thompkins responded that it was the state's choice to be last, and that this was in fact going to work toward California's advantage. Because all other states have already 'perfected the system' of EBT, Thompkins echoed the idea that California can therefore learn what exactly needs to be done in order to make the transition process as easy as possible. And, she continued, the state has thus far done an 'excellent job of getting ready for the system'.

Thompkins explained that because the State feels that farmers' markets are an essential part of Californians' food stamp recipients' business, it was important that the markets not be left out of the process of converting paper nutritional benefits to EBT. Wireless EBT has been the technological option that has been promoted for use in Los Angeles County, and there are currently 12-13 wireless systems within the county's farmers' markets. Previous reports have indicated that the cost of equipping markets with wireless equipment is substantial (Fisher 1999), and Thompkins said that although she didn't know what the price of implementation had cost California, she explained that the state is responsible for paying a portion of the cost and the county is also charged based on its total caseload. The price of EBT machinery has decreased considerably since its invention, and each piece of wireless equipment now costs around \$50, as opposed to devices in the early 90s that were around \$800.

When asked the greatest barriers or problems that producers, consumers, and market managers face associated with the implementation of EBT, Thompkins answered that the transition process for market managers is a 'big deal'. One of the major difficulties associated with wireless EBT is that the transaction necessarily has to work in conjunction with the creation of a scrip system, and it is the market managers who face the responsibilities of creating the scrip as well as the costs of production. Because markets that utilize the wireless system only have a single EBT device, a token, coupon, or other voucher must be produced so that the consumer can make an exchange with the producer in order to make food purchases. Additionally, markets that utilize scrip must have someone who is responsible for swiping each recipient's card and distributing the scrip, which means extra time, labor, and cost for the market.

Thompkins also discussed the hassle of paperwork that is involved in the initial implementation of EBT as a hindrance for market managers. The first step for a farmers' market that wants to integrate EBT is to complete a 3-step implementation process that Thompkins labeled as being 'cumbersome'. Two documents are initially sent to market managers, including a Proposal for EBT Food Stamps and the California EBT Farmers' Market Scrip Guidelines. Market managers then have to create a scrip system and send it to Sacramento for approval, and also are required to fill out more forms for the State and for the wireless device vendor. After the decision has been made whether or not the market has been authorized for EBT, within 5-7 days the wireless device will be shipped out to the market. The city will then call market managers for a training session on utilizing EBT technology, either over the phone or on-site.

Another major hindrance for market managers is the necessity of advertising and promoting the use of EBT to both their market's farmers and customers; if the producers and consumers don't know about the system, they will be unlikely to utilize EBT. Thompkins cited the



Adams and Vermont low-income market as an example of a market that isn't doing a sufficient job in promoting the electronic technology by explaining that the market doesn't have posters that advertise EBT, and the wireless device itself isn't visible to consumers who shop at the market. The primary reason that markets like Adams and Vermont are not yet using EBT, Thompkins believes, is simply because they are not yet in the habit of using the new system for food stamp recipients. Thompkins concluded by saying that if Los Angeles County were to engage in more marketing and outreach activities regarding EBT within its communities, EBT sales would likely increase as a result.

Thompkins felt that individual farmers would be able to undergo the change smoothly, for acceptance of the scrip is just another form of currency for them that they can cash in at the end of the market day. The only minor challenge that they could face is adjusting some of their prices slightly, due to the fact that scrip only comes in increments of either \$1 or .50 cents; for example, a producer who typically sells his oranges for \$2.25 per lb would have to sell for either \$2.50 or \$2.00, because change cannot be given when using scrip.

For consumers, Thompkins believes that the major barrier to utilizing the new technology is whether or not the cardholders are educated on how EBT works and where they can redeem their nutritional benefits. Participants receive EBT material in the mail that includes posters, handouts, and a list of farmers' markets where they can use their nutritional benefits. Additionally, cardholders are provided with information on training meetings where they are able to test out using their new cards. A total of 53 public forums on EBT translated in 7-8 languages have been held in Los Angeles County, illustrating the county's desire to educate recipients on the new system. Notably, attendance at these meetings was above average in the state of California, and approximately 27-28% of all card recipients in Los Angeles County participated in one of these

information sessions. However, because training for EBT card holders is not mandated by the

so for a number of reasons, including a lack of sufficient staff resources and technical expertise as well as high EBT costs in comparison to the cost to issue paper federal nutrition benefits. By October 2003 EBT was operational in every state except for Guam and California, and although California had been successful in starting pilot programs in 2002, statewide implementation will not be completed until September of 2004. California's late implementation and the state's lengthy planning and procurement process has been attributed mostly to the county government structure in California and the unique county design requirements (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress* 2003). There are also larger issues for EBT implementation in California (as well as in all states) that include shrinking state budgets coupled with rising food stamp caseloads.

Initiatives have been taken in order to help ameliorate the problems associated with transition by states to EBT. The USDA's Food and Nutrition Service (FNS) has attempted to resolve some of these issues in partnership with food retailers, EBT system vendors, and client advocates. Guidance for state agencies in the transition to EBT is a point of focus for FNS, and studies have been done in order to analyze possible changes that FNS and states could make to existing EBT implementation and system models to increase competition among EBT vendors, facilitate system implementation nationwide, and lower the general costs of EBT. The FNS additionally acts to brief state agencies on ways in which alternative pricing models and changes to RFP requirements could serve to make EBT more attractive and marketable to new vendors (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress* 2003).

Importantly, the FNS also actively participates on national councils such as the Electronic Benefits and Services Council (EBS) and the Electronic Funds Transfer Association (EFTA) EBT Industry Council. Participation on such national councils has been of critical importance by

facilitating information sharing as well as the development and implementation of national standards and procedures across varied EBT stakeholder groups. FNS also participates as members of national standards associations such as the American National Standards Institute (ANSI), a committee for electronic transaction processing. Notably, the development and implementation of standards for EBT transaction processing has resulted in the successful implementation of national interoperability, which essentially means that recipients are able to access and utilize their EBT benefits in any part of the country at no additional cost to them (Leysner 1998). Additionally, FNS has also enabled the analysis of EBT transaction data to help identify fraudulent activities, and also works with state agencies to plan and participate in the annual food stamp EBT Directors meeting. This meeting is comprised of both workshops and general sessions, and attendees are able to discuss and address EBT issues and problems from a government perspective (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress* 2003).

There are a variety of technological options for EBT implementation, and the FNS has also been helpful in approving pilot projects in states in order to promote a greater knowledge about EBT issues and potential solutions. The most important aspect of EBT is arguably finding a technology that is fast and low-cost (Fisher 1999). For farmers' markets in low-income communities it is even more imperative that the technology be made affordable. By briefly outlining the available EBT technological options and determining the benefits and barriers they represent, it is clear that there are some EBT technologies that may prove to be easier and more effective than other options. In his own study, Fisher (1999) outlined the following EBT technologies and their drawbacks and benefits:

**1) Hard Wire:** Connecting farmers' markets with phone lines and electricity to run standard terminals is one possibility for EBT. However, problems with this technology include the fact that many farmers' markets are located in outdoor areas that are either without electricity or not in close proximity to phone lines. Therefore the greatest obstacles to the implementation of a hard wiring system is the high cost and its impractical nature; however, the major benefit of this type of technology is the low cost of making a phone call.

**2) Wireless:** A variety of wireless technologies exist, including cellular, radio, and satellite. However, the cost of equipping markets with terminals and wireless equipment is high: in a pilot project conducted in Maryland each market was equipped with a terminal, which cost between \$1,500 and \$1,800. The cost for each separate wireless call is also expensive, and the Maryland project showed that the cost of each transaction via cellular technology ranged, on average, from \$1.21 and \$2.69. Additionally, the processing of each transaction by phone would not be efficient in a higher volume market with many vendor stalls and consumers, due to the fact that it would take at least a few minutes for each call. For example, if a vendor needed to be on the phone for each separate transaction, that

3) **Off-Line:** Transactions are also able to be conducted without any communications technology. Manual vouchers, like credit card slips, could be processed by a vendor and then authorized periodically (possibly at the end of each market day). This method would be beneficial in that it would reduce capital and transaction costs, but the major drawback would be that it could incur more risks overall. Drawbacks to the off-line technology include the time involved in filling out vouchers, as well as the risk that producers face of potentially fraudulent transactions.

4) **Stored Value Cards:** EBT with the existing magnetic strip technologies or the newer 'smart chip' in the card could be swiped through a hand-held card reader or 'smart wallet'. The information from the reader would then be uploaded, and funds could then be directly transferred to the vendor's bank account. This technology has the potential to reduce transaction costs and time, and could cost as little as \$50-\$100 per vendor.

5) **Paper Currency:** Farmers' market currency could be issued by the market itself, with the EBT recipient purchasing it with their card benefits. This scrip would only be valid at the farmers' markets issuing it. Drawbacks to this particular system may be an increased potential for fraud with the use of paper, and using paper currency may also require either extra staffing by the market manager or another employee.

Different states have tested all available options of EBT technology in pilot projects in order to best determine which technology is the most efficient, easy, and cost effective, and

California has been demonstrating the use of wireless point-of-sale (POS) technology at several open-air produce stands and farmers' markets throughout the state since October 2002.

Additionally, California has approved a pilot project to use scrip at farmers' markets once the particular county implements EBT. The state will continue to use scrip at farmers' markets once the particular county implements EBT. The state will continue to evaluate this specific application of wireless point-of-sale technology through the next few months, until June of 2004 (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress 2003; FNS: 2003 EBT Farmers' Market Demonstration Project Update*).

According to Los Angeles Benefit Access Coordinator Carolyn Thomkins, Los Angeles County has already made the decision to utilize the wireless technology in conjunction with a scrip system. Therefore a recommendation for what type of technology should be chosen for the County's low-income farmers' markets need not be made, for the decision has already been finalized and implementation of the wireless devices is already completed (or is currently in the process of being implemented) in many markets. However, in order for Los Angeles County as well as other counties to successfully implement this specific type of EBT technology (wireless EBT with the utilization of a scrip system), it is critical to examine obstacles as well as potential benefits related to this system that have arisen in other pilot projects and real-life situations in order to facilitate L.A. County's own EBT transition.

Although there are problems commonly associated with the scrip or token system, it has been shown that these obstacles can typically be overcome through smart planning and sufficient preparation. Before approving scrip for a particular market, for example, certain steps have to be completed. Among other factors prior to scrip implementation, a market that wants to utilize a

scrip system has to first demonstrate that they have the ability to securely store the scrip. Methods for the prevention of fraud need to be developed by the market, and the market additionally needs to have a proper mechanism for allowing recipients to easily refund their unused scrip back into their EBT food stamp accounts.

In terms of specific obstacles related to a scrip system, not having the needed communication infrastructure or electricity in farmers' markets can result in markets failing to have a location where they can make a scrip system a feasible solution to EBT implementation. Also, individual markets are forced to incur the costs of printing and issuing the scrip, and this problem may be of greater concern for markets in low-income areas that have no funds to spare. A lack of sufficient staff and funds to pay producers at the end of each market day may also be an issue, as well as the fact that a scrip system may result in re-creating the potential stigma that paper food stamps generated, thereby discouraging low-income individuals from shopping at farmers' markets (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress* 2003). And although these issues are undoubtedly barriers to the implementation of a scrip system, it is also necessary to note that all the existing EBT options present obstacles. Therefore, the scrip system as an alternative solution may indeed be the best current EBT option for lower volume markets with smaller transaction amounts (Fisher 1999); namely, for low-income markets such as the ones examined in this particular study.

In the pilot county of Alameda, CA, farmers' markets were suffering from a drop in food stamp sales after the implementation of a digital system. In anticipation of future problems, state officials set up two separate pilot programs to test two different EBT models. The Old Oakland Farmers' Market in downtown Oakland has been used as a model of utilizing EBT at a higher





'flow' of farmers' markets. The farmers and their helpers don't have time to be swiping cards,

checking to see if a person has sufficient benefits in their account, arkiwf0.0007 Tc -0.000g1r/re Tawipib/relo TD[

Federal nutrition benefit redemption that occurred after the implementation of EBT at the Hilo Farmers' Market. Delacruz said that when EBT was first implemented there was 'no avenue' for people to use their food stamps at the market, and therefore they stopped shopping at the market. He additionally explained that in his opinion the drastic drop in food stamp redemptions was not simply due to the EBT transition, but also to the fact that fewer people were receiving the government benefits.

Delacruz also discussed the scrip system used at the Hilo market (durable paper cards are used that are hard to replicate and have the look and texture of a playing card), and the benefits of the scrip system. Delacruz explained that scrip was a good option for EBT because it is flexible and easy to understand, for both farmers and consumers. He went on to say that it is most important that the system is easy for consumers, because they don't want to have to go through a 'red tape process' each time they want to buy a fruit or vegetable. Scrip is like money, and it 'allows the people who really need produce to shop for it'. When asked what percentage of sales at the Hilo market were from food stamp recipients, Delacruz guessed that the number was somewhere between 10-20%. Because such a high percentage of people who shop at the Hilo Farmers' Market are food stamp recipients, it was necessary for the market to determine that the most efficient EBT option would be the utilization of scrip.

The Berkeley Farmers' Market in Alameda County as well as the Hilo, Hawaii market examples illustrate that scrip can and be a viable alternative for EBT, and both evaluations have also pointed to the fact that scrip can be most successful in markets that handle a low-to-moderate volume of food stamp redemptions. In larger markets where more transactions are being made and a greater number of food nutrition benefits are being redeemed, another EBT method may prove to be

more efficient.

It is also critical to point out that both studies determined that the role of the market manager is crucial to the successful implementation and management of scrip (*Food Stamp Electronic Benefit Transfer Systems: A Report to Congress 2003; Weaving the Food Web:*

### **Case Study 1: Adams and Vermont Farmers' Market**

The Adams and Vermont Farmers' Market is one of the oldest markets in one of the oldest neighborhoods in Los Angeles, and is located on West Adams Boulevard, just west of Vermont Avenue. The Adams and Vermont market is one of 22 markets operated by the Southland Farmers' Market Association, an association that was founded in 1983 and is now the largest trade association of certified farmers' markets in the state. Southland offers assistance to markets and growers with marketing, promotions, member services, legislative advocacy and self-enforcement programs ([www.cafarmersmarkets.org](http://www.cafarmersmarkets.org)), and the Adams and Vermont market has been serving primarily low-income shoppers since the market's opening in 1979. Ida Edwards and her husband Roy Edwards are currently the market managers of the Adams and Vermont market, and also are farmers who vend their aloe products to consumers at this market as well as other farmers' markets in the Los Angeles area.

The market is small in size, and during the winter months in Southern California there are considerably fewer vendors selling their products; this fluctuation in size is normal for farmers'

markets due to factors such as seasonal changes and time devoted to harvesting. During the time in which surveys were completed in the Adams and Vermont market there were a total of 16 vending booths, and this number typically grows to around 20 booths during the summer months. In addition to fresh fruits and vegetables, vendors sell items such as honey, eggs, specialty jams, bags of peanuts, and sugar cane stalks.

During an open-ended interview on February 25 2004, market manager Ida Edwards explained that the Adams and Vermont has been accepting Federal food stamps for 13 years (since 1991), and that WIC FMNP coupons then began to be accepted in 1993. Edwards affirmed that the Adams and Vermont market was able to attract a greater number of low-income residents due to farmers' ability to accept WIC FMNP coupons and food stamps, and she also believes that the location of the market is one of the main reasons that low-income consumers frequently shop there. Edwards further noted that most markets located in wealthier areas don't want the 'kind of people' that utilize food stamps and bring their children along with them to the market, and that most markets that serve consumers with higher incomes don't typically also serve consumers who need to use food stamps.

When asked about the barriers that farmers typically face with the acceptance of food stamps or WIC FMNP coupons, Edwards explained that the farmers themselves don't encounter any obstacles, due to the fact that the market management is the party responsible for deciding whether the farmers can accept nutritional benefits. If a farmer is able to redeem stamps it will always be beneficial for him or her, because he can make more of a profit; in fact, Edwards cited this ability to make more revenue as the greatest advantage of farmers who are able to accept food stamps and WIC coupons. Therefore, it will be a loss to the farmer if the market manager doesn't facilitate the

acceptance of WIC FMNP coupons and food stamps.

Edwards further lauded the use of food stamps in her market by saying that there is a waitlist for farmers who want to come to the low-income Adams and Vermont market to sell their produce because the profit they can make at this particular market is high. Edwards attributed the potential of farmers at the Adams and Vermont market to make a greater income to her belief that there is less

When questioned about the Electronic Benefits System, Edwards said at the time of the February 2004 interview that that the EBT program was a new program that was going to be implemented at Adams and Vermont beginning next month: March 2004. Edwards pulled out the EBT machinery that she now keeps in a metal box at her own vending stall, and illustrated how a card would be swiped for the redemption of nutrition benefits. Additionally, a scrip system of bright blue coupons had already been created and copied for consumers' use; people would therefore have



on sales of the Electronic Benefits Transfer system couldn't be answered, due to the fact that it is still too early to determine the new system's impact upon the Adams and Vermont market.

### **Case Study 2: Central Avenue Farmers' Market**

The Central Avenue Farmers' Market, located at 43<sup>rd</sup> and Central Avenue in Los Angeles, is operated by the private nonprofit community development corporation titled Sustainable Economic Enterprises of Los Angeles (SEE-LA), as are the Hollywood and Hollywood-Sears markets also examined in this study ([www.see-la.org](http://www.see-la.org)). And although SEE-LA is the corporation in charge of the Central Avenue Farmers' Market's operation, the market was also started in collaboration with the Dunbar Economic Development Corporation, a local business association, local schools, health clinics, and residents. The Central Avenue market has only been in business for one year and is struggling to stay afloat, yet many have high hopes for the market's future. Councilwoman Jan Perry attended the market's one-year anniversary on March 20, 2004, and she stated that 'The Central Avenue Farmers' Market has brought fresh food access to our community, promoting good health and a great sense of community pride...it has proven to be a great asset'. (*Central Avenue Farmers' Market Celebrates One-Year Anniversary* 2004).

During the time in which interviews were conducted there were a total of only 5 booths in which consumers could buy products and produce; these booths consisted of two vegetable producers, one Mexican food vendor, one soap and body products vendor, and one honey vendor. There was also an information booth, a musician playing ethnic music, and a booth being run by a volunteer from the California Nutrition Network who was giving out recipes and samples that helped to show low-income consumers ideas on how to easily integrate fresh fruit and vegetables into their diets. When questioned about the size of the Central Avenue market, the California Nutrition Network volunteer said that it was the smallest farmers' market she had ever seen. In the summer months, when fewer farmers are harvesting, it is expected that the number of vendors will rise to around 8-10 total vendors.

Because Central Avenue market manager Pompea Smith was absent on the day in which surveys were conducted (February 28, 2004), a staff person who will remain unnamed agreed to informally discuss some of the obstacles that are currently facing the Central Avenue low-income market. The staff person began by pointing out that one of the most surprising aspects about the Central Avenue market is that there is an extremely low turnout for people who utilize food stamps; given that the market is located in a notoriously poor neighborhood of Los Angeles, one would expect that the majority of sales would come from people who were redeeming federal nutritional benefits. Instead, the assistant manager quoted that less than \$500 is being spent at the market each weekend, and that the percentage of food stamp sales is currently zero; she believes the problem to be that shoppers are unaware of the fact that they are able to redeem their food stamps in a farmers' market. However, WIC FMNP redemptions are more successful at the Central market, and, during the summer months, 50% of sales are from WIC FMNP coupons.

Since there are potentially three more WIC offices opening soon in close proximity to the Central Avenue market, they are expecting an even greater percentage of WIC sales beginning in May of this year.

The staff member felt that among the top barriers that exist for farmers' markets in low-income neighborhoods was the difficulty for customers to get to the market regularly in order to do their shopping. Also, there is a need to educate consumers in low-income areas on the benefits of buying farm-fresh produce at a farmers' market as opposed to buying it at a grocery store, even if some items cost more.

And even though few food stamps are being redeemed at the Central Avenue farmers' market, the assistant manager was knowledgeable about the transition from paper nutritional benefits to EBT; in fact, the Central Avenue market was the very first market in Los Angeles to introduce the EBT technology. But regardless of the fact that the market was ready to utilize EBT for the redemption of nutritional benefits, they haven't had an opportunity to use the electronic system yet. This is unfortunate, the assistant manager said, for the state of California has paid for the machines that are likely to be 'very expensive', and the benefits that the system may have to offer includes both ease of use and reduction of the stigma associated with food stamps. However, the assistant manager also believes that the major detriment of the new system is that even though there is information about EBT distributed at Food Stamp offices, people rarely read the information they are given and therefore do not know what the card is nor how to use it. As a result, the EBT technology is sitting unused and locked up at the Central Avenue market's information booth; ironically, the booth did not appear to have a flyer available to consumers regarding the transition from paper food stamps to EBT.



sale draws thousands of people, and approximately 90 farmers, 40 local artisans, and 23 baked goods and prepared food vendors come to sell their wares and produce. The Hollywood Market is operated as a non-profit community activity of SEE-LA, and the market hosts local nonprofit community organizations and frequently offers other special events ([www.farmernet.com/hollywood](http://www.farmernet.com/hollywood)).

Although the Hollywood market is not defined as a low-income market because it also has many middle-to-upper income shoppers, Smith explained that the area is surrounded by low-income residents, and that most of the children who live in close proximity to the market are eligible for the National School Lunch Program (a program that ensures free or reduced-price lunches). In Smith's opinion it is the mix of people of different incomes that contributes to the market's success. The Hollywood market has been in operation for 13 years, and has accepted food stamps for as long as it has been in business; Smith maintains that from the very beginning it was a goal to have good programs for low-income residents. In 1994 the Hollywood market was authorized to accept WIC FMNP coupons.

The Hollywood-Sears market is also a part of SEE-LA, and market's name comes from the fact that it is located in the Sears parking lot off of Santa Monica Boulevard, between Wiltern and Western. The market accepted food stamps from the moment it opened in November of 2002, and it accepted WIC FMNP coupons as soon as it was able to do so the following summer.

Additionally, the market advertises on its website that community-based services are available to low-income and disadvantaged residents ([www.farmernet.com/hollywood-sears](http://www.farmernet.com/hollywood-sears)). The Hollywood-Sears market is even smaller than the Central Avenue farmers' market, and typically there are only 3-4 vendors selling at this time of year; in the summer months, 5 total vendors are expected at the

market. Fresh fruits and vegetables are the only items sold at the tiny Sears market, including strawberries, avocados, radishes, citrus fruits, brussel sprouts, and exotic guavas and Asian pears. Additionally, there is an information booth with shaded picnic tables situated at the market's entrance, an area that is often utilized for weekly cooking and nutrition classes.

In response to the question whether she felt that farmers' ability to accept food stamps and WIC FMNP coupons in the Hollywood-Sears market as well as in the Hollywood and Central Ave markets attracts low-income customers, Smith said that this was true, especially because the WIC FMNP coupons were created with the sole purpose of redemption at farmers' markets. And in the markets she manages, Smith makes sure that prices stay reasonable for WIC FMNP recipients; because WIC FMNP recipients, unlike food stamp recipients, can only redeem their benefits in farmers' markets, there is a concern that vendors could therefore increase their prices at will.

In terms of barriers to farmers who want to accept nutrition benefits, the only thing that Smith believed could be inconvenient for producers was that it takes a little longer to deal with a food stamp or WIC coupon transaction than it does when a customer is paying with cash. As a result, the producer may risk losing a couple of dollars in sales if there are other cash-paying customers who are waiting for him to finish his other transaction. But Smith believes that there are essentially no real problems faced by the producer, and that often producers simply use the food stamps they have collected to pay for their stall fees at the end of a market day.

Smith feels that both food stamps and WIC FMNP coupons are underutilized resources, but for different reasons. Food stamps are not easily accessible to all who are in need due to the fact that many of the people who could greatly benefit from the Federal program are immigrants, and therefore people who are afraid of applying because they are not legal citizens of the U.S. For the

WIC FMNP coupons this particular problem doesn't exist, because applicants are not forced to disclose personal information that would compel them not to apply. However, the high lack-of-redemption rate of WIC FMNP coupons indicates that there are many people who are not using their benefits for whatever reason; Smith guessed that in some areas up to 60% of WIC FMNP coupons were not redeemed.

Smith is highly engaged in advertising activities for her farmers' markets, and the fact that the markets accept WIC FMNP coupons and food stamps as well as Senior FMNP coupons is always integrated into the advertising. She explained that the farmers' markets she manages through SEE-LA are involved in do a lot of work with the WIC and Food Stamp offices as well as

EBT press release later this month, as well as a workshop to be held in April for market managers regarding the implementation and use of EBT. Because the central goal is to raise the



systematic system and reduce or eliminate fraud, and the single barrier she listed was the issue of consumers not knowing how to utilize the system.

### **Survey Methodology**

Before forming the survey for this particular study, the interviewer did background

mixed-income Hollywood farmers' market. Of the 38 surveys completed by producers, 16 were conducted in Spanish.

Surveys at each market were completed during one market day. Surveys were conducted at the Adams and Vermont market on Feb 25 2004, at the Central Avenue market on Feb 28 2004, at the Hollywood market on Feb 29 2004, and at the Hollywood-Sears market on March 10, 2004. The interviewer attempted to interview as many producers as possible, and all producers/product vendors who were willing to participate were successfully surveyed at the Adams and Vermont market, the Central Avenue market, and the Hollywood-Sears market. Due to the Hollywood

3, 2004. All other sources of personal communication consulted for the purposes of this study (see **Sources Consulted**) were conducted via email and telephone communication.

### **Survey Results**

Of the 38 farmers successfully surveyed at the Central Avenue, Hollywood, Sears-

farmer stated that he/she sold in 3 markets total, it was calculated that he/she sold in 2-3 markets as opposed to 3-4 markets.

- 2) Of the total number of markets that producers sold their produce/products at, producers were asked how many of these markets served primarily low-income shoppers. 24 of the producers said that between 1-2 of these markets served primarily low-income shoppers, 5 said 2-3, 2 said 3-4, 3 said 4-5, and 2 farmers said that more than 5 of the markets they sold their produce/products at served primarily low-income shoppers. Two of the producers were unable to answer the question, because he didn't know which of the markets were in low-income communities. As in question #1, answers were rounded down to the nearest bracket for the purposes of calculation.
  
- 3) In question #3 of the survey regarding the benefits of selling produce/products at a low-income farmers' market, producers did not choose only one answer, but instead chose all answers that applied. 30 producers said that making a profit was one of the top benefits; 1 producer said that one of the benefits of selling at a low-income market was making a greater profit that he/she would be able to make at an upper-to-middle income market; 25

producers stated that cash-in-hand was a major benefit; 25 producers said that personal contact with consumers was one of the most important advantages for them at low-income markets; 22 producers said that providing low-income communities with increased access to fresh food was one of the greatest benefits.

- 4) In response to the question regarding the greatest barriers of selling produce/products at low-income farmers' markets, 15 of the producers said that not grossing as high of a profit was a barrier; 1 producer said that he/she had difficulties in accepting food stamps and/or WIC FMNP coupons; 2 producers listed not having the capacity to utilize EBT technology

- 7) In response to the question asking whether producers believed that the particular market is able to attract more low-income residents because of producers' ability to accept food stamps and WIC FMNP coupons, 27 producers said yes, this is true, 6 producers said no, they do not think that this is true, and 4 producers said that they didn't know whether the market's acceptance of food stamps and WIC FMNP coupons results in attracting more low-income shoppers.
- 8) Producers were asked to explain the greatest barriers that they faced in the acceptance of food stamps and WIC FMNP coupons; 33 of the producers said that there were no problems, 3 producers said that they didn't know, 1 producer said that making correct change for consumers that wanted to use food nutrition benefits was the single barrier that he/she had encountered, and 1 producer said that competition among farmers presented a barrier.
- 9) The benefits that producers gained by accepting food stamps and WIC FMNP coupons included the following: 30 of the producers surveyed said that the ability to sell products to consumers of all income levels is a major advantage, 17 producers identified an increase in sales revenue, and 18 said that they felt like the personal feeling of satisfaction that comes from being able to accept food stamps and WIC FMNP coupons was a main benefit. No producers listed additional benefits that were not included in the survey question.
- 10) For question #10, producers were asked the revenue value of food stamps and WIC FMNP

coupons that they receive at their vending stall each market day. Producers listed specific amounts, and these answers were then fit into subcategories. 10 producers said that they currently are making no money on food stamps and WIC FMNP coupons, 7 producers said that they make \$2-\$10, 9 producers said they make \$10-\$20, 5 said they make \$20-\$50, 4 said between \$100-\$150, and 2 said that they make more than \$150 each market day from food stamps and WIC FMNP revenue. 1 producer said that he/she didn't know the answer to the question.

- 11) When asked what percentage of sales are from WIC FMNP coupons and food stamps, 29 producers said that the approximate percentage was between 0%-10%; 5 producers said %10-25%; 3 producers said %25-50%, and no producers said that 50%-75% of their sales are from food nutrition benefits. 1 producer said that he/she didn't know. When given a specific answer on the percentage of sales that are grossed from WIC FMNP coupons and food stamps, the percentage was rounded down to the nearest bracket.
- 12) For producers, the greatest benefits of the EBT system include the following: 13 producers believed that EBT is easier to use than paper food stamps and WIC FMNP coupons; 12 producers thought that the payment from the customer would be more secure; 15 thought that EBT greatly reduced fraud. 16 producers were either totally unfamiliar with EBT and/or had never utilized the new system, and therefore couldn't answer what they thought the benefits to be. 1 producer had heard about/was familiar with EBT, but he/she did not

think that there were any major benefits to the electronic system.

13) The greatest barriers of EBT for producers include the following: 4 producers said that there were no problems; 3 said there were inconvenience issues for both consumer and producer associated with EBT, 1 producer said that the extra time it took to utilize the system was a barrier, 2 producers said that consumers were unaware of how to work the system, 1 producer said that any change made within a traditional system would cause difficulties to arise, 1 producer cited not having his/her own EBT system was a barrier, 1 producer was concerned about electronic difficulties associated with EBT, and 24 total producers said that a lack of knowledge about and experience with using EBT was a major obstacle to the utilization of the new system. 1 producer said that there were no problems associated with the utilization of EBT.

14) When asked about what additional policies could be established in order to promote the use of food stamps, EBT and WIC FMNP, 3 producers said internet promotion, 23 producers



said that there should be increased advertising at WIC and food stamp offices, 12 producers said that there needed to be greater community outreach, 2 producers suggested newspaper advertisements, 2 producers suggested making flyers for distribution in the community, and 9 producers didn't know what could be done in order to further promote WIC FMNP, food stamps, and EBT in farmers' markets.

### **Discussion of the Data**

Although a significant number of producers sell their produce at 2 or less markets (21% of total producers), 45% of producers surveyed sell at more than 5 different farmers' markets throughout the county and state. It was also conveyed to the interviewer during the process of conducting surveys that, among the group that sold at 5 or more markets, there are some producers who sell at up to 20 different markets within California; for these producers, selling at farmers' markets is their main source of revenue.

Importantly, the majority of producers (63%) said that of all of the markets they sell their produce/products at, only 1-2 of these markets primarily serve low-income shoppers. Only 2 producers, or approximately 5% of the total number of producers, said that they sell at more than 5 markets that primarily serve low-income shoppers. The fact that the majority of producers only sell their produce/products at such a small number of low-income markets is likely an indication of the following: 1) the supply for farmers' markets in low-income communities is

produce/products; and/or 3) there are only a limited number of low-income markets in which to sell. In addition to the long-term plan of eventually creating a greater number of successful farmers' markets that are accessible to low-income residents of Los Angeles, it is critically important as a shorter-term goal to help strengthen the low-income farmers' markets that already are up and running within the county. One of the initial steps toward achieving this is to encourage more producers to sell their produce/products in these markets that serve lower income residents.

Although results from the surveys have shown that most producers sell in only 1-2 markets that primarily serve low-income shoppers, it is also notable that the surveys have indicated that there are few major barriers preventing producers from selling at these market venues in Los Angeles county; more than half (58%) of producers said that there were no obstacles to selling in low-income areas. However, the most common obstacle for producers is one that has been shown to be the most difficult to overcome: producers being able to make a profit while balancing the consumers' need for low/affordable prices. 15 of the producers surveyed (approximately 39%) said that not grossing as much for their produce/product as they typically could in a middle-to-upper income market was the greatest deterrent of selling to primarily low-income consumers. One of the benefits of direct-to-consumer markets is that producers have the ability to adjust their prices. Since 16 producers either always or sometimes adjusted their prices to be lower when they sell to low-income shoppers, it may follow that selling in low-income markets may not always be as lucrative as selling in a market where such price adjustments were unnecessary (such as in a middle-to-upper income farmers' market).

In order to combat this reluctance of selling in low-income markets, incentives should be

established to help encourage producers to invest a greater portion of their time and efforts toward selling at markets that cater to low-income shoppers. One suggestion would be for the state of California to create certain subsidies for producers who make the choice to sell in low-income markets. For example, the state could agree to pay for the market stall fee for each producer who chose to sell his or her produce at low-income markets in order to offset the 'loss' that the producer may incur by lowering his or her prices for low-income consumers. As a result of more producers having incentives to sell at low-income markets, these markets will be more likely to grow in size and popularity and therefore achieve greater stability and success. The Hollywood Farmers' Market is a successful market within Los Angeles County due to its wide diversity of foods, produce, crafts, and shoppers. Conversely, smaller markets with few vendors (such as the Central Avenue and Hollywood-Sears markets) lack the diversity to be attractive to most shoppers; this is partially responsible for the fact that these markets are struggling to remain in existence. A lack of vendors makes it difficult to attract customers that want to shop at a larger market, while at the same time vendors are reluctant to sell at markets with a small number of customers. If it could be made more economically feasible for more producers to sell their products/produce in lower income communities, the markets located within these areas would be given the opportunity to grow and flourish.

Aside from the concern of grossing less revenue when selling at a market in a low-income community, producers were more vocal about the many benefits that are a part of selling at low-income markets. Also, it is important to note that although a substantial number of producers voiced their concern regarding their inability to make enough income at a low-income market, fully 30 (79%) of all producers listed the ability to make a profit as one of the top

benefits of selling their produce/products at a low-income market. Therefore, it can be inferred that nearly all producers at each market would not be making the choice to sell their produce/products at that particular venue if they didn't think that they could turn a profit (even if the profit may be lower than profits grossed at another, higher-income market; only 1 producer

increased access to fresh food is a critically important, intangible benefit. This is relevant because it indicates that producers who chose to sell their produce/products at farmers' markets have a social commitment to the customers they serve in low-income communities.

Just as there are few barriers that producers cited regarding the vending of their produce/products in low-income communities, there were also shown to be more benefits than barriers in the acceptance of food stamps and WIC FMNP coupons. 33 of all producers, or 87%, said that there were no problems that they had faced in the acceptance of food stamps. Because only one producer brought up the issue of making change for the person utilizing the food nutrition benefit as a problem, this particular obstacle seems minimal. At most markets, change in cash is never given to persons redeeming their food nutrition benefits; producers usually round the price of their product/produce (be it up or down) to the nearest whole number that can be redeemed with food stamp or WIC FMNP benefits. Producers explained to the interviewer that any problems or obstacles to the implementation and/or acceptance of food nutrition benefits would be burdened by the market manager, for it is wholly a managerial decision whether or not to accept food stamps and WIC FMNP coupons. Most producers simply use the nutrition benefits that they have been redeemed at their individual booth to pay for their stall fee at the end of the market day, or just turn them in to the market manager for cash. Either way, it is rare that the producer himself would have to accept the responsibility of going to the bank and dealing with the transaction, and the barriers to acceptance are therefore negligible.

As was expected, the most frequently cited benefit of being able to accept food stamps and WIC FMNP coupons is that producers can sell to consumers of all income levels; 30 producers, or 79%, said that this was a major advantage. Additionally, the social benefits and

personal feeling of satisfaction that come from being able to sell to food stamp and WIC FMNP recipients was a benefit for 18, or 45% of producers, which is closely related to the idea of providing low-income communities with increased access to fresh food; it is important for producers to feel as though they are an active participants in the improvement of the food security of low-income communities. 17 of the producers (45%) said that their ability to accept WIC FMNP coupons and food stamps helped them to increase their overall sales revenue. However, many of the producers explained that their sales revenue from WIC FMNP and food stamp coupons only increased during the period when WIC FMNP coupons are made available to recipients; it is only during the 'summer months', which translates to only around 6-7 months of the year, that WIC FMNP coupons are available for use in farmers' market; Ida Edwards, market manager and vendor at the Adams and Vermont Farmers' Market, said that the coupons are distributed sometime in May and can be used with 'a little buffer time' through November (Edwards pers.comm. 2004). A citrus producer at the Hollywood market voiced her frustration at the fact that WIC participants can only purchase food from farmers' markets for a limited amount of time each year, saying that it is 'as though they are teaching women and children that they should only be able to eat fresh fruits and vegetables for half of the year'. In regions such as Southern California where fresh produce can be grown and harvested throughout the year, it makes little sense to offer federal nutrition benefits to WIC recipients for such a limited amount of time. Instead of the 'win-win' situation that is created when both the consumer can utilize WIC FMNP coupons and the producer can earn a higher profit (Schumacher et.al. 1992), it is a seemingly no-win situation for eligible women, infants and children as well as producers when the WIC FMNP coupons are not able to be redeemed in farmers' markets during the months when the benefits are not offered. The implementation of a year-round WIC FMNP would be

highly advantageous to both WIC consumers as well as farmers' market producers. Currently, groups such as the marketing operator SEE-LA are working to help change this legislation and encourage WIC FMNP coupons to be made available to recipients throughout the entire year.

The amount of revenue that each producer generated from food stamp and WIC FMNP coupons each market day varied greatly, and many producers said that they have made a significantly higher profit during the months when WIC FMNP coupons are allocated and redeemed. During the months in which the interviews were conducted (February and March of 2004), WIC FMNP recipients had not yet been given their nutrition benefits for the spring. The fact that 10 producers (26%) reported that they are currently making no money on food stamps and WIC FMNP coupons combined reflects the fact that no WIC FMNP coupons were being redeemed during the time of the surveys. Many of the producers were optimistic about the potential rise in sales over the next few months as recipients begin to receive their benefits and then utilize the coupons at the farmers' market. Even for producers that were generating some revenue from WIC FMNP and food stamps, the numbers were discouraging: 7, or 18% of producers stated that they were currently making between \$2-\$10 each market day from food stamps and WIC FMNP coupons combined, and 9, or 24% of producers were generating between \$10-\$20. Only 2 of the 38 producers surveyed said that they were making more than \$150 from food stamp and WIC FMNP sales each market day.

Given the low numbers for revenue generated from WIC FMNP and food stamps combined, food stamps and WIC FMNP coupons consequently comprise a small percentage of the majority of farmers' total sales: 29 producers, or fully 76%, said that WIC FMNP and food stamp coupon redemptions accounted for only 0%-10% of their total sales. And although three







to be allocated for the promotion of farmers' markets.

When producers were asked what the greatest benefits are of the new Electronic Benefit Transfer (EBT) system in Los Angeles County, it was shown that 13 of those who were familiar with the system believed that it was easier to use than paper food stamps and WIC FMNP coupons, 12 producers thought that the payment from the customer was more secure, and 15 thought that fraud would be reduced with the utilization of the new system. More importantly, however, 16 of the producers (42%) had either never heard about EBT or had never utilized the new technology, and therefore could not answer what they thought the benefits and barriers were of the electronic system.

When those producers who knew about or were experienced with EBT were asked about the barriers of the new system a range of issues were named (such as inconvenience issues for both producers and consumers and the potential for electronic difficulties), fully 24 producers, or 63%, said that a lack of knowledge and experience (which extends to both consumers and producers) with using EBT was a major obstacle to the utilization of the new system. Additionally, the fact that nearly half of producers' surveyed were unfamiliar with EBT technology (and many also didn't realize that the technology would be utilized in farmers' markets within the next couple of months) is a highly relevant finding of this study. The general lack of awareness regarding the transition to EBT in itself may prove to be one of the greatest barriers to a smooth transition to EBT in the state of California. Because the state's farmers' markets all must necessarily convert to EBT by September of 2004, it is critical that market managers and other supporting parties act quickly in the education of both producers and consumers.

One way to ensure that food stamp recipients are informed about EBT and confident in their ability to easily utilize the new technology would be to make the forums held mandatory instead of optional. For example, before a food stamp recipient were to receive his or her Federal nutrition benefits he or she would need to attend one of the forums offered in Los Angeles County on how to use the new card. After the person had successfully completed a training session, his or her card would be activated and ready for use. Additionally, farmers' markets located in Los Angeles County would be wise to take the advice of Benefit Access Coordinator Carolyn Thomkins and engage in more marketing and outreach activities regarding EBT in order to increase EBT sales. Maybe all farmers' markets currently participating in EBT could offer extra incentives for consumers to utilize their new card, such as a market day event in which all customers using EBT would be able to receive an additional \$1 price reduction on their EBT purchases. Other advertising methods such as the aforementioned ways in which to boost food stamp and WIC FMNP sales at farmers' markets (including the media, a market newsletter, and other outreach activities) would also be useful to employ in promotion and education about EBT in low-income farmers' markets.

It is argued that producer knowledge regarding the utilization of EBT is not as critical as consumer knowledge about the new technology, which may or may not be true depending upon what type of EBT technology is being utilized. In the case of the scrip system, there are indications that the transition is thought to be easier for producers than consumers because the producers simply have to deal with an alternative form of currency that they can either cash out or put toward the payment of their stall fee at the end of the market day. However, in the case that California chooses to increase its funding and promotion of an EBT option such as the Point

of Sale technology where each producer is individually outfitted with a device, it would be detrimental for producers to not have a basic knowledge about EBT. More importantly, the fact that such a high percentage of producers didn't know that the market/s they sold in were in the process of a major transition indicates a greater issue: a significant lack of communication that exists between those in charge of farmers' market operation and those who sell their products/produce in L.A. County's farmers' markets. Failing to inform and educate producers about imminent changes that are happening within California's farmers' markets may ultimately prove to be highly detrimental, and producers need to be made aware of such changes in order to prepare themselves for a potential change in sales. Therefore, even if producers themselves do not need to be directly involved in the processes of using EBT technology, market managers should be required to provide producers with basic EBT information sessions in order to fairly communicate to them what to expect with the transition to EBT.

As California is currently undergoing the transition from paper Federal nutrition benefits to the Electronic Benefits Transfer system, whether EBT sales in Los Angeles County's low-income farmers' markets decline, remain steady, or increase in the near future is still to be determined. However, it is believed that food stamp sales in these farmers' markets can not only be maintained at their current pre-EBT level, but can actually be *increased*; and this goal can only be achieved with a combination of market manager participation and effective consumer, producer, and commE3 outfitrh pro educate p an



rise, it will be critical that the people and communities most in need of the benefits that farmers' markets have to offer are not neglected. In order to help ensure that the needs of these low-income residents and neighborhoods are met, necessary steps need to be taken and certain policies need to be implemented in order to strengthen farmers' markets in low-income communities. The following recommendations offer suggestions on ways in which to increase food security, bolster producer participation, encourage consumer patronage, and facilitate the implementation of the Electronic Benefits Transfer system within low-income farmers' markets

## **Recommendations**

### ***Increasing Food Security***

Clearly, more funding needs to be allocated for Federal nutrition programs that have been implemented with the goal of alleviating food insecurity in the United States; in the case of consumers that shop at farmers' markets, it would be most beneficial increase the funding for both the Federal Food Stamp Program and the Women, Infant and Children Farmers' Market Nutrition Program (WIC FMNP).

Given the fact that in some areas as much as 50% of eligible persons are not currently applying for benefits through the Food Stamp Program, it is important to increase outreach activities in order to get a greater percentage of people the nutritional benefits that they are lacking. Additionally, it should be made mandatory instead of optional for individual states to provide nutrition education for their food stamp recipients, and funding should be made available for this outreach and education.

In terms of the WIC FMNP program, it is clear that the benefits offered to the women,

infants, and child recipients should be offered year-round instead of for half of the year, similarly to the regular WIC program. Federal legislation regarding the WIC FMNP will first need to be altered in order to adopt this policy recommendation, and work is currently being done on pushing through this important piece of legislation. If the WIC FMNP were to be made a year-round program, funding for the program would also necessarily have to increase as a result.

### ***Bolstering Producer Participation***

Although most producers surveyed for the purposes of this study did not feel as though there were any major barriers to selling their produce/products in low-income farmers' markets, it was shown that the biggest potential disadvantage to selling at these markets was not grossing as high of a profit. Producer participation in low-income farmers' markets is an absolute necessity, for more producers selling at a particular market means a greater diversity in products, thereby drawing a larger number of customers. Therefore, the creation of incentives in order to encourage producer participation will likely result in the strengthening of low-income markets.

One idea to increase producers' willingness to sell at a low-income market would be to subsidize the stall fee that each producer has to pay to the market for renting the stall space. At the SEE-LA markets (the Hollywood, Hollywood-Sears, and Central Avenue markets) the stall fees are 6.5% of each producers' daily sales, and at the Southland Adams and Vermont market 6% of sales are taken for the daily market fee. Because it is currently the case that a producer has to pay the same percentage of his or her total sales whether they are selling at the highly





and times as well.

Greater promotion in low-income communities of farmers' markets' ability to accept Federal nutrition benefits will also help to increase consumer patronage at farmers' markets. The media can be utilized for the purposes of advertising (including the internet, television, and the radio) as well as advertising through newspapers, market publications, banners, and flyers. Most producers thought that advertising at local WIC and food stamp offices would be most effective in informing the community's low-income residents about the local farmers' markets, emphasizing that even greater efforts need to be made toward advertising at these locations. And because it has been argued that many Federal nutrition benefit recipients are not likely to read the information provided to them at the WIC and food stamp offices, it is recommended that local farmers' markets periodically utilize community outreach that would involve a market representative visiting these offices in order to talk to these recipients in person (and hopefully, to recruit these Federal nutrition benefits recipients as future farmers' market customers).

And just as monetary incentives would likely increase producer participation at low-income farmers' markets, so these types of incentives would also result in a greater number of



technologies) that they are an integral part of the market's successful operation.

### ***The Need for Further Research***

Over the next few months leading up to the complete implementation of EBT in California by September 2004, it is still uncertain what will happen to food stamp sales in low-income farmers' markets. More research therefore should be conducted during this transitional period in order to determine how California's markets have undergone this significant transition.

Additionally, it is suggested that further research be conducted on what can be done in order to boost EBT sales, as well as on what can generally be done in order to strengthen low-income

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**Appendix E****Guidelines for Successful Low-Income Farmers' Market Operation**

(Taken from Andy Fisher of the Community Food Security Coalition's *Hot Peppers and Parking Lot Peaches: Evaluating Farmers' Markets in Low Income Communities*, January 1999)

- 1) Low-income markets generally need to be subsidized.
- 2) Community Organizing is an essential component of any successful market in a low-income community.
- 3) Low-income markets should tailor their product mix to focus on basic foods at affordable prices.
- 4) Farmers should consider hiring sales staff from the neighborhood.
- 5) Transportation needs of consumers may prove to be a significant barrier for market operation,  
and therefore the creation of transit programs may be necessary in order to help shoppers without transportation to have improved access to farmers' markets.

**Farmers' Markets Participating in EBT in Los Angeles County**  
**as of March 2004**

(Carolyn Thompkins, EBT Control Center 2004)

Adams and Vermont Farmers' Market  
Alhambra Farmers' Market  
Burbank Farmers' Market  
Central Avenue Farmers' Market  
Cerritos Farmers' Market  
Gardena Farmers' Market  
Gardena La Salle Farmers' Market  
Hollywood Farmers' Market  
Hollywood-Sears Farmers' Market  
Huntington Park Farmers' Market  
La Cienega Farmers' Market  
Long Beach Downtown Farmers' Market  
Long Beach Marina Farmers' Market  
Pasadena Villa Farmers' Market  
Pasadena Victory Park Market  
Signal Hill Farmers' Market  
Santa Monica Farmers' Market  
Santa Monica Main Street Farmers' Market  
Santa Monica Organic Farmers' Market  
Santa Monica Pico Farmers' Market  
Venice Farmers' Market  
Whittier Uptown Farmers' Market

**California Farmers' Markets Using Scrip and a Central POS device to  
Accept EBT Cards as of 3/25/04**

**(Penny Leff: The Ecology Center 2004)**

**Alameda County**

Tuesdays

Alameda, 9:30 am – 1 pm

Taylor & Webster Streets (Jan – Dec)

800-949-3276

Berkeley, 2 – 7 pm

Derby St & Martin Luther King, Jr. Way (Jan – Dec)

510-548-3333

Thursdays

**Contra Costa County**

## Tuesdays

Concord, 10 am – 2 pm

Todos Santos Plaza, Willow Pass &amp; Grant (Jan – Dec)

800-949-3276

## Thursdays

Concord, 4 pm – 8 pm

Todos Santos Plaza, Willow Pass &amp; Grant (May – Oct)

800-949-3276

Martinez, 10 am – 2 pm

Court &amp; Main (May – Nov)

800-949-3276

## Saturdays

Danville, 9 am – 1 pm

Downtown, Railroad &amp; Prospect (Jan – Dec)

800-949-3276

Pinole, 9 am – 1 pm

City Hall Parking Lot, Plum &amp; Prune (May – Nov)

800-949-3276

## Sundays

Danville, 9 am – 1 pm

Arcata, 9 am – 2 pm  
 Arcata Plaza (April – Nov)  
 707-445-3166

## **Los Angeles County**

### **Tuesday**

Pasadena Villa Park Farmers' Market, 8:30 am – 12:30 pm  
 363 E. Villa Street at Garfield  
 (626) 449-0179

### **Wednesday**

Adams & Vermont Farmers' Market, 2 pm – 5 pm  
 1432 W. Adams Street at St. Agnes Church  
 (323) 777-1755

Gardena Farmers' Market, 7:30 am – 11:30 am  
 1670 W. 162<sup>nd</sup> & La Salle  
 (323) 777-1755

Hollywood-Sears Farmers' Market, 12 pm – 5:30 pm  
 Santa Monica Boulevard at Wilton in Sears parking lot  
 (323) 463-3171

Huntington Park Farmers' Market, 9:30 am – 1:30 pm  
 Bissell Street & E. Florence Avenue  
 (866) GOOD-VEG

Santa Monica Farmers' Market, 9 am – 2 pm  
 3<sup>rd</sup> Street at Arizona Avenue  
 (310) 458-8712

### **Thursday**

La Cienega Farmers' Market, 3 pm – 7 pm  
 .La Cienega Boulevard & 18<sup>th</sup> Street  
 (310) 398-1786

Signal Hill Farmers' Market, 3 pm – 7 pm Nov-Mar, 3 pm-8 pm Apr-Oct  
 Walnut Avenue & 27<sup>th</sup> Street  
 (866) GOOD-VEG

### **Friday**

Long Beach Downtown Farmers' Market, 10 am – 4 pm  
 Broadway & Promenade North  
 (866) GOOD-VEG

Venice Farmers' Market, 7 am – 11 am  
 Venice Way & Venice Boulevard  
 (310) 399-6690

Whittier Uptown Farmers' Market, 8 am – 1 pm  
 Bailey & Greenleaf

(714) 526-5814

Saturday

- Burbank Farmers' Market, 8 am – 12:30 pm  
Olive at Glen Oaks  
(626) 308-0457
- Central Avenue Farmers' Market, 9 am – 1 pm  
Central Avenue & 43<sup>rd</sup> Street  
(323) 463-3171
- Cerritos Farmers' Market, 8 am – 12 pm  
Towne Center & Park Plaza Drives  
(866) GOOD-VEG
- Gardena Farmers' Market, 6:30 am – 12 pm  
13000 S. Van Ness (Hollypark Church)  
(323) 777-1755
- Pasadena Victory Park, 8:30 AM - 12:30 PM  
Sierra Madre Boulevard at Paloma  
(626) 449-0179
- Santa Monica Organic Farmers' Market, 8:30 am – 1 pm  
3<sup>rd</sup> Street at Arizona Avenue  
(310) 458-8712

- Santa Monica Pico Farmers' Market, 8 am – 1 pm  
Airport Avenue & Donald Douglas Loop  
(310) 458-8712

Sunday

- Alhambra Farmers' Market, 8:30 am – 1 pm  
Monterey & E. Bay State Streets  
(626) 570-5081
- Hollywood Farmers' Market, 8 am – 1 pm  
Ivar & Selma Avenues  
(323) 463-3171
- Long Beach Marina Farmers' Market, 9 am – 1 pm  
Marina Drive south of 2<sup>nd</sup> Street  
(866) GOOD-VEG
- Santa Monica Main Street Farmers' Market, 9:30 am – 1 pm  
2640 Main Street at Ocean Park Blvd.  
(310) 458-8712

**Monterey County**

Sundays

- Marina (Everybody's Harvest), 10 am – 3 pm  
280 Reservation Rd (across from Marina P.O.) (May – Nov)  
831- 384-6961

**Orange County**

## Wednesdays

Fullerton, 8 am – 2 pm  
 Woodcrest Park, 450 W. Orangethorpe Ave (Jan – Dec)  
 714-871-5304

**San Francisco County**

## Tuesdays

Ferry Plaza, 10 am – 2 pm  
 Ferry Building, Embarcadero & Market St. (Jan – Dec)  
 415-291-3276

## Thursdays

Ferry Plaza, 10 am – 2 pm  
 Ferry Building, Embarcadero & Market St (Jan – Dec)  
 415-291-3276

## Fridays

Kaiser Hospital, 11 am – 4 pm  
 Kaiser Commons Area, 2190 O'Farrell St (Jan – Dec)  
 925-825-9090

## Saturdays

Ferry Plaza, 8 am – 2 pm  
 Ferry Building, Embarcadero & Market St. (Jan – Dec)  
 415-291-3276  
 Fillmore, 9 am – 1 pm  
 Fillmore & Eddy St (May – Nov)  
 925-825-9090

**San Mateo County**

## Wednesdays

San Mateo, 9 am – 1 pm  
 College of San Mateo, W. Hillsdale & CSM Drive (Jan – Dec)  
 800-949-3276

## Saturdays

San Mateo, 9 am – 1 pm  
 College of San Mateo, W. Hillsdale & CSM Drive (Jan – Dec)  
 800-949-3276

## Sundays

Belmont, 9 am – 1 pm  
 CalTrans lot, El Camino Real & O'Neill (May – Nov)



800-949-3276

**Santa Clara County**

## Wednesdays

Milpitas, 10 am – 2 pm

Mervyn's lot, Calaveras &amp; Town Center Dr. (Jan – Dec)

800-949-3276

Santana Row, 9 am – 1 pm

Stevens Creek &amp; Winchester Blvd (April – Oct)

800-949-3276

## Fridays

Cupertino, 9 am – 1 pm

Vallco Fashion Park Mall (Jan – Nov)

800-949-3276

San Jose, downtown, 10 am – 2 pm

San Pedro Square (May – Dec)

800-949-3276

## Sundays

Milpitas, 9 am – 1 pm

Mervyn's lot, Calaveras &amp; Town Center Dr. (Jan – Dec)

800-949-3276

**Santa Cruz County**

## Wednesdays

Santa Cruz, 2:30 – 6:30 pm

Lincoln &amp; Center St (Jan – Dec)

831-454-0566

## Fridays

Watsonville, 3 – 7 pm

Peck &amp; Main St. (Jan – Dec)

831-726-7266

## Sundays

Santa Cruz, 10 am – 2 pm

East Cliff Shopping Center, 15<sup>th</sup> & E. Cliff (May – Oct)

831-454-0566

**Solano County**

## Wednesdays

Vallejo, 4 – 8 pm

Georgia &amp; Marin (June – Sept)

800-949-3276

## Saturdays

Vallejo, 9 am – 1 pm

Georgia & Marin (Jan – Dec)  
800-949-3276