



200 North Spring Street
City Hall
M125
Los Angeles, CA 90012
goodfoodla.org

DATE: May 20, 2016

TO: Entertainment and Facilities Committee
Of the Los Angeles City Council
Attn: Office of the City Clerk
Room 395 City Hall

SUBJECT: Revised Response for CF 15-1511- as requested the Los Angeles Food Policy Council to report on the feasibility of accepting EBT cards at Farmers' Markets and what costs may be incurred in order to accept the EBT cards (i.e. any equipment or software required to accept the cards).

CalFresh/EBT Improves Food Access

The Los Angeles Food Policy Council (LAFPC) believes this proposed policy is an avenue to increasing fresh food access for low-income residents in Los Angeles, while also supporting the vibrancy of our local farmers and farmers markets. CalFresh/EBT benefits help families stretch their food dollars and purchase fresh, healthy foods for the whole family. Studies on both a national and local level have documented positive impacts of EBT at farmers markets, including increased fruit and vegetable consumption among low-income customers and increased sales for farmers.¹ Efforts to support universal EBT access at LA City Farmers Markets build upon national, state and local initiatives to increase healthy food access for low-income communities.

Farmers Markets in the City of Los Angeles

From July to September 2015, LAFPC collected, aggregated and verified data from the California Department of Food and Agriculture, Los Angeles County Department of Public Health, and the Ecology Center, to determine how many farmers markets in the City of Los Angeles accepted EBT. We found that there were 60 certified and uncertified farmers markets within the City of Los Angeles, where 28 accepted EBT and 32 did not or were not verified as accepting EBT. In recent months, the LAFPC Farmers Markets for All Working Group has been working diligently to verify which markets in the City accept EBT through phone calls and farmer market visits. We have found that many markets are no longer operating, or they do not have any actual farmers at

¹ Angie J. Keihner, Sharon Sugerman, Amanda M. Linares, Carolyn D. Rider, Elizabeth Egelski, Patrick R. Mitchell, Mark Hudes, and Michael Biehl, *Low-Income Californians with Access to Produce in Their Home, School, Work, and Community Environments Eat More Fruits and Vegetables* (CA: Network for a Healthy California, 2013).

Jennifer Obadia and Jennifer Porter, *Farmers Markets: Impact on Fruit and Vegetable Consumption of Supplemental Nutrition Assistance Program Clients* (Boston: The Boston Collaborative for Food and Fitness, 2012).

their markets. Our most up-to-date research has found that there are 57 certified and uncertified farmers markets within the City of Los Angeles, where 32 markets do accept EBT and 25 markets do not accept EBT. Our efforts focusing on EBT acceptance at the markets have garnered progress. Since January of this year, 13 new farmers markets have applied to accept and receive EBT and will be fully operating with EBT access by mid-May-- increasing the number of farmers markets that accept EBT in LA from 32 to 45.

Feasibility of Accepting CalFresh/EBT at Farmers Markets

In order to accept CalFresh/EBT, each market must be authorized by the USDA Food and Nutrition Service (FNS) to accept Supplemental Nutrition Assistance Program (SNAP) benefits. A farmers market can use one central point of sale (POS) system to process CalFresh benefits on behalf of all farmers at the market. The application with USDA requires a social security card and picture ID of the applicant, and typically will be processed within 45 days of submittal.

The POS machine is operated by the farmers market manager or appropriate staff. Market signage “We Accept EBT” directs EBT cardholders to the location of the POS device. When at the EBT POS, the market manager/staff person asks the recipient how much of his/her food or cash benefits they would like to use at the farmers market. Then the EBT card is swiped, and the amount is debited from the balance stored on the card. This amount is transferred from the recipient's account to the market or association bank account. The staff person then issues “scrip” (such as wood tokens or paper vouchers) in the amount requested by the customer. The scrip is a representation of the EBT money debited, one for one. The recipient can use the scrip with vendors selling eligible food. At the end of the market day, the vendors trade the scrip for cash, check, or receipts for future payment from the market operator.

Costs Attributed to Operation of EBT Machine

Point of Sale System

The POS devices are provided for free through the California Department of Social Services. To FNS-authorized farmers markets, direct marketing and Community Supported Agriculture (CSA). For technical assistance and to obtain a free POS device, contact Dianne Padilla-Bates at the CA Department of Social Services (CDSS): Dianne.padilla-bates@dss.ca.gov or call 916-654-1396.

The federal Consolidated and Further Continuing Appropriations Act of 2012 provided \$4,000,000 to expand the availability of wireless POS equipment in farmers markets and farmers. Funding for this program has been expanded to September 30, 2016. California received \$426,945 of this funding. When this funding has been expended or expires, CDSS will then revert back to the existing contract with the EBT vendor to provide the free wireless POS devices and cover the costs, including monthly fees.

Scrip

Scrip is the farmer market currency, either paper or tokens, given to EBT customers after their transaction has been approved and is used like cash with participating vendors. Printing or procuring script can incur nominal costs for a farmers market. Markets design and pay for their own scrip. All scrip should display the currency denomination and the market's name and/or logo.



200 North Spring Street
City Hall
M125
Los Angeles, CA 90012
goodfoodla.org

The Ecology Center has available funding to cover the costs for scrip. The cost of scrip can vary depending on the amount, markets typically need 1,000 – 5,000 pieces of scrip. A local non-profit, Sustainable Economic Enterprises Los Angeles (SEE-LA), operates seven markets across the City, and they all accept EBT. SEE-LA overhauled its old scrip system a couple years ago and replaced all of their old scrip. They paid \$920 for 18,500 scrip pieces (in 2014- and that included tax + shipping). They recently re-ordered scrip last year for 9,000 EBT scrip at cost of \$473. For more information on scrip funding, contact the Ecology Center at ebt@ecologycenter.org.

Staff Time

Implementing EBT at a farmers market does create an additional responsibility for the market manager. The farmers market will need someone to staff the EBT terminal on market days, handle the record keeping, and manage the bookkeeping so vendors are reimbursed accurately and efficiently. Using SEE-LA as an example, they have calculated that distribution of the scrip may take about 2-4 hours (depending on volume/frequency of EBT shoppers), about 1-2 hours of accounting (when the scrips come back + reconciliation), and lastly prepping the scrip, which can take half an hour to an hour per week. Counting EBT scrip is like counting other forms of payment and does not add much additional work to regular market manager's responsibilities. For a large organization with staff, this personnel time is fairly insignificant, but for volunteer-run or single establishment farmers markets, this could be more of a barrier.

Conclusion

CalFresh/EBT at farmers markets is one tool for promoting improved fresh food access for low-income Angelenos, who are more likely to live in "food desert" conditions with limited healthy food options. Expanding EBT access at farmers markets can be seen as a "win-win" for improving food access and supporting the health of EBT participants, increasing income for farmers markets and vendors and bringing catalytic economic impacts for the local economy.

Although there is additional materials and staff time associated with implementing EBT at a farmers market, the benefits outweigh additional and relatively minimal costs, which are partially off-set by the state. The benefits of this policy is that it would help to alleviate hunger, strengthen the local food system and economy, and ensure that Angelenos of all economic backgrounds can enjoy the best of the Los Angeles foodshed.