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- Audio check - use the **Audio Settings** option to do a sound check

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1. Click on the **Questions and Answers** icon to submit a question to all panelists
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**“AND
JUSTICE
FOR ALL”**



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ECONOMICS OF HEALTHY FOOD INCENTIVES AT MICHIGAN FARMERS MARKETS

July 24, 2017



MICHIGAN STATE
UNIVERSITY

Center for
Regional Food Systems

WEBINAR OUTLINE & SPEAKERS

CONTEXT FOR THIS STUDY



Amanda Shreve
Program Director
Michigan Farmers Market Association



Oran Hesterman
President + CEO
Fair Food Network



Jeff O'Hara
Agricultural Marketing Specialist
USDA Agricultural Marketing Service

MODERATOR



Laura Goddeeris
Specialist
Michigan State University
Center for Regional Food Systems

WHAT DID WE LEARN?



John Mann
Assistant Professor of Agricultural, Food,
and Resource Economics
Michigan State University

DISCUSSION RESOURCES



Kate Fitzgerald
Food Systems Consultant
Fitzgerald•Canepa



Dru Montri
Executive Director
Michigan Farmers Market Association



Food Assistance Acceptance at Michigan Farmers Markets

Amanda Shreve

July 24, 2017



Michigan Farmers Market Association (MIFMA)



Mission: MIFMA advances farmers markets to create a thriving marketplace for local food and farm products

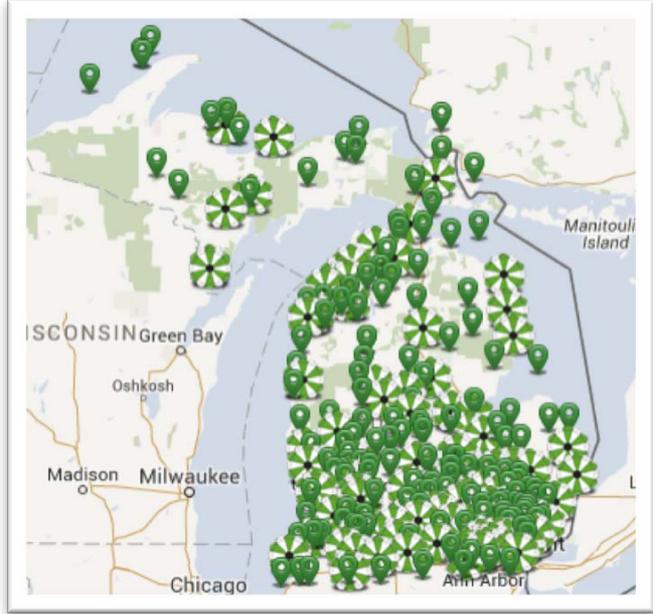
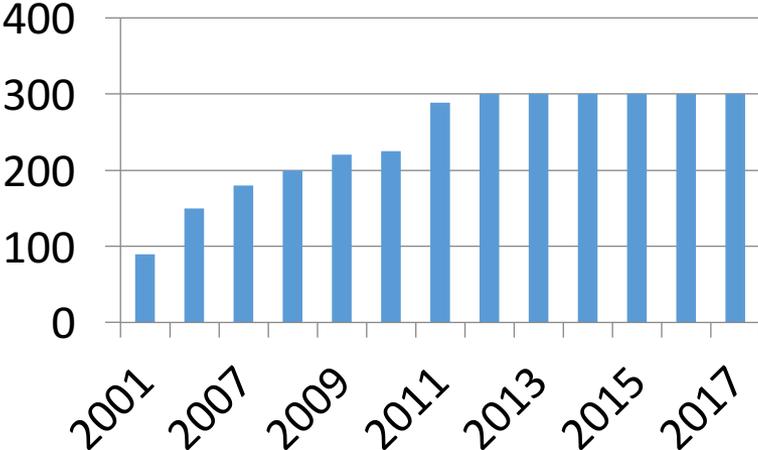
Vision: MIFMA places farmers markets at the forefront of the local food movement and works to ensure all residents have access to healthy, locally grown food and that Michigan farmers markets receive policy support



Michigan Farmers Markets



Growth in Number of Farmers Markets



Food Assistance Programs at Michigan Farmers Markets

Supplemental Nutrition Assistance Program (SNAP)	Food Assistance Program	SNAP Bridge Card
Double Up Food Bucks		Electronic Credits OR Silver Tokens
WIC Farmers Market Nutrition Program (FMNP)	WIC Project FRESH	Paper Vouchers
Senior FMNP	Senior Project FRESH or Market FRESH	Paper Vouchers
Hoophouses for Health		Paper Vouchers
Prescription for Health	Program Names Vary	Paper Vouchers, Tokens OR Prepaid Gift Cards



How MIFMA Supports Farmers Markets that Accept SNAP



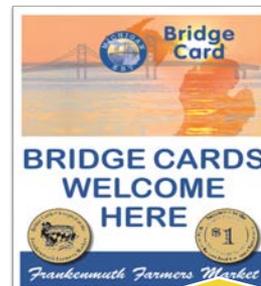
Centralized Resource
& Technical Assistance



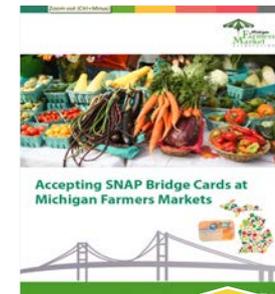
Training



Market Manager
Mentorship Program



Outreach Tools &
Campaigns



Resource Manual

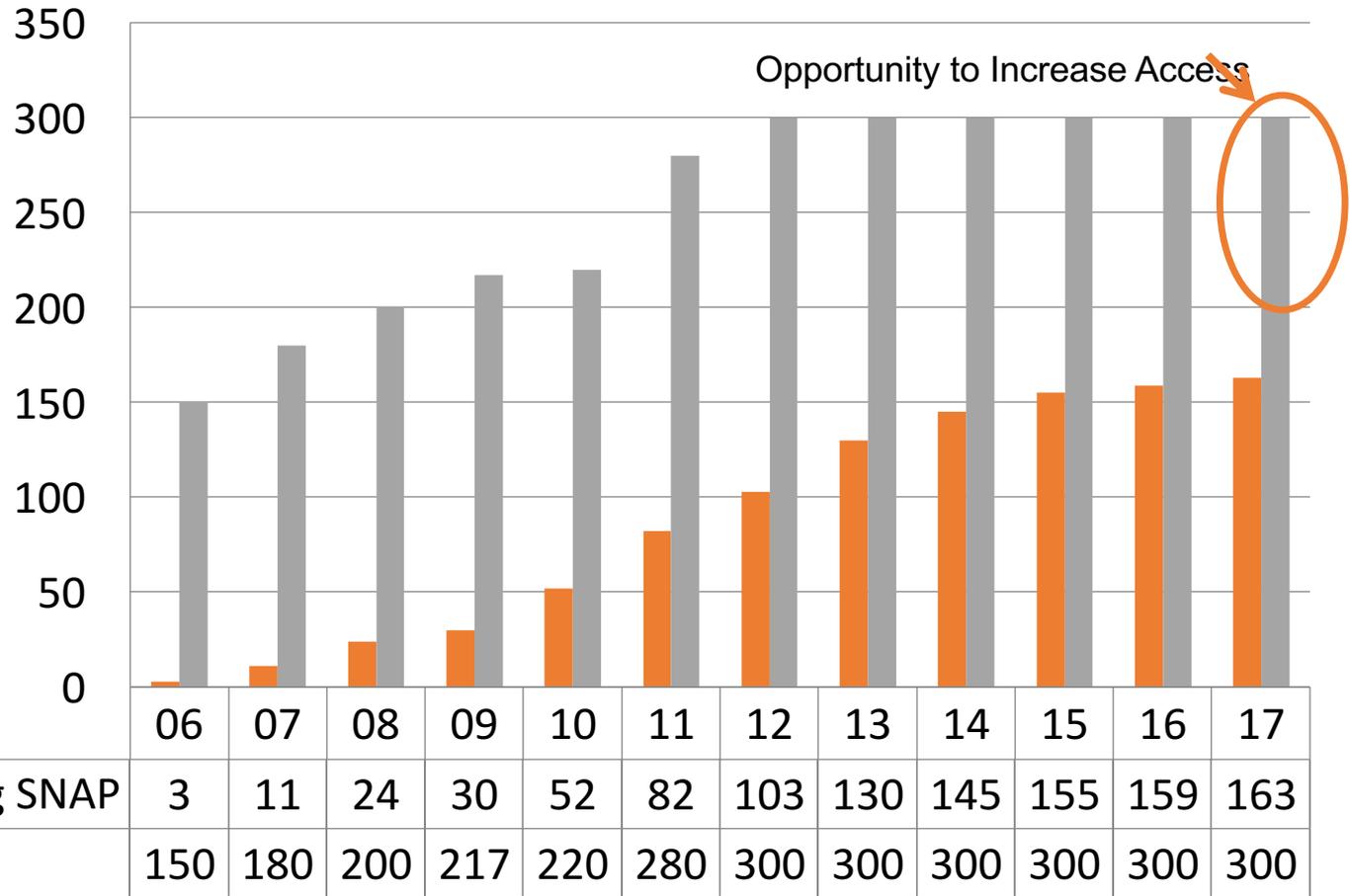


Site Visits

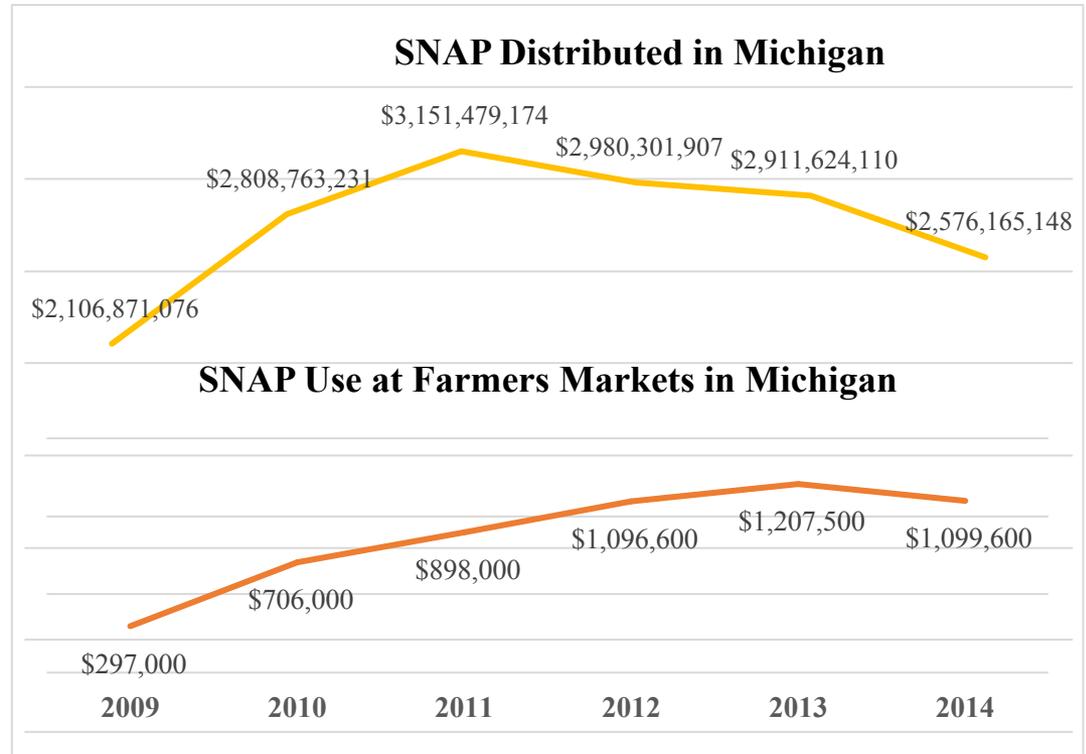


Growth of SNAP Acceptance at Michigan Farmers Markets

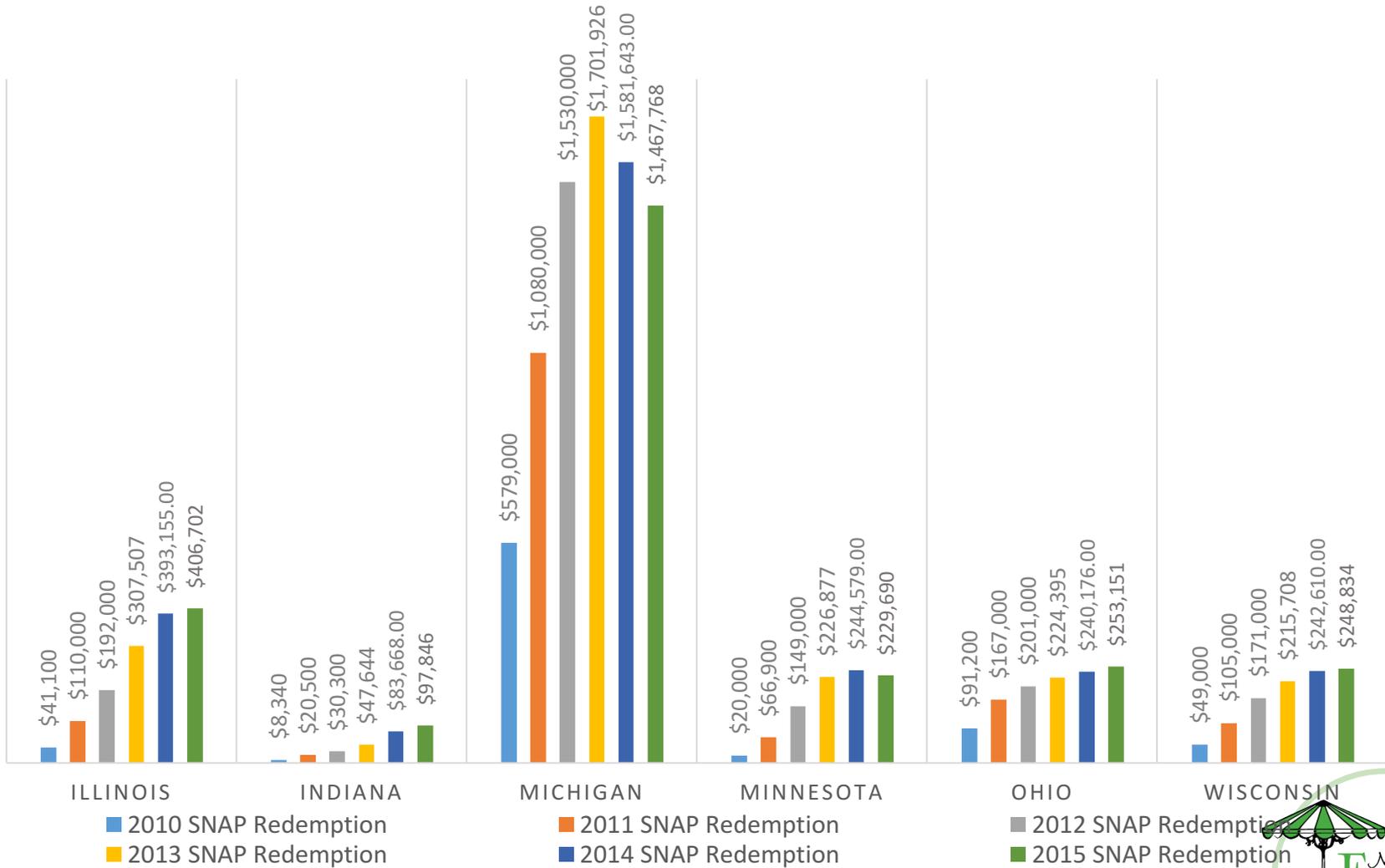
Number of Farmers Markets Accepting SNAP Bridge Cards Compared to the Total Number of Farmers Markets in Michigan from 2006 to 2016



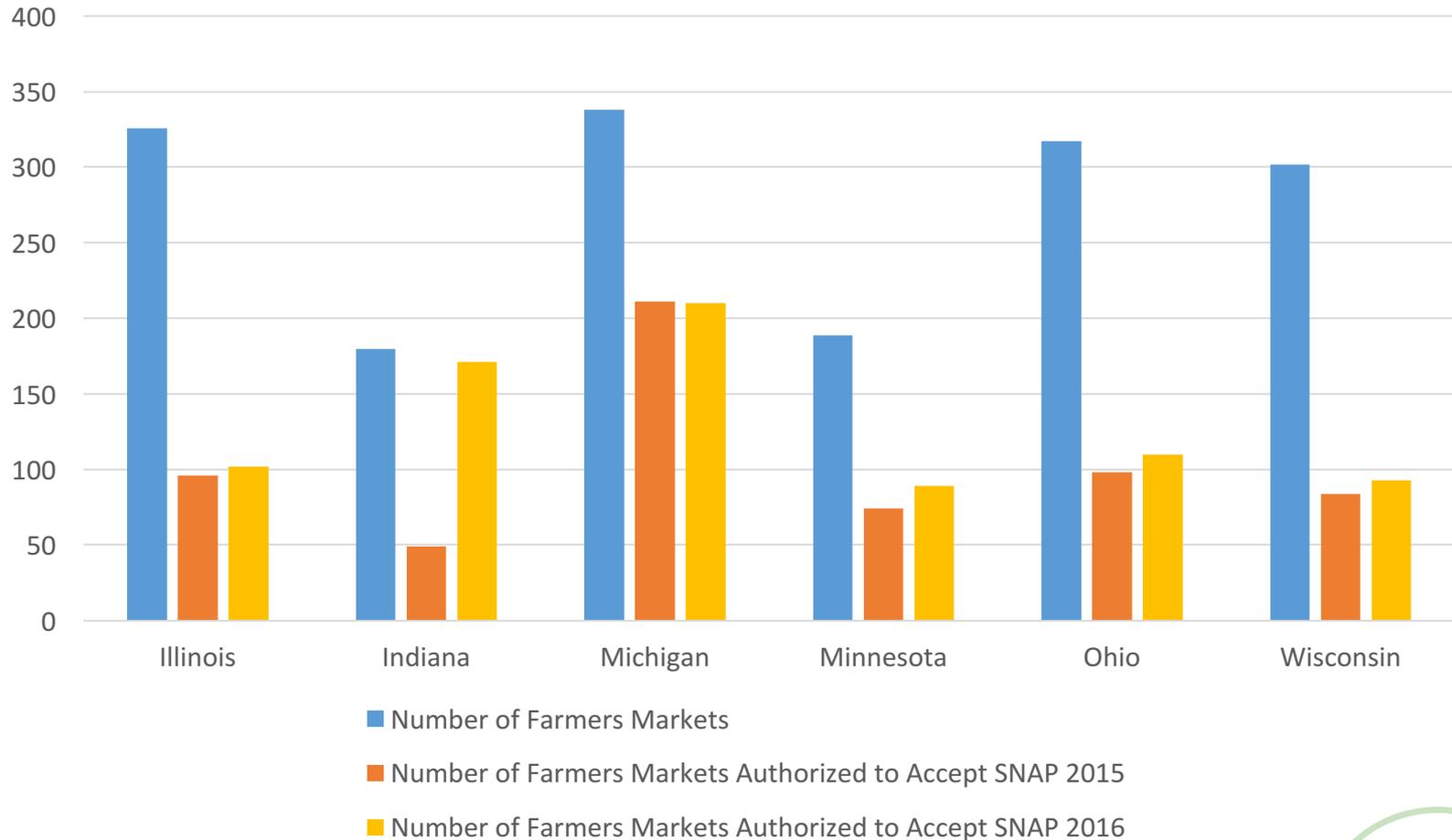
SNAP Sales at Michigan Farmers Markets



SNAP Redemption at Farmers Markets in the Midwest 2010-2015



Farmers Markets Authorized to Accept SNAP in Midwest



The Economics of Healthy Food Incentives



Oran B. Hesterman, PhD
President & CEO



**PIONEERING SOLUTIONS THAT SUPPORT FARMERS,
FAMILIES & LOCAL ECONOMIES.**

Double Up Food Bucks

A NATIONAL MODEL FOR HEALTHY FOOD INCENTIVES



Families bring home more healthy food



Farmers make more money

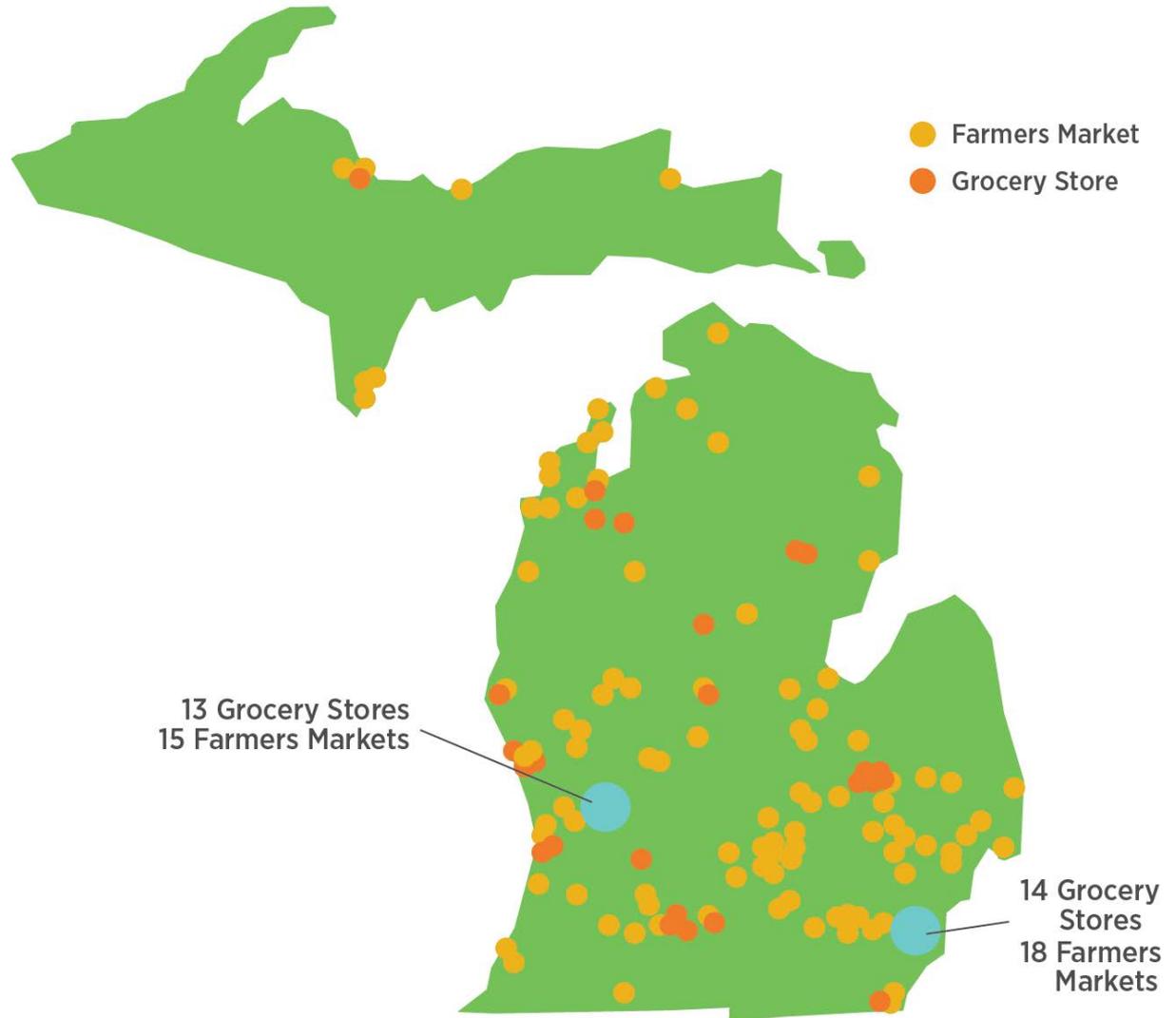


More food dollars stay in local economy, **strengthening communities**

Double Up in Michigan

STATEWIDE SUCCESS

Since
2009
Double
Up has
grown
from 5 to
200+
sites
statewide





2016 Evaluation

Families eat more healthy food.

- SNAP recipients shop more often & eat more produce when Double Up is in place.
- Farmers market shoppers who buy produce 6 or more times per month increased by 97%
- 63% of shoppers are low or very low food security

2016 Evaluation

Farmers get a financial boost.

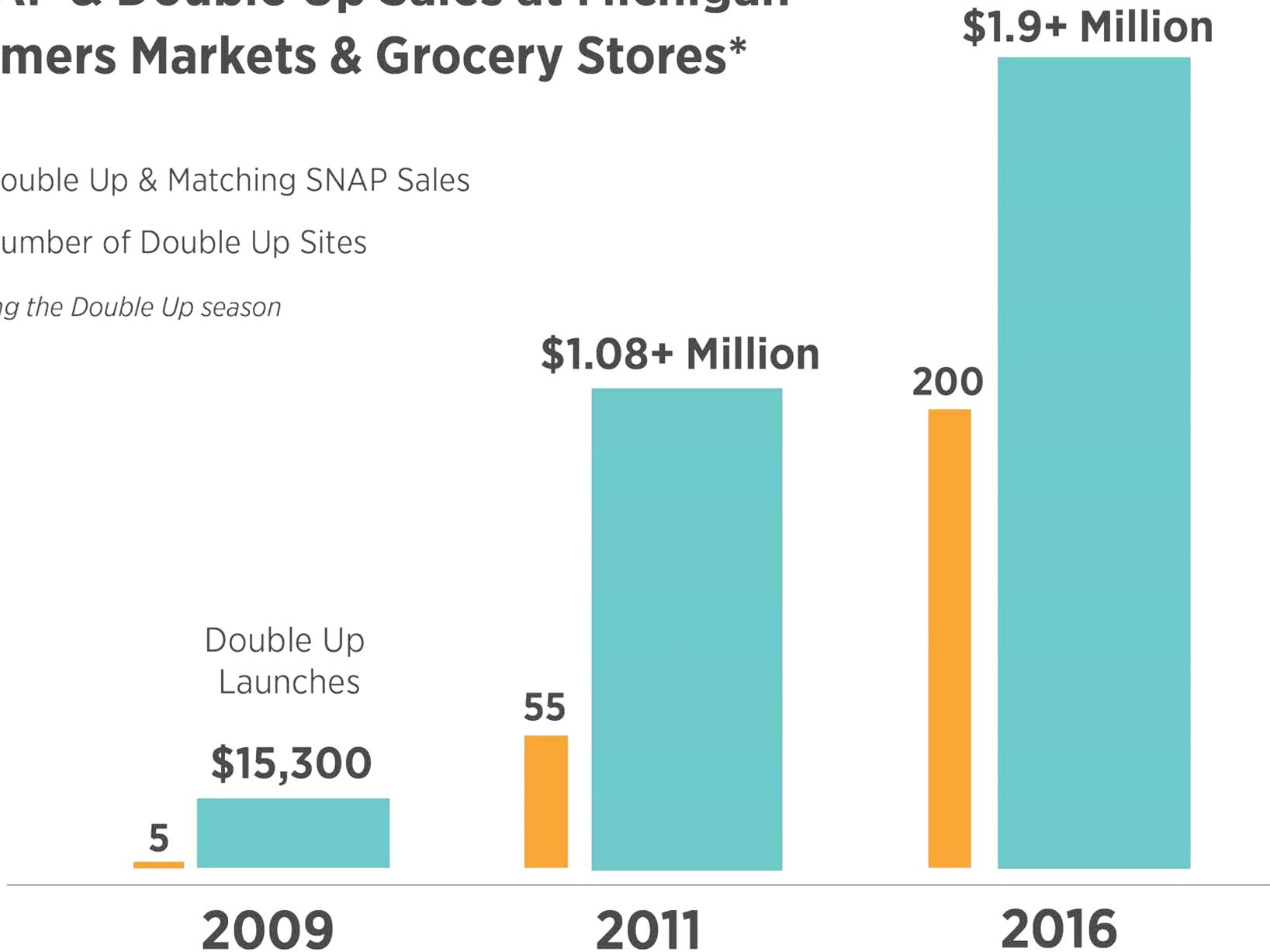
- 1,000+ farmers participate annually
- Majority report making more money, gaining new customers, selling more produce
- \$1.9 million was spent in combined SNAP & Double Up sales in 2016



SNAP & Double Up Sales at Michigan Farmers Markets & Grocery Stores*

- Double Up & Matching SNAP Sales
- Number of Double Up Sites

* During the Double Up season



Analysis of Double Up Incentive Program on Local Food Sales in Michigan

July 24, 2017

MSU CRFS Webinar

Jeffrey K. O'Hara





United States Department of Agriculture

Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses





Local Food Research & Development

Overview

Farmers Markets and Direct-to-Consumer Marketing

Food Value Chains and Food Hubs

Wholesale Markets and Facility Design

USDA Farmers Market

Local Food Directories

Grant Programs

Local Food Research & Development

Farmers Markets and Direct-to-Consumer Marketing:

conducts regular data collection and analysis of farmers market operations and other direct-to-consumer marketing outlets (Community Supported Agriculture, food hubs, on-farm markets) to help market managers, planners, and researchers better understand the impact of these outlets on food access and local economic development, and help the public easily find sources of fresh, local food

Food Value Chains and Food Hubs: studies “food value chains”, an innovative business model in which agricultural producers, processors, buyers, and other supply chain members form collaborative, transparent partnerships that intentionally attempt to combine financial success with social benefit. “Food hubs”, a subset of these innovative enterprises, work to ramp

SHARE



Learn more about the USDA Farmers Market



The issue: To what extent have farmers market incentive programs impacted farmers?



Photo credits: Fair Food Network

Research and Outreach Objectives

- In 2016, USDA AMS commissioned three cooperative agreements in MD, MI, and WA to address the following questions:
 - How have farmers market incentive programs impacted local food market activity?
 - Do the impacts vary depending on:
 - urban/rural status of market/county;
 - vendor characteristics, such as whether they are beginning farmers, and/or
 - other socioeconomic attributes of the market/region?
 - What conclusions can we draw from the project to improve local food economic literacy and support organizations in their capacity to track indicators of market activity?



FINDINGS FROM MICHIGAN STUDY

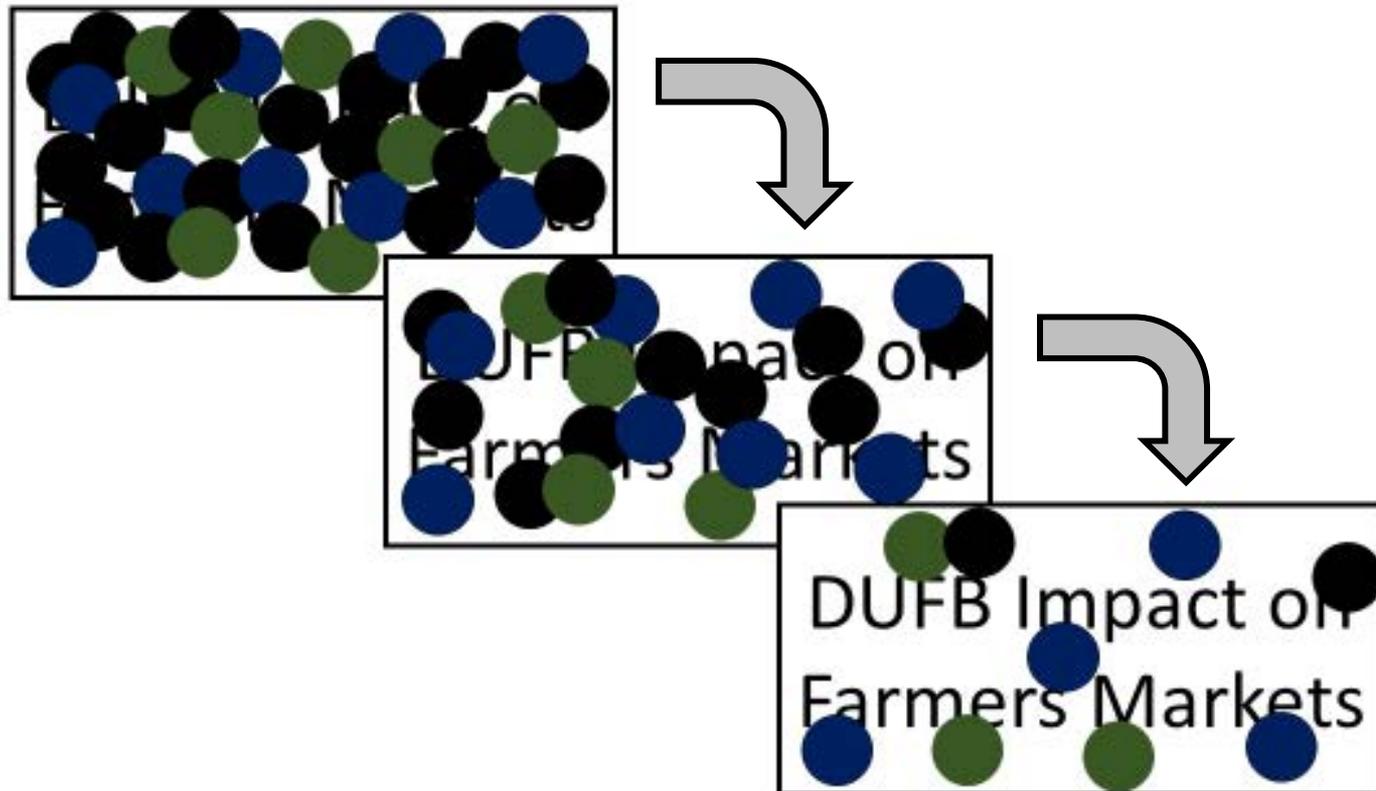
John Mann, PhD

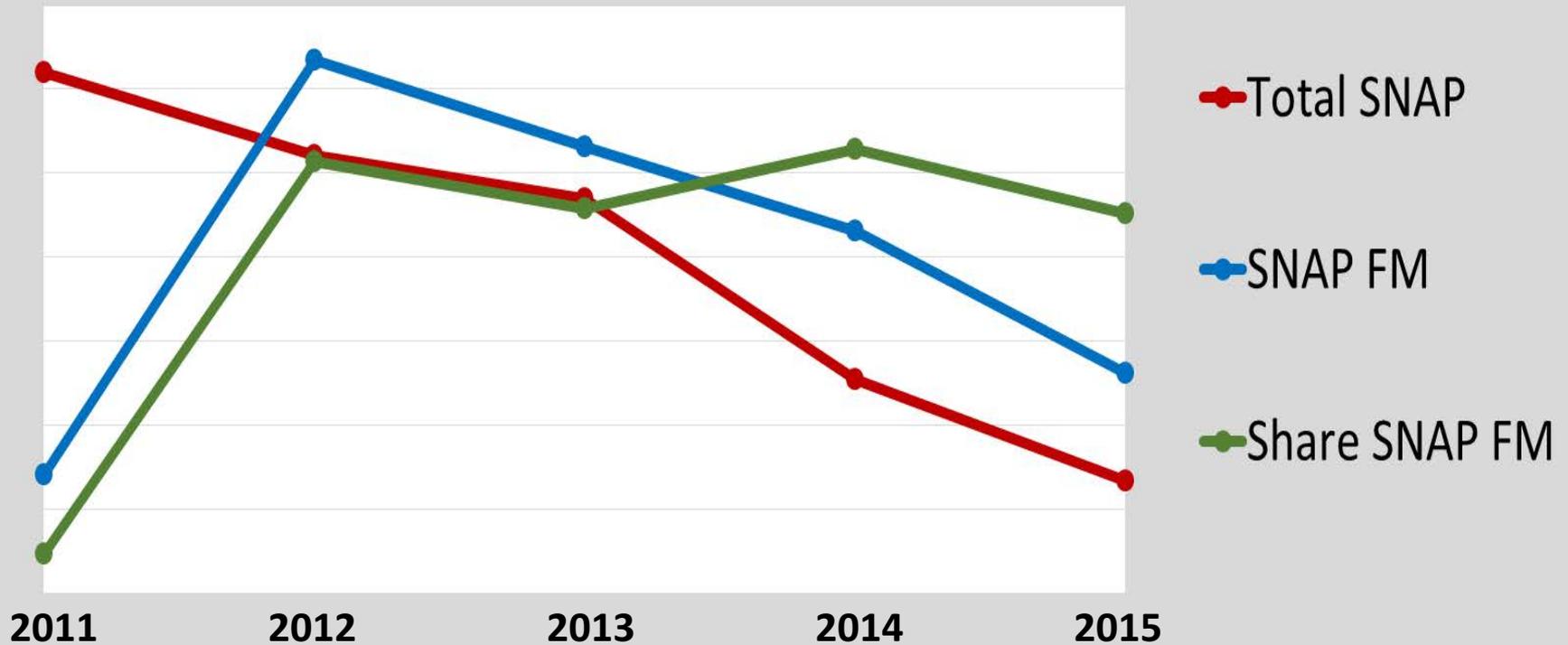
Center for Economic Analysis

MSU Product Center – Food-Ag-Bio

Consider analyses of three data sets:

1. DUFB & SNAP transaction data
2. FM vendor surveys
3. FM DUFB customer surveys

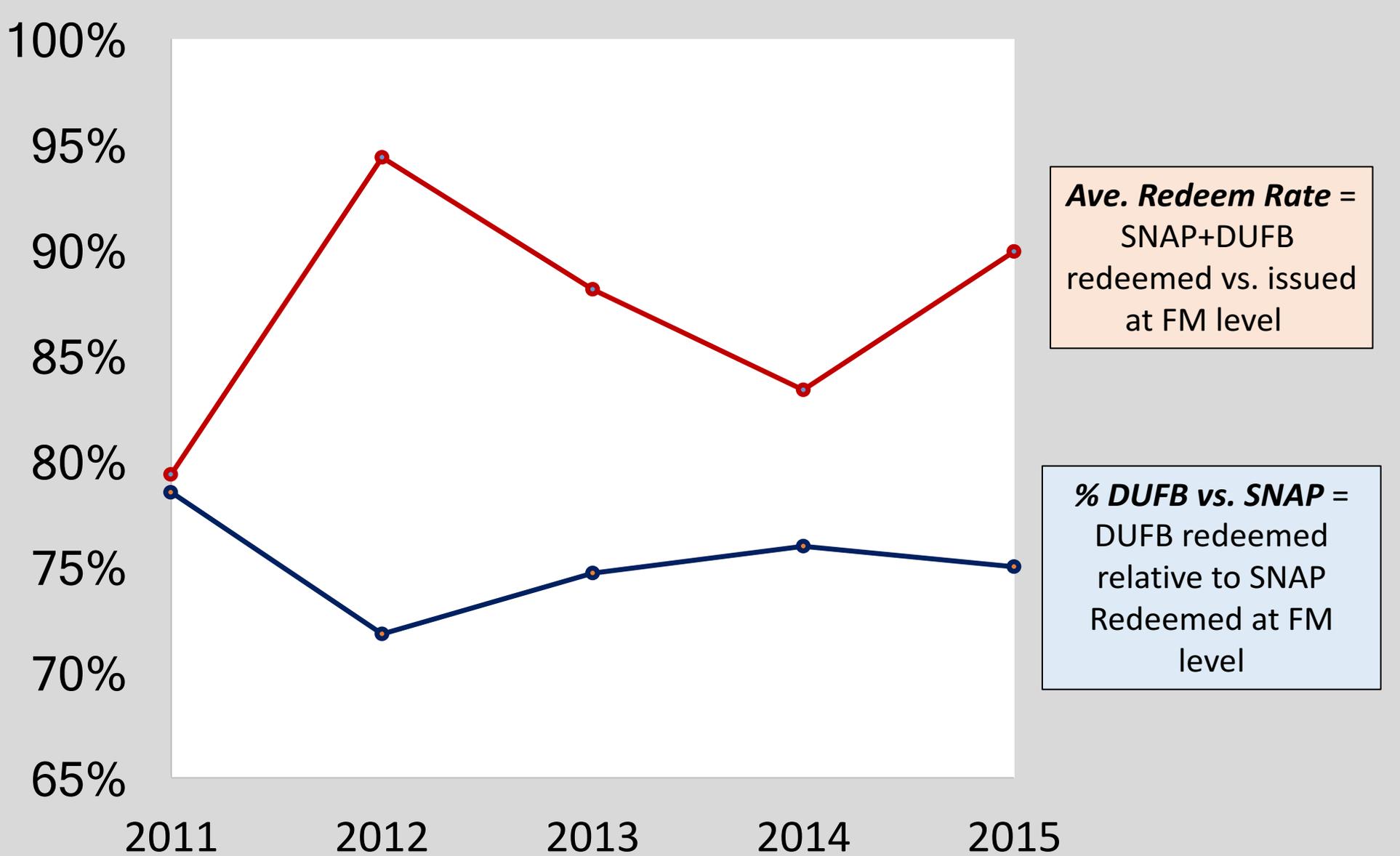




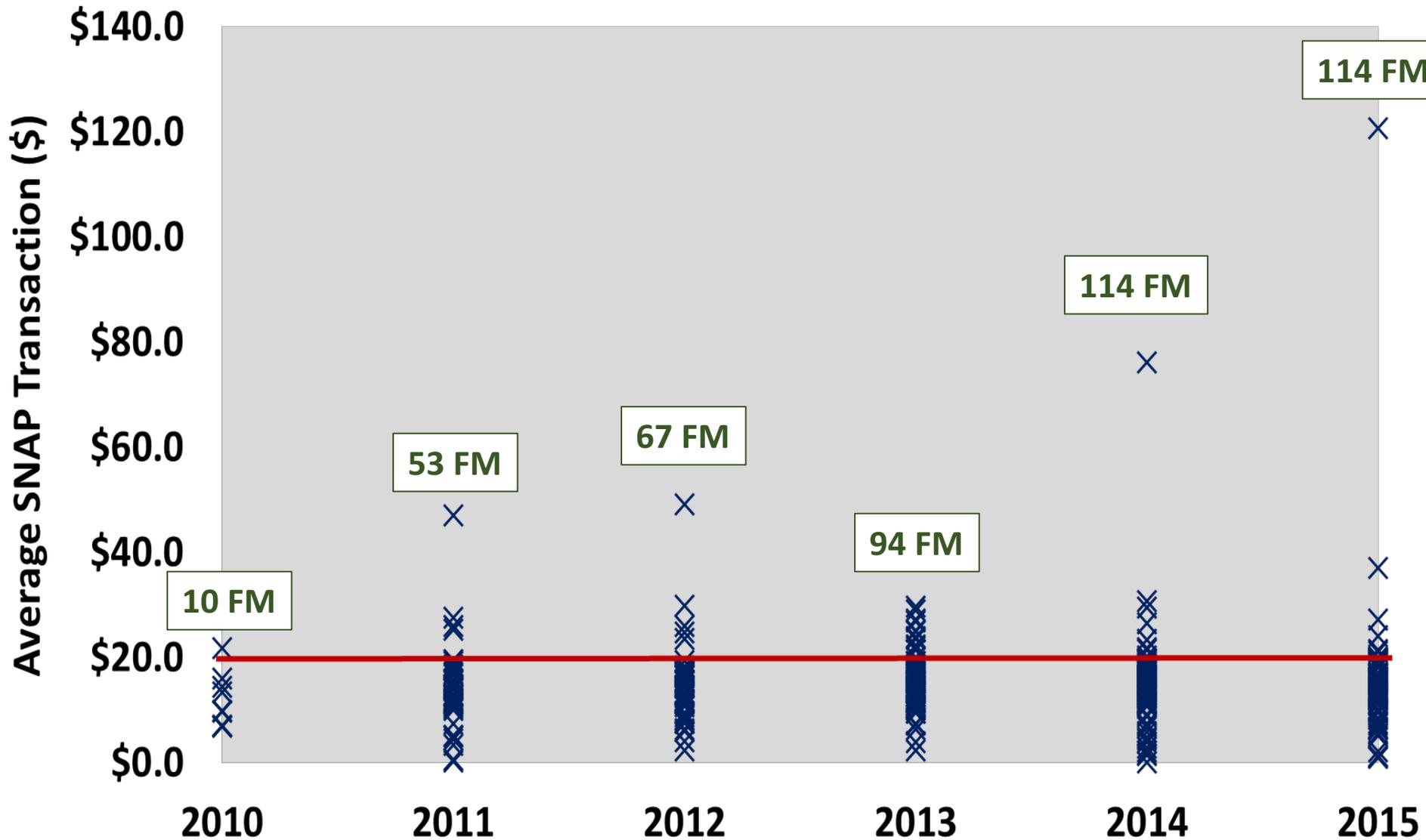
SNAP redemptions between 2011-2015 ↓

- Statewide retailers: -\$737 M (-24%) ↑

- Farmers markets: +\$130 K (+21.5%)



**Extreme values, or places with missing data were filtered out of this figure*



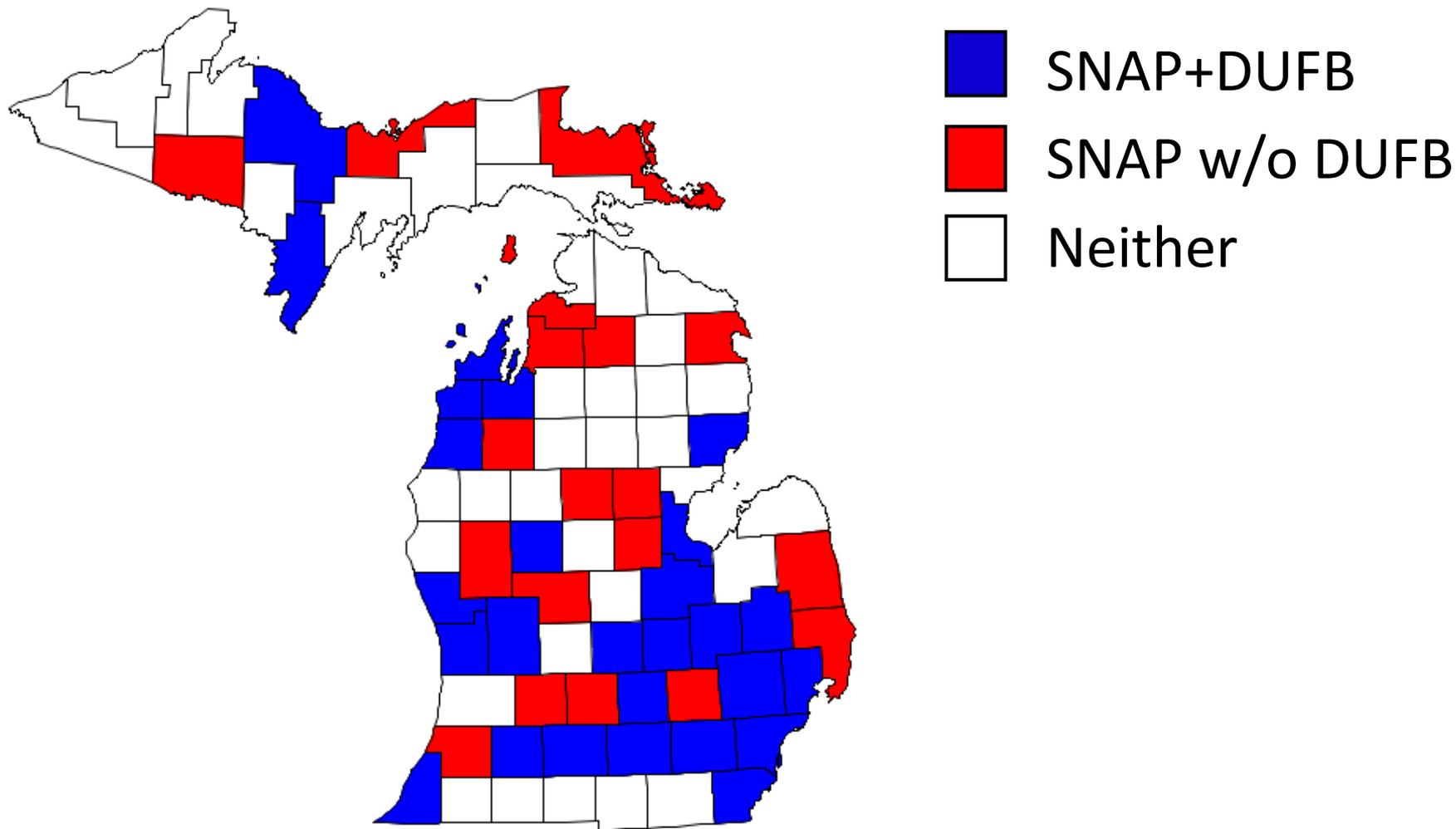
About 5% to 7% of FMs have Average SNAP transactions above \$20

One question we thought we could answer with the transaction data:

Is there a difference between the impact of FMs with SNAP+DUFB vs. those with SNAP w/o DUFB on Direct to Consumer (DTC) sales?

What we did:

1. Direct to consumer (DTC) sales – 2012 Census of Agriculture
2. Michigan county level model
3. Distinguished counties with FM: (1) SNAP+DUFB, (2) SNAP w/o DUFB, (3) neither
4. Added some controls



In 2012, Michigan (statewide) DTC was \$59 M

Source: US Census of Agriculture 2012

Preliminary Results

- Impact: “SNAP+DUFEB” nearly 2X “SNAP w/o DUFEB”
- Interpretation:
 1. DUFEB value is *in addition* to what SNAP is doing.
 2. Supports other work that SNAP/DUFEB customers are a market segment positively impacting FM sales.
- Developed second economic model:
 - See indications that some DUFEB & SNAP recipients spending beyond \$20 match threshold.

For Further Research

- Would like to understand where these additional dollars may be coming from:
 - Are they additional SNAP (think about the average SNAP transactions above \$20)?
 - Out of pocket?
 - Are we picking up other programs?
- Does this imply that if DUFEB sunsets, this group of consumers continue to shop at FMs?

Vendor Surveys

1. More seasoned vendors (10+ years at FM) more likely to participate in SNAP (+10%) and DUFEB (+13%).
2. Less seasoned vendors (>10 years at FM) make higher share of farm sales at FM.
3. General: about 2 out of 3 vendors reported making \$28K or less from FM

Vendor Surveys

Created a model using indices constructed from vendor surveys.

Q: What do we see regarding impact of DUFEB on vendors' perceptions?

VS: Preliminary Findings

1. Less seasoned vendors more favorable view of DUFBI on their bottom line.
2. Vendors with higher share of sales at FMs also had more favorable view.
3. General:
 - Year to year increase in favorable perception.
 - Higher DUFBI issued at FM correlated with more positive perceptions .

DUFB Consumer Surveys

1. Prices: 2 out of 3 believe price at FM same or less than grocery store.
2. Travel: 90% traveled less than 20 minutes to FM, and 65% drove own vehicles.
3. Selection: 75% said selection better at FM.
4. Quality: 80% said quality better at FM.

Summary: Evidence Suggests

1. FM vendors believe DUFB customers are new base and important to their bottom line.
2. DUFB customers see value in FM.
3. DUBF program:
 - Adds sales revenue separate from/in addition to SNAP.
 - Customers appear to be spending \$ in addition to DUFB benefit.

Interpretation: DUFB consumers represent an important market segment for FM.



DISCUSSION

Please submit questions through the [Questions and Answers](#) pod.

Incentives and Farmers' Market Economics

The Farm Bill is being reauthorized *now* and we know that **SNAP incentives work**.



Incentives and Farmers' Market Economics

- 1 The percentage of **SNAP spent in Michigan farmers' markets is growing**
- 2 SNAP shoppers are **a new customer group** for farmers' markets
- 3 SNAP incentives **increase sales by more than the amount of SNAP + incentives**
- 4 Incentive programs have **largest impact on beginning farmers' income**



The 2018 Farm Bill

SNAP incentives meet the healthy food needs of low-income Americans and boost income for family farmers.



Photo: National Young Farmers Coalition



ADDITIONAL QUESTIONS?



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Thank you for participating!