PROPOSAL

Sacramento County to designate a total of $1,216,302 of American Rescue Plan dollars to scale up funding of CalFresh access at every Certified Farmers Market in the county for 3 years. Funds would be allocated as follows:

- Year 1: $375,903 (24 markets)
- Year 2: $405,434 (26 markets)
- Year 3: $434,965 (28 markets)

PROBLEMS TO SOLVE

Enabling farmers market vendors to accept payment from CalFresh benefits requires significant financial resources in order to staff the service at the market and provide back-end administrative, accounting, and reporting support (~$11k/year for a seasonal market; ~$18k/year for year-round). Market operators have narrow margins and cannot afford this expense, leaving CalFresh access dependent upon a collection of small grants and funders. Because available private grants are not sufficient, it is necessary to charge farmers/market vendors up to a 10% processing fee for CalFresh transactions in order to maintain CalFresh access. This fee eats into the already-tight margins of small farmers and vendors and leads to some vendors opting out of accepting CalFresh because they cannot afford to accept it. This not only deprives them of federal nutrition dollars but leaves CalFresh recipients in Sacramento County with fewer options at the farmers market.

PROGRAM GOALS & OUTCOMES

01 Provide CalFresh access at every Certified Farmers Market in Sacramento County

02 Encourage all farmers and vendors to opt-in to accepting CalFresh by removing processing fees

03 Expand critical nutritious food access for low-income Sacramento County residents

04 Enable all Certified Farmers Markets in Sacramento County to include Market Match incentives ($15 incentive per customer per week)

05 Direct federal and state nutrition dollars to local farmers and small food businesses, stimulating the local economy.

06 Catalyze the creation of new farmers markets in under-served, low-income communities in order to reduce food insecurity and provide market opportunities for farmers and small food businesses.

KEY DATA

- Strong ROI: every $1 in CalFresh spent at a farmers market stimulates $1.79 in local economic activity (USDA Study).
- 9 Sacramento County farmers markets are on track for $670,000 in CalFresh and Market Match usage in 2021.
- At 9 Sac County farmers markets, CalFresh usage has surged by 203% and Market Match by 74% since 2019.
- Multiple studies indicate farmers market customers eat more fruits and vegetables, improving public health and preventing chronic disease.
BACKGROUND

History:
When Food Stamps moved to an Electronic Benefits Transfer system in 2003, farmers markets and the farmers they served were left out of the loop. The system would have required every single vendor at a market to operate their own USDA-issued EBT machine. A collaboration between non-profit organizations and state and federal agencies responded by developing the Single Point of Sale and Scrip model that is now used across the state.

How it Works:
The single Point of Sale (POS) and scrip system allows all eligible food vendors in a multi-vendor farmers’ market to sell eligible food products to CalFresh EBT recipients without each vendor needing individual authorization by the USDA Food & Nutrition Service (FNS). The central POS device is usually located at a staffed market information table or carried by an easily identifiable market staff person. The process works as follows:
1. The staff person asks the customer how much of their food benefits they would like to transfer to scrip. Then the staff person swipes the customer’s card, which debits the amount the customer requests from the balance stored on the card. (This amount is then transferred from the customer’s account to the market’s or association’s bank account.)
2. The staff person then issues scrip in the amount requested by the customer.
3. The customer can use the scrip like cash with vendors in the market to purchase eligible food products.
4. At the end of the market day, vendors trade the scrip for cash, check, or a receipt for future payment from the facilitating organization. The customer can return unused scrip for credit on their EBT card, or hold the scrip for later use.

The Impact of Market Match
Market Match (MM) is a California program that incentivizes healthy food choices for farmers market customers. When a farmers market customer transfers funds from their EBT account to market scrip, Market Match can provide matching scrip for the first $5, $10, or even $15 they withdraw each week. Whereas CalFresh scrip can be used to purchase a wider variety of groceries at the market, MM dollars can be spent only on fresh fruits, vegetables, fresh-cut herbs, or edible plant starts. These funds provide a substantial boost to the grocery budgets of low-income Sacramento County residents and also encourage the consumption of health-promoting produce.

Market Match is well-funded at both the state and federal levels but it can only be layered on to a farmers market that already offers CalFresh access. While Market Match provides major incentives, it is dependent on other funding sources supporting the CalFresh program that serves as its foundation.

GROWING IMPACT

In 2012, Alchemist CDC partnered with five local farmers markets to provide CalFresh and Market Match (MM) access and distributed a total of $71,823 in EBT/CalFresh and $9,701 in MM. Today, we partner with nine farmers markets in Sacramento County and are on track to distribute $81,908 in EBT/CalFresh ($462,083) and MM ($219,825). These projections do not include the addition of the Capitol Mall farmers market at which we will begin providing CalFresh and MM in September 2021. While Alchemist CDC is the largest facilitator of CalFresh and MM at Sacramento County farmers markets, additional markets in the county offer CalFresh and their numbers are not included here.

“Je's nice getting local and fresh food plus free dollars to shop with. It's cheaper than the grocery store and there's better variety!”

“I am on a very limited income and here I can use my card and buy from farmers.”

Feedback from CalFresh customers at Sacramento farmers markets.