

**Summary Report
2010 Illinois Link/EBT Transactions**

**Sylvia Smith, Southern Illinois University Carbondale
Pat Stieren, PStieren Consulting**

Introduction

Electronic Benefit Transfer (EBT) is technology which will allow food stamp/Link participants to access to fresh, nutritious foods while increasing sales for local farmers. The program started in 2001 in order to shift from paper food stamps to debit-style transfer cards.

The purpose of the study was to: 1) understand how current Illinois markets are operating Link/Credit/Debit transactions within the state, 2) identify an IL Farmers Market revenue base resulting from Link/EBT transactions, and 3) share informational data with other farmers markets in order to develop and generate new funding for this program.

The Link/EBT questionnaire was developed with the assistance of a Panel of Experts during the month of August 2010. The Expert Panel was experienced with Link/EBT transactions, either as market managers or consultants. The questionnaire had a total of 33 items. Information collected from the questionnaire included: 1) market information, 2) Link transactions, 3) Link education and outreach, 4) credit/debit transactions, 5) vendor participation, and 5) associated costs. The survey was distributed electronically during the months of September and October 2010 to Illinois market managers that reported using EBT technology (N=25). Institutional approval was obtained for Human Subjects research.

Results

Out of a total 25 Illinois Farmers Markets that offer EBT services, 17 responded to the survey for a 68% response rate. Therefore, the following data represents 68% of the EBT transactions in the state of Illinois. Table 1 indicates the markets that completed the survey questionnaire, their opening and closing dates, as well as the number of vendors at each market. The Urbana Market has the highest number of vendors at 75, followed by Peoria River Front Market (65) and Green City Market (55). The majority of the markets open the first or second week of May and close the latter part of October. None of the reported markets with EBT services were located in the southern part of the state. The majority of the markets offering EBT services were in the greater Chicago area.

Table 1. Reported Illinois Farmers Markets Offering EBT

Name of Market	Opening	Closing	Vendors
Illinois Products Farmers' Market	5/13/2010	10/21/2010	35
Urbana's Market at the Square	5/1/2010	11/6/2010	75
Oak Park Farmers' Market	5/1/2010	10/30/2010	27
Woodstock farmers market	5/1/2010	12/18/2010	30
Logan Square Farmers Market (Outdoor)	6/6/2010	10/31/2010	39
61st Street Farmers Market	5/15/2010	12/18/2010	17
Daley Plaza	5/13/2010	10/21/2010	35
Lincoln Square	6/8/2010	10/26/2010	25
Division Street	5/15/2010	10/30/2010	30
South Shore	6/9/2010	10/27/2010	3
Beverly	5/16/2010	10/24/2010	8
Green City Market	1/15/2010	12/23/2010	40
Green City Market	Year-round	Year-round	55
Peoria RiverFront Market	6/5/2010	9/25/2010	65
Downtown Bloomington Farmers' Market	5/15/2010	10/30/2010	40
Evanston Famers Market	5/6/2010	11/6/2010	34
Bronzeville Community MArket	6/5/2010	10/30/2010	7

Table 2 represents the administrative characteristics of the markets. The number of vendors who offer Link approved food items range from 3 to 60 with a mean of 26 vendors per market. The number of transactions, however does not necessarily correlate with the number of vendors at the market or the number of vendors selling Link approved items. For example, the market with the highest number of Link/EBT transactions (1470) reported only 23 link approved vendors, whereas the market with the greatest number of vendors (75), 58 of which sell Link approved products had 188 transactions. Therefore, the number of transactions is not a reflection of the size of the market, but perhaps the market location, the customer base, and/or the promotion of Link/EBT services.

In addition, Table 2 displays the “one-time startup” costs as well as the average monthly costs. The highest reported startup costs were from Daley Plaza at \$1,500.00. These costs were covered with a grant. *Note. Daley Plaza had the highest number of transactions and reported sales of \$13,000.00 for the 2010 market year. With sales of this magnitude, the cost benefit analysis of the startups is apparent.

Table 2. EBT/Link Administration

	Lo	Hi	Mean
Number of EBT/Link Vendors	3	60	26
Number of Link Transactions	34	1470	325
One-time Startup Costs	\$1.00*	\$1,500.00	\$677.00
Average Monthly Costs (service fees, mailing costs, etc.)	\$0.00*	\$800.00	\$149.00

n=17

60% of Markets reported the **1st week** to be the busiest week of the month

*Grant supported

Table 3 displays the reported Link sales for 2009/2010 and the percentage increase for the subsequent year. All Illinois farmers markets reported an increase in Link sales, several as high as 2000% or more, for an average Illinois market increase of 1800%. These sales go directly into the pockets of the farm vendors.

Table 3. Reported Sales and % Sales Increase for Illinois Farmers Markets Offering EBT

Name of Market	Vendors	2009 EBT Sales	2010 EBT Sales	% Sales Increase
Illinois Products Farmers' Market	35	\$ 63.00	\$ 1,078.00	1611%
Urbana's Market at the Square	75	\$ 202.24	\$ 4,247.00	2000%
Oak Park Farmers' Market	27	\$ 120.76	\$ 362.28	200%
Woodstock farmers market	30	\$ 60.00	\$ 500.00	733%
Logan Square Farmers Market (Outdoor)	39	\$ 208.45	\$ 3,543.69	1600%
61st Street Farmers Market	17	\$ 375.00	\$ 7,000.00	1767%
Daley Plaza	35	\$ 700.00	\$ 13,000.00	1757%
Lincoln Square	25	\$ 275.00	\$ 4,350.00	1482%
Division Street	30	\$ 150.00	\$ 3,050.00	1933%
South Shore	3	\$ 140.00	\$ 2,630.00	1779%
Beverly	8	\$ 70.00	\$ 1,170.00	1571%
Green City Market	40	\$ 100.00	\$ 2,600.00	2500%
Green City Market	55	\$ 70.00	\$ 2,700.00	3757%
Peoria RiverFront Market	65	\$ 97.81	\$ 1,565.00	1500%
Downtown Bloomington Farmers' Market	40	\$ 130.00	\$ 2,735.00	2004%
Evanston Famers Market	34	\$ 80.00	\$ 1,900.00	2275%
Bronzeville Community Market	7	\$ 100.00	\$ 2,234.00	2134%

Table 4 presents the data for Illinois Farmers Markets that also offer Credit/Debit transactions at their market. Of the 17 markets responding to the questionnaire, only 5 of these markets reported Credit/Debit transactions, as well. Two of the five markets charged a customer transaction fee to cover any costs incurred.

Table 4. Illinois Markets Accepting Credit/Debit Cards

Name of Market	Customer Transaction Fee?	2010 Average Market Day Sales	2010 Total Sales
Urbana's Market at the Square	Yes/\$1	\$ 1,798.50	\$ 35,970.00
Oak Park Farmers' Market	No	\$ 176.41	\$ 529.24
Woodstock farmers market	No	\$ 350.00	\$ 9,000.00
Logan Square Farmers Market (Outdoor)	No	\$ 842.65	\$ 14,325.00
Downtown Bloomington Farmers' Market	Yes/\$2	\$ 640.00	\$ 13,244.00

*Note. Data was collected during the months of September and October 2010, before the close of the market season.

Table 5 is a list of suggestions, considered “Best Practices” from Illinois Market Managers who currently implement, promote, and administer Link/EBT services. Several of the markets suggest ways to offset additional transaction expenses by charging a nominal fee to customers, but for many of the markets these costs are absorbed within the market budget. One overarching theme is that EBT services present change, and adjustment for the current market. The change may require extra volunteer help or extra work in order to successfully administer the process. Experienced managers suggest planning, training, and promotion to be very important for implementing a new EBT system.

Table 5. Illinois Best Practices Regarding EBT/Credit/Debit Transactions

When a Link transaction occurs at a grocery store, most consumers would not notice because a Link card looks identical to a credit or debit card. However, when using a Link card at the market the consumer must come to a special window and then receive "tokens" as their means of currency. Next, they must hand these tokens to a vendor in exchange for the product. Therefore, it is more noticeable at the market when someone is utilizing Link benefits than it is in a grocery store. This is something that concerns me. I know that many markets alleviate this problem by having tokens for credit/debit users, so that Link users are not as distinguishable, however, we do not want to handle consumer cash at our market.

We are not, at this time, planning to raise vendor fees to cover the cost of credit/debit/LINK at the Market. The Market is, instead, using its own funds to pay for the program, in addition to transaction fees passed along to Market patrons. This amount, now \$1.00, may be increased for the 2011 season. We've been swamped with transactions at our Market. We would benefit a great deal from having a staff member of volunteer to manage this aspect of the Market, as current staff is barely handling the volume plus other tasks.

The farmers market is not assessing any fees for this program, for the link or for the credit/debit program to either the customers of the vendors. We are using general market funds to finance this.

We are absorbing operating fees into the market's general expense. We do not believe that it is cost effective to allocate fees back to the individual farmer/vendor.

We found housing the EBT Machine and acting as the first contact for EBT users is working best. Growth is significant over the last month. Keeping scripts on hand at the Information Tent and distributing them to EBT users upon arrival, making it easier for everyone, and is working well. Like anything new, our volunteers were nervous about helping but once they see the simplified process, they have become enthusiastic. EBT users seem very pleased to have the option and word is spreading quickly throughout schools and senior residences. While it has taken longer for usage, we are seeing more and more usage with each market. Very exciting!

1. Before implementing Link, make sure your market has the demand and can handle the costs and staffing needs 2. Establish as many partnerships as possible in the community -- with potential funders, organizations that work with potential recipients (e.g., food pantries), and groups that can help with volunteers (e.g., social justice organizations) 3. Make sure vendors understand the program and what is expected of them. Also make sure they appreciate how it will benefit them by bringing in sales they might not otherwise have made. 4. Determine how your market is going to promote the program and attract Link customers -- this has been much harder than we expected, and we are still not happy with our results. 5. Celebrate and publicize your successes!

Conclusions

The preceding data was derived from a questionnaire distributed in September and October of 2010 to better understand the Link/EBT activity generated in Farmers Markets in the State of Illinois. Total revenues of \$54,665.00 were reported from 17 markets in the state of Illinois. This represents a 1758% increase over 2009 totals of \$2,942.00. Startup costs were part of the

process, however, eight of the seventeen markets who responded to the questionnaire used grants to cover costs, while nine of the seventeen used market operating fees to cover additional costs. Sixty percent of markets reported the first week of the month to be the busiest for Link/EBT transactions.

Regarding credit/debit transactions, five of the seventeen markets offered these services for a reported \$73,068.24 in revenue. Data was not collected for currency transactions to determine if the credit/debit expenditures had an effect on average market sales.

For the most part, it appears the benefits of adopting Electronic Benefit Technology far out ways the costs. The average percentage increase in Link/EBT sales was 1800% for the years 2009 to 2010. Only a few markets, although increasing their sales from 2009 to 2010, did not appear to make enough money to cover the costs of the EBT equipment, approximately \$1,500. As one market manager suggested, “make sure your market has the demand and can handle the costs and staffing needs.” Although the administration of a new system comes with its headaches, with planning and training, EBT could be one way to improve the bottom line for the local farmers market in Illinois.