

CSA Farmer's Guide to Accepting SNAP/EBT Payments

Bryan Allan, Zenger Farm

March 21, 2013

http://www.extension.org/organic_production





Bryan Allan, Zenger Farm

CSA Farmer's Guide to Accepting SNAP/EBT Payments



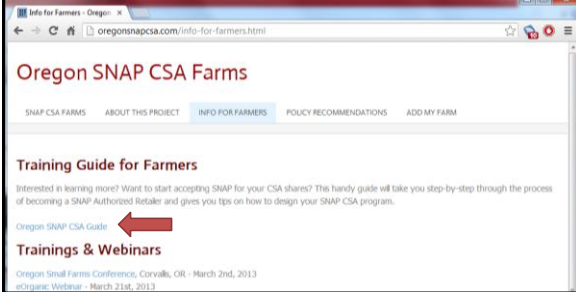
Zenger Farm
11741 SE Foster Road
Portland, OR 97217
zengerfarm.org

Bryan Allan
Questions:
OregonSNAPCSA.com



Download the national guide and follow along

- OregonSNAPCSA.com/info-for-farmers.html



About Zenger Farm

Access to Good Food for All

- Direct Link
- Sustainable Farming
- Education

SNAP CSA Pilot Project

- What works, what doesn't?
- 2011: 10 SNAP, 20 total
- 2012: 20 SNAP, 40 total



ZengerFarm.org

Acknowledgments



Healthy Food Access Initiative



Specialty Crop Block Grant

Trailblazing Oregon SNAP CSA Farms:

- Circle H Organic Farm
- Siskiyou Sustainable Coop
- Winter Green Farm

By the end of this webinar,
you will...

- Want to accept SNAP payments!
- Know the essential SNAP rules
- Have a plan to integrate SNAP payments
- Have tools to find and retain SNAP members
- Be able to make a hassle-free application

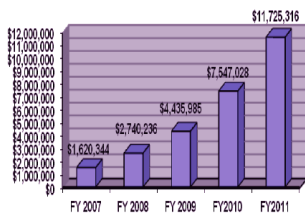
What is SNAP, EBT, and FNS?



Financial Benefits

- Farmers markets are doing it, why aren't we?

Value of Farmers' Market SNAP Redemptions



- Over the past five fiscal years, farmers' market redemptions have increased 624%.
- In fiscal year 2011, program recipients made 675,577 purchases at farmers' markets and direct marketing farmers nationwide. The average purchase amount was \$17.50.

Financial Benefits

- One-in-Seven Americans participate in SNAP
- The average monthly household benefit is \$275
- That's \$75 billion annually nationwide!!!



Social Justice Benefits

- Increased access to healthy food
- Not just any food, some of the best available!
- Your CSA members develop lifelong skills
- No money out of your pocket!
(scholarships, sliding scale, etc).

The Basics

- All CSA farms can participate!
 - Selling fresh/processed food that you grow
- Process:
 - Charge your member's EBT card
 - Direct deposit in 2 business days

SNAP Eligible Foods

Yes

- Food grown for human consumption
- Plants and seeds that grow that food



No

- Hot foods
- Food prepared to eat immediately
- Inedible flowers
- Decorative gourds
- Alcohol & tobacco
- Medicine and vitamins
- Live animals

Allowable Charges

Yes

- SNAP eligible foods, plants and seeds
- Bottle deposits



No

- Membership Fee
- Administrative Fee
- Delivery Fee
- Deposit
- Taxes
- Anything else

Under the rules, you may only accept SNAP payment at pick-up

- Not before and not after
- No upfront SNAP payment
- No payment at the beginning of each month for pick-up later on or multiple pick-ups
- Exception if you partner with a 501(c)(3)

State-by-State Differences

- Nationwide federal rules
 - Variations for Alaska, Native American tribes and reservations and Puerto Rico
- Applications are evaluated at the national office
- Waivers
- Interpretations and Implementations
- New York:
 - Just Food's CSA in NYC program since 1990s
 - Different application process
 - justfood.org/tipsheet/csa-nyc-toolkit/food-stamps-and-csa/becoming-certified-accept-food-stamps



Envisioning SNAP at your CSA



EBT-only Wired Terminal Model

- Situation
- Face-to-Face
 - AC Outlet
 - Landline Telephone Outlet

- Costs
- Free



Farmers Market Model

Situation

- Face-to-Face
- Pick-up at market that accepts SNAP

Costs

- Free (depending on arrangement with market)



Wireless Terminal Model

Situation

- Face-to-Face
- Cell reception

Costs

- \$600+ terminal, \$45+ monthly, \$.15+ transaction fee
- Mobile Market + from Worldpay \$332 attachment, \$100 annually, \$.15 transaction fee



Vouchers

- Carbon copy receipts
- Authorize payment without a terminal
- Get them free from your vendor

Two-Step Process

- Approve the voucher
 - Puts a hold on customer's funds
- Clear the voucher
 - Transfers the funds to you

Approving a Voucher

SAMPLE OFFLINE FOOD VOUCHER #XXXXX

Merchant: If voice authorization is denied, USDA-FNS regulations prohibit you from representing this voucher for payment.

APPROVAL NUMBER 123456	TRANSACTION DATE/TIME 11/20/13 12:00 PM
Amount \$ 12.34	Store FNS Authorization Number 123456
Card Number (Print all digits of card number) 1234 5678 9012 3456	<input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Refund
Print Cardholders Name <i>John Hancock</i> Date 1/1/2013	Print Store Name My CSA
Cardholder Signature <i>John Hancock</i>	Store Phone Number () 503 423-1212
<small>By signing this voucher, I believe food funds are available for the full amount of this transaction. If funds are NOT available, the State may direct that future month's benefits be deducted under specific circumstances.</small>	Store Address 123 Main St.
	Store City/State/Zip code Portland, OR 97201
	Store Supervisor/Clerk Signature <i>Farmer Al</i>

In the event of a dispute, if any information in shaded areas has been altered, charge back may occur
FIS Zpt 5/10 White Store Copy Yellow Customer Copy

Vouchers must be cleared on POS device within 15 days.

Clearing a Voucher: Two ways

- Terminal
 - Re-enter Information
- Online
 - ebtEDGE.com in Oregon (depends on vendor)
 - Faster
 - Poor recordkeeping
- Timeline
 - Must clear within 15 days
 - Direct deposit happens 2 business days later



Point-of-Sale Voucher Model

- Situation**
- Face-to-Face
 - Cellphone
 - Cell reception
- Costs**
- Free (other than cell phone)



Prepared Voucher Model

Situation

- Face-to-Face
- No cell phone/reception

Costs

- Free

Later at Pick-up ›



Designated "Cashier" Voucher Model

Situation

- No Face-to-Face

Costs

- Free

Later at Pick-up ›



Isn't there an easier way?

- No
- Zenger Farm Policy Recommendations
 - Allow upfront and monthly payments
 - Application specific to farm direct sales
 - Clarify how certain rules apply
 - Get involved at OregonSNAPCSA.com

The Nuts and Bolts

- Working with SNAP members
- Becoming authorized to accept SNAP
- Getting set up with a terminal and a vendor

SNAP Member General Considerations

15% of Americans: People from all walks of life

1. Many SNAP members are first-timers
2. SNAP members must pay at every pick-up
3. SNAP members may not have a financial safety net

Working with SNAP Members

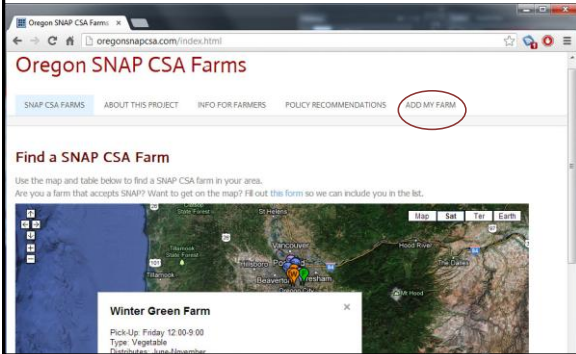
- Outreach
- Managing expectations
- Retaining your member to the end

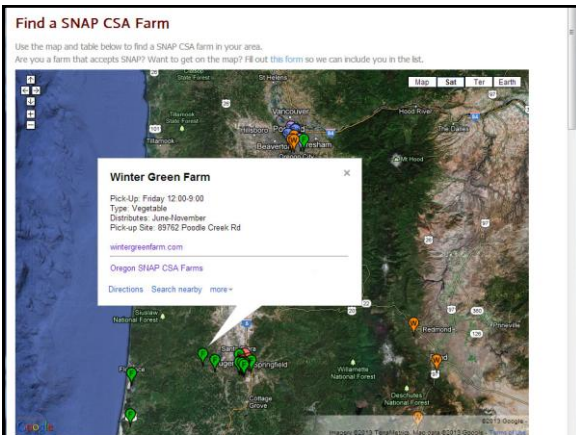
Outreach

- Word of Mouth
- Update Materials
- Community Based Organizations
- Publicity



OregonSNAPCSA.com





Oregon SNAP CSA Farms - x

oregonsnapcsa.com/index.html

List of Farms

Click the column headers to sort by city, CSA type, day, etc.

Click header to sort by...

Name	Website	Pick-up City	Pick-up Site	Day	Time	CSA Type	Months
Circle H Farm	circlehorganicfarm.com	Eugene	449 Blair Blvd	Thursday	4:30-7:00	Vegetable	May-October
Circle H Farm	circlehorganicfarm.com	Springfield	4th and A	Friday	3:00-7:00	Vegetable	May-October
Winter Green Farm	wintergreenfarm.com	Eugene	W 11th Ave & Jefferson St	Tuesday	2:00-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Eugene	Crescent Ave & Cheryl St	Tuesday	2:30-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Eugene	Fainview Dr & Tamarack St	Tuesday	3:30-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Eugene	E 22nd Ave & Alder St	Tuesday	4:00-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Eugene	Patterson St & E 28th Ave	Tuesday	4:30-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Eugene	1256 W 18th Ave	Wednesday	2:00-6:00	Vegetable	June-October
Winter Green Farm	wintergreenfarm.com	Portland	SE 31st Ave & SE Dybbek Blvd	Wednesday	3:00-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Portland	SE Franklin St & SE 33rd Ave	Wednesday	3:30-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Portland	NE Brazee St & NE 43rd Ave	Wednesday	4:00-7:00	Vegetable	June-November
Winter Green Farm	wintergreenfarm.com	Portland	SE Dybbek & SE 14th Ave	Wednesday	3:30-7:00	Vegetable	June-October
Winter Green Farm	wintergreenfarm.com	La Pine	51636 Huntington Rd	Wednesday	3:00-7:00	Vegetable	June-October
Winter Green Farm	wintergreenfarm.com	Scio	NW Baltimore Ave & NW 14th St	Wednesday	2:00-7:00	Vegetable	June-October

Managing Expectations

- Member Agreement
- Upfront Conversation



General Model Member Agreements



- Illinois Direct Farm Business (webinar)
– <http://www.directfarmbusiness.org>



- Farm Commons
– <http://farmcommons.org>

Special SNAP Considerations in Member Agreements

- Payment
- Deposits
- Missed Pick-Ups
- Late Pick-Ups
- Share Contents and Size
- Sample Language in SNAP CSA Guide



Payment

- Insufficient funds
 - Running out of SNAP funds at end of month
- Unmanned Drop Site
 - Insufficient Funds
 - Get debit/credit on file
 - “Cashier” collect cash



- We also accept cash check or debit



Deposits

- Incentive to members
- Small safety net for farmer
- Cannot accept SNAP as deposit
- The “right” amount
 - \$50, or 2 weeks, or 8%
- Refunding Deposits
 - Check mailed 1 week after CSA ends



Missed Pick-Ups

- How strict?
- Payment? – No SNAP



Can miss 2 of 23 pick-ups, not pay and get back



- Require notice?
 - How much?
 - Contact method?
- Remember: You can always be nicer than your member agreement! You can't be meaner.

Late Pick-Ups

- Payment
 - Will staff be there to take payment?
 - Pay later? – Not SNAP!
- Notice
 - Contact method
 - How much notice?
- Farm pick-up
 - Talk to farmer on cell
 - Pay next week with cash, check or debit.
- Farmers market pick-up
 - No late option available



Be very clear!

Share Contents and Size

- Expectations!
 - In general, how much?
 - Will mix change?
 - Will size change?
 - Crop failures and bumper crops
- Family or four, one to two bags
- Sample share for spring, summer and fall
- Smaller in the beginning
- Bumper crops and crop failures change ratio, not overall value



Have an Upfront Conversation



- A huge effect on retention
- 2011, 60% → 2012, 86%
- On phone or in person
- Will this be a good fit?
 - Have they been in a CSA?
 - What is their family size?
 - What are their eating habits like?
 - Transportation logistics?
- Explain your CSA, highlight important points

Retaining your Members

- Help them enjoy their food
 - Newsletter with recipes
 - Sampling or cooking classes
- Pay attention to perceived value
 - Trade basket
 - Include more common or popular products
- Communicate value
 - Farm visits, work parties, harvest parties, newsletter notes, personal interaction, etc.

Partnering with a Community Based Organization

Benefits

- Outreach
- Convenient pick-up site
- Cooking classes and recipes
- Accept payment 14 days in advance
- Time saved processing payments

14-day Requirements

- 501(c)(3)
- CBO becomes SNAP authorized, not the farmer

Example Groups

- Churches, community development groups, neighborhood groups, food buying clubs, after school programs, food pantries, etc.

Becoming SNAP-Authorized

- Note about asking FNS employees questions
- New York: Just Food Application Process
- One month start to finish
 - 1 hour: SNAP application
 - 2 weeks: average approval time
 - 1 hour: vendor application (for terminal)
 - 2 weeks average until up and running

Set Up Account

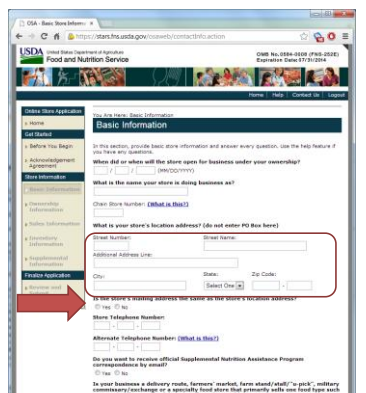
- ID, Password, etc.
- Wait 20 minutes to apply



fns.usda.gov/snap/retailers/application-process.htm

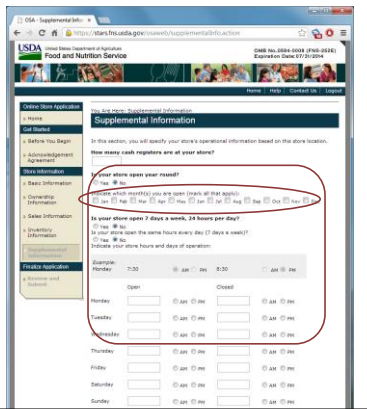
Basic Information

- Location Address
 - Stick with farm address
 - CBO: pick-up location or headquarters
- Sign up as "Farm Stand/ Stall/U-Pick"



Supplemental Information

- Only check months your CSA distributes shares
- "Store hours" are days/times of pick-ups



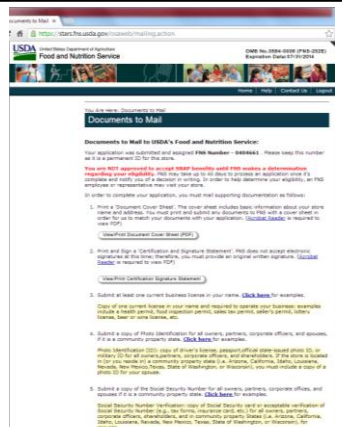
Review and Submit

- Download a copy of your application for your records.
- Submit!



Documents to Mail

- Application not approved until documents received.
- Print cover sheet and signature page
- Typical requirements:
 - For all owners/officers!
 - Copy of photo ID, Social Security #, Business License.



Relax, you're almost done!

- Wait for authorization
 - 2 weeks average, up to 45 days possible



Vendors



- State Vendor
 - Free wired EBT-only terminal
 - fns.usda.gov/snap/retailers/merchants.htm
- Third-Party Vendors
 - All other terminals: credit, debit and wireless
 - FIS
 - Merchant Source
 - TSYS Merchant Solutions
 - Mobile Market + with WorldPay (iPhone/iPad/iPod)

Easy Last Steps



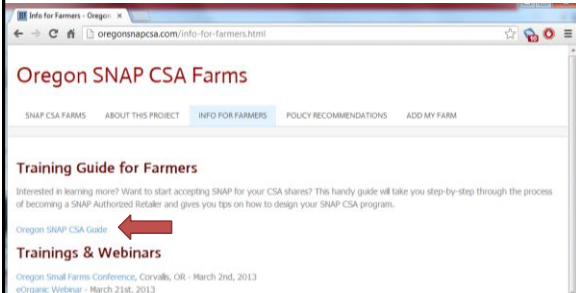
- In Oregon, FNS tells state vendor when approved
- State vendor mails an application packet
 - About 2 weeks to get a terminal
 - Vendor rep will call you
- Do you want wireless, debit, or credit?
 - You must contact the vendor of your choice

See, it's a SNAP!



Don't Forget to Download the Guide!

- OregonSNAPCSA.com/info-for-farmers.html



Find the slides and recording of this presentation at <http://www.extension.org/pages/67390>

Register for upcoming webinars and view recorded eOrganic webinars at <http://www.extension.org/pages/25242>

Additional organic farming questions? Ask them at <https://ask.extension.org/groups/1668>

We need your feedback! Please fill out our follow-up email survey!