



## HEALTHY INCENTIVES PILOT

# LESSONS LEARNED FROM IMPLEMENTING HIP AT FARMERS' MARKETS

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# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
INTRODUCTION .....	5
METHODOLOGY AND INTERPRETATION .....	6
IMPLEMENTING HIP.....	7
ANALYSIS: FEEDBACK ON EACH MODEL.....	11
ANALYSIS: CONNECTIVITY.....	17
ANALYSIS: HIP PROGRAM IMPLEMENTATION AND IMPACTS.....	18
CONCLUSIONS AND RECOMMENDATIONS .....	21
APPENDIX I: GLOSSARY .....	27
APPENDIX II: HIP FARMERS’ MARKET STAKEHOLDER INTERVIEW GUIDE.....	29

## **EXECUTIVE SUMMARY**

The Healthy Incentives Pilot (HIP) was a USDA research effort designed to determine if incentives provided to Supplemental Nutrition Assistance Program (SNAP) recipients at the point of sale would increase the purchase of fruits, vegetables or other healthful foods. Hampden County, Massachusetts was selected as the site for this research effort. Community Involved in Sustaining Agriculture (CISA) and the Federation of MA Farmers' Markets worked with the Massachusetts Department of Agricultural Resources and Department of Transitional Assistance (DTA) to support the implementation of HIP at farmers' markets in Hampden County.

Farmers' markets are unique retail environments: they are seasonal, operate for limited hours in public or semi-public spaces, and primarily offer products direct from local farms and food businesses. Although farmers' markets account for only a small percentage of overall SNAP sales, they provide an important and growing outlet for fresh, local, and affordable fruits and vegetables. Recognizing these attributes, HIP staff worked hard to ensure that purchases of HIP eligible foods at farmers' markets would earn the HIP incentive. Three different models were developed to process both HIP and SNAP at 12 farmers' markets, three farm stands and one mobile market during the 2012 growing season. These were the token model, e-HIP, and the Mobile Market Plus application (MM+).

The token model, where SNAP recipients swipe their SNAP card at a centralized cashier in exchange for tokens that can be used to purchase SNAP-eligible foods from market vendors, was widely used by markets accepting SNAP in previous years. A modified version of this model was developed for processing HIP and SNAP during the pilot. The e-HIP model used a central database to track HIP and SNAP transactions by vendor. This model required shoppers to swipe their EBT cards at a central cashier to access their SNAP benefits, and then swipe their cards again at each vendor table to spend down these predetermined funds. The MM+ app decentralized the SNAP

process, providing each vendor with the technology to process both HIP and SNAP transactions at their booths.

This evaluation, based primarily on interviews with farmers' market managers and vendors, reviewed each of these models and the overall efficacy of processing HIP and SNAP at Farmers' Markets. Our analysis found that setting up new SNAP systems at farmers' markets required considerable outreach and support, and that new systems were most frequently viewed as having a positive impact on the market. Response to the individual models for processing transactions showed benefits and challenges to each. Managers and vendors expressed belief that accepting SNAP at markets is important to the economic viability and social goals of their farmers' markets, and voiced widespread support for incentive programs such as HIP.

## **Lessons Learned**

**Implementation of new systems and procedures at farmers' markets takes significant outreach and support.** Farmers' markets in Hampden County are decentralized, with most markets having a unique structure and management system. In addition, markets are seasonal and are managed by a volunteer or minimally paid staff. The limited hours during which markets are open make troubleshooting a new system very challenging due to a lack of slower shopping times and a limited window to identify problems and test solutions. This puts a lot of strain on the process of introducing new systems. Even where feedback for a new processing model was positive, managers would be unlikely to switch processing methods without more push (requirements for new systems from the government) or pull (such as financial support or technical assistance in adopting new systems).

**Technology for processing HIP and SNAP transactions is complicated and evolving.** In order to process HIP transactions, markets participating in HIP needed to get set up for the first time or upgrade their processing systems. Markets needed significant

support from DTA staff and HIP contractors to navigate the options and the various third party vendors and equipment sources.

**Identifying the best technology option for their market is often not a top priority**

**of vendors and managers.** This pilot demonstrated that vendors and managers can adapt to changes in processing technology with sufficient support, but are generally not actively engaged in determining the best technology options for their vendors or customers. Providing support to markets in determining appropriate technology for their market and clientele may be essential for maintaining or increasing HIP and SNAP eligible sales.

**Connectivity for processing HIP and SNAP transactions is critical and challenging**

**to navigate.** Most farmers' markets are outside, with varying access to electricity, phone lines, and other infrastructure that enables the use of different models for processing SNAP. In order for a system to work for the customers, managers, and vendors, reliable access to technology is required to support processing SNAP transactions.

**Systems for processing HIP and SNAP need to meet the individual needs of market**

**managers, vendors, and customers to maximize use.** Market managers, vendors and customers have a wide range of experience and comfort with new technology. For example, markets that serve an older population may experience more difficulty in introducing unfamiliar touch-screen technology. Markets that work around language barriers might encounter more difficulty in communicating more complex systems to SNAP clients if adequate language support is unavailable.

**Incentive programs' food eligibility lists should be aligned as much as possible.**

Vendors and customers alike currently must navigate a number of different but overlapping incentive programs that have different methods for processing and different product eligibility rules. This complexity increases the likelihood that

inadvertent mistakes will be made, and reduces the willingness of market managers and vendors to add new programs to their roster.

**Multilingual translation of materials and interpretation are critical for supporting markets that serve non-English speaking SNAP clients.** Reducing communication barriers for clients and market staff is critical to encouraging the use of SNAP benefits and processing of transactions at markets. While HIP training materials were made available in Spanish to participating markets, several vendors reported confusion despite this effort, because of the inherent confusion that can accompany the introduction of a new system. Without the translated materials, communication would have been impossible.

## **INTRODUCTION**

The Food, Nutrition and Conservation Act of 2008 (also known as the Farm Bill) authorized \$20 million for pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP) to determine if incentives provided to SNAP recipients at the point of sale increase the purchase of fruits, vegetables or other healthful foods. Hampden County, Massachusetts was selected by USDA Food and Nutrition Service as the site for this research effort, known as the Healthy Incentives Pilot (HIP). Hampden County is a mix of twenty-three urban, suburban and rural towns and cities and home to approximately 55,000 SNAP households. The majority of SNAP participants live in Springfield, Holyoke, Chicopee and West Springfield. From the population of SNAP clients, 7,500 Hampden County residents were randomly selected as HIP participants.

Community Involved in Sustaining Agriculture (CISA) and the Federation of Massachusetts Farmers' Markets (FMFM) worked with the Massachusetts Department of Agricultural Resources (MDAR) and the Department of Transitional Assistance (DTA) to support the implementation of HIP at farmers' markets in Hampden County. These partners worked together to identify and evaluate the potential models for processing HIP/SNAP, conduct outreach to farmers' markets, and determine which market would be a good fit for each model. CISA, FMFM, and DTA staff developed training manuals for each model and conducted on-the-ground trainings with each participating market. Training materials, including how-to documents for market managers and vendors, FAQs for customers, and signage were distributed to market managers for use throughout the season. To view samples of the final training materials, and the market training manuals visit [www.mass.gov/dta/hip](http://www.mass.gov/dta/hip).

This report evaluates the implementation of HIP at farmers' markets, provides an assessment of the three models used to process HIP and SNAP, and provides recommendations for future processing of HIP and SNAP at farmers' markets.

## **METHODOLOGY AND INTERPRETATION**

*Please see Appendix II, page 29, for the Interview Guide used by the evaluation team.*

This evaluation is based on post-season interviews with market managers and vendors, input from staff and consultants supporting implementation and HIP transaction data at markets. After the markets closed for the season, DTA and CISA staff conducted the interviews with ten farmers' market vendors and seven farmers' market managers from the twelve participating markets. DTA, FMFM and CISA staff reached out via phone and email to each of the twelve participating market managers to schedule interviews, which were conducted either in-person or via telephone. A group of vendors was selected based on the interviews with managers and conversations with vendors throughout the season. Vendors that had participated in multiple markets were also prioritized for interviews. Most of those interviewed had experience with multiple HIP processing models, and several functioned as both vendors and managers. Feedback from vendors/managers that used multiple models was especially useful. Vendors that had only ever used one model were less likely to have substantial feedback, as they lacked a comparison.

Interview respondents were asked to provide feedback on the systems that they used, training and support that they received, and the effectiveness, efficiency, and usefulness of HIP and the impact models had on their markets. Managers and vendors often responded to questions about HIP and SNAP processing by providing their views on the overall impacts of the pilot or their views on the value of accepting SNAP. Because managers and vendors tended to conflate the goals of HIP and SNAP with the various models for processing HIP and SNAP, we relied heavily on comments to support the deeper analysis. Comments from respondents provided the most information about reactions to each model, so we relied heavily on those, rather than the quantified data, to inform our findings and recommendations. Due to the small

number of interviews, quantified results are descriptive, and may not be representative of all farmers markets and vendors in Hampden County.

## **IMPLEMENTING HIP**

In 2012, Hampden County hosted 21 farmers' markets in 12 communities ranging from the largest urban areas to small towns and rural communities. Seven of these markets processed SNAP using a token model prior to 2012. The remaining markets did not accept SNAP, though several were in the process of receiving SNAP authorization through the USDA Food and Nutrition Service (FNS) or equipment in order to accept SNAP during the 2012 season. Note: once approved by FNS to accept SNAP, a unique identifier or "FNS number" is assigned to the vendor.

Markets that accepted SNAP prior to the 2012 season all used the token model. In this model, SNAP clients visit a central cashier to swipe their EBT cards in exchange for specially marked SNAP tokens in predetermined denominations, usually ranging from \$1-\$5. This model is reliant on a market staffer or volunteer to run the central point of sale (POS) machine and to settle the accounts with each vendor.

Traditionally, markets purchase or rent wireless POS machines that can process both EBT and credit/debit cards, pay a monthly connectivity charge, and have a monthly agreement with a processor that handles the electronic transactions. These machines require good cell phone reception and must be either plugged in to an electrical outlet or have their battery charged prior to markets. This model also requires shoppers and vendors to round off transactions to the nearest token value, since vendors may not give cash as change for SNAP purchases. The traditional token model is relatively easy for vendors and customers, though it requires vendors and managers to count tokens and have a good record keeping system in place.

Because HIP eligible foods were more limited than SNAP foods, processing equipment at markets needed the capacity to communicate to the state EBT provider, Xerox, that HIP eligible products were being purchased so the HIP client could be appropriately credited the HIP incentive on their EBT card. There are a plethora of wireless machines and third party processors (TPP), and not all of the markets that already accepted SNAP used the same machine and processor. Further complicating the implementation of HIP at market, the necessary TPP and computer software providers were unable to reprogram the wireless terminals used at markets in time for the 2012 market season to accommodate the processing of HIP transactions. This created an opportunity for markets to test out newer models for processing HIP as well as SNAP. Together, DTA staff, FNS, MDAR, CISA, and FMFM worked to develop three different methods for accepting HIP (and SNAP) at markets.

### **Tokens using wired point of sale terminals**

This model required a second set of HIP-only tokens to distinguish between the purchase of HIP-eligible and SNAP-eligible products. HIP tokens were provided to markets in \$1 and \$2.50 denominations in colors that distinguished them from the regular SNAP tokens. This model utilized a special POS machine provided by DTA, which was reprogrammed by Xerox to enable the processing of HIP. These machines are the same as the machines freely available to markets and other retailers eligible for them by merit of processing over \$100 of SNAP transactions a month. The machines provided required both electricity and a phone line. Where phone lines were not available, DTA staff utilized a VOIP box that would transmit transactions as if they were running over a phone line. The VOIP box was then connected to a MiFi box, a wireless router that acts as mobile WiFi hotspot, which would use 3G to transmit transactions. Because this workaround ultimately failed most of the time, a phone line was required for this model to work reliably.

## **E-HIP**

The e-HIP model required shoppers to swipe their EBT cards at the market manager's table to access their SNAP benefits, and then swipe their cards again at each vendor table to spend these predetermined HIP and SNAP funds. This model was designed to allow market managers to maintain some control over SNAP transactions, since they interact with each SNAP client and approve each transaction, while also introducing improved, automated record keeping. The model tracked all HIP and SNAP transactions by both vendor and client, and that data could be printed out in receipt form for the vendors and market manager, and uploaded to a computer for virtual storage. The system also produced weekly and monthly gross sales reports of HIP sales, non-HIP vegetables, and other SNAP sales.

SNAP funds were disbursed into the farmers' market account and managers wrote checks to pay vendors based on the total sales per vendor. The model required each vendor to use a specially equipped iPod to conduct transactions in addition to the central market computer. For the purposes of this market pilot, a dedicated Massachusetts Federation of Farmers' Markets staff member managed transactions at each market that used e-HIP. This model required either a landline or Mobile Market+ enabled terminal to enable transactions from individual vendor iPods to communicate with the central market computer.

## **Mobile Market +**

The MM+ app decentralized the SNAP process, allowing each vendor to utilize an iPod to process HIP and SNAP transactions directly at their booths. As with the other systems, all transactions were processed through the market's account and market managers were responsible for reimbursing vendors for their sales. This model allowed market managers to see a list of transactions, but, unlike the e-HIP model, managers did not approve transactions before clients could spend

their funds with individual vendors. These transactions required a local hotspot. The model allowed each vendor to print out receipts for each transaction, and allowed the market manager to print out a report for all the transactions for each vendor at the end of the market day. Customers had the option of receiving a receipt in paper, text message, or email format.

DTA staff and HIP partners invited each of the Hampden County markets to participate in HIP. A majority of markets expressed interest in participating, and 12 were able to carry through with participation. Non-participating markets were unable to participate for a number of reasons: they did not sell HIP eligible foods, were not open to the public, were not operating or unclear of their status at the beginning of the 2012 season, or did not want to invest time or energy in setting up and administering SNAP.

The HIP grant supported the upfront costs for equipment and the development of technology to process HIP and SNAP during the 2012 season. In addition, HIP support included a FMFM staff member to assist in managing HIP and SNAP transactions at the markets that piloted the e-HIP model and to troubleshoot at the other participating markets. This staff support was useful and well utilized during the season, especially while markets were getting acclimated to how to set up and operate the new technology at the beginning of the season. Staff support also enabled markets to get assistance in real time during hours of operation. Support hotlines offered for POS machines and system software often had a 24-48 hour call back period, meaning markets were long-over before managers were sometimes able to get assistance with their machines.

## **ANALYSIS: FEEDBACK ON EACH MODEL**

### **Tokens**

To accommodate HIP, DTA provided markets with special POS machines reprogrammed with HIP functionality and color-demarcated HIP tokens. Tokens were color coded and assigned to each market so that they could not be spent at other markets. DTA also worked with markets that needed electricity or phone lines to enable them to gain access or install the necessary connections to process transactions.

Markets that used tokens (5) ranged in size from twenty-one vendors to only four vendors, and SNAP redemptions per market ranged from over \$6,000 to less than \$30 for the season. Each participating market had at least one vendor interviewed for this report, although we were unable to interview a manager from each market. All participating markets accepted the Farmers' Market Nutrition Program coupons,<sup>1</sup> and one had a SNAP doubling program<sup>2</sup> running throughout the season.

Three managers who used the token model were interviewed. All three had experience with token systems prior to the introduction of HIP. All managers commented that the token model was straightforward, simple to implement, and simple to communicate. Two managers indicated that the distinction between the HIP tokens and the SNAP tokens was confusing to some of their vendors. One manager remarked that an ongoing challenge with the token model, unrelated to the HIP program, is that each market is run independently and has unique tokens, which can cause confusion when customers mix up their tokens and try to spend tokens from other markets.

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<sup>1</sup> Funded by the federal Food and Nutrition Service, the Farmers' Market Nutrition Program provides coupons to WIC participants and low-income seniors that can be exchanged for eligible foods at farmers' markets.

<sup>2</sup> In recent years, some farmers' markets have offered an incentive to SNAP participants whereby SNAP spending is double up to a certain amount (usually \$5 or \$10) by the market. Some markets have done independent fundraising, and others have used grant funds.

Seven farmers who were participating vendors at markets using the token model participated in the survey. Three vendors remarked that they appreciated the token model because of its simplicity and ease of use, and one mentioned the speed with which transactions could be conducted as an added benefit. Said one vendor, "I like the system with the vendors and tokens. It takes less time and it's much simpler. The mobile device (at a different market) was more difficult and I struggled."

One vendor who had no experience with the other models saw the potential benefit of moving away from tokens, saying, "Tokens work adequately. There is better technology in the world, but the vendors have to be willing to implement it. I feel like a lot of vendors are adopting new technology, but not all farmers are there. Individual transactions at vendor stands wouldn't hold up traffic any more than tokens." One vendor appreciated the precision of other models, because customers could pay the precise amount asked for products instead of having to round off to the closest token value, as is the practice with token models regardless of HIP. All seven vendors said that they would recommend the token model to other markets that accept SNAP.

The token model was not without technological challenges. Wired POS machines require a phone line, which is reliable but not available at all farmers' market sites. Wireless machines must reliably pick up a signal in order to function.

### **Recommendations and lessons learned**

The token model represents the fewest barriers to enabling markets to accept HIP and SNAP. The model is easily communicated to vendors and customers. Connectivity can still be a challenge, but was generally addressed reliably once the pilot was underway. The introduction of the HIP pilot meant that market managers and vendors had to manage two different types of tokens in two denominations each, which was sometimes confusing to vendors trying to conduct transactions in fast-paced environments.

## E-HIP

Markets that used the e-HIP model ranged in size from twelve vendors to six vendors. Between one and three vendors from each e-HIP market were interviewed for this report, as were the five market managers who used the e-HIP model. These markets saw between \$350 and \$1,750 spent with SNAP throughout the season, and two of the markets were among the highest in SNAP spending program-wide, despite being average-sized in terms of number of vendors. Those two markets had SNAP doubling programs running concurrent with HIP, and one had an additional "Veggie Prescription" program running in partnership with a local health center.<sup>3</sup>

We spoke to five managers who implemented the e-HIP model at their markets. Two characterized their experience with e-HIP as positive and cited ease of use and increased organization as the benefits of the model. Because transactions were automatically recorded, end-of-day settlement was simplified and the opportunity for errors was reduced. One manager explained the process: "I would get a receipt listing how much each farmer received in benefits. I would take the totals, add them together and cut the farmer a check."

Several managers stated that the model had a steep learning curve, and then was straightforward to use. The negative comments were more varied. The two biggest issues were connectivity problems and glitches with the software program. Four managers commented on these points, and one highlighted the ripple effect when the system malfunctioned: "When it didn't work it was a problem. When something went wrong, she (FMFM staff member operating the system) had to leave her station, and sometimes volunteers would take over, but they couldn't fix issues which meant customers were held up in two places."

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<sup>3</sup> Veggie Prescription programs provide enrolled overweight children and pregnant women with coupons for free fruits and vegetables at participating farmers' markets.

Three managers noted that the model placed a burden on vendors by lengthening and complicating each HIP and SNAP transaction, with a manager commenting, “the individual iPods had too many steps and farmers had difficulties using them alone.” Another issue was the sense that the model was confusing for customers, and one manager felt uncomfortable with a non-market employee (the FMFM staff member) operating the machine. One market offered the Double Value Coupon Program, which provided a dollar-for-dollar match up to \$10 each time a SNAP recipient used their benefits at market. This match program could not be implemented through the e-HIP model, so market staff distributed the double dollars as tokens. This was a workable solution, but it meant that the e-HIP model was unable to streamline their record keeping or settlement process.

Ten vendors who had used the e-HIP model participated in the survey. Vendors reported many of the same challenges that managers had identified. Vendors seemed much more aware than managers of the confusion that the model caused for SNAP clients. The confusion seemed to be because shoppers were required to visit the market manager table and then had to run their EBT cards again at each vendor. This model was slow and required additional steps for SNAP clients, and at its worst, it caused real confusion. One vendor mentioned that SNAP clients worried that they were being charged twice. This confusion was exacerbated when there was a language barrier.

### **Recommendations and lessons learned**

The e-HIP model was plagued by connectivity issues and software glitches during the pilot implementation period, so much of the feedback centered on that. The primary critique of the model itself, outside of technical difficulties, was the number of steps required to complete a single transaction. The e-HIP model, because it required shoppers to run their EBT cards twice for each transaction, is unlike any other model

that SNAP clients are accustomed to for accessing their SNAP benefits. This caused a lot of confusion for customers, most of which was witnessed by vendors trying to complete transactions.

The potential upside to the e-HIP model is that it allows market managers to maintain some control over SNAP transactions, an important point since many market managers have their own social security numbers associated with the market's SNAP authorization. During this pilot, a FMFM staff member conducted transactions at each e-HIP market, which was designed to reduce the work required of the market managers, and it was necessary due to the technical difficulties, but ultimately it took control of the SNAP transactions away from managers anyway. None of the managers surveyed identified the potential for greater control over transactions as a benefit of this model, but managers evaluating potential models to implement without the support of HIP may see it as a benefit. The other benefit of the e-HIP model is that it automated the record keeping, which market managers identified as a positive feature. In a situation where increased record keeping is seen to be valuable and the market manager wants to be involved in SNAP transactions, and if the technical difficulties were managed, the e-HIP model may be a good choice.

### **Mobile Market Plus (MM+)**

The Mobile Market Plus system was implemented at five markets ranging in size from six to only two vendors. SNAP spending at these markets ranged from \$375 to only \$20 for the season. We spoke to vendors from each MM+ market and managers at two of them. Each participating market also accepted Farmers' Market Nutrition Program coupons.

We spoke to two managers who used the MM+ model. Both had positive experiences and found the model straightforward and simple to explain to vendors and customers. Transactions were fast, there were few technical glitches, and support staff was

available when there were problems. One manager mentioned a quirk with the model, which was that if the system was out of use for a certain length of time, the user would have to log back in. This could slow transactions but generally, transaction times were comparable to the token model.

We interviewed four vendors who used the MM+ model. Vendors reported more challenges than the market managers did. One struggled to master the technology, saying, "It was all brand new ... I just found it harder. It's hard to learn with customers in front of you." One found transactions to be slow, and one reported that the touch screen was especially challenging for older customers to use. One mentioned keeping track of the individual receipts as an annoyance, and one mentioned the receipts as a benefit.

Worth noting is that implementing MM+ required a notable amount of staff time setting up data packages, registration, passwords, and so on. The bulk of this burden was shouldered by HIP staff and was therefore not visible to the market managers and vendors interviewed for this report. Also during the pilot period, there was at least one occasion where there was an update to the operating system used by the devices, which resulted in additional work for HIP staff that would have to be managed by the market if this model were implemented independently.

### **Recommendations and lessons learned**

The MM+ model is similar to the e-HIP model in that it requires a certain comfort-level with new technology to operate, and not all managers and vendors are prepared to use it. The decentralized nature of the model required less input from the market manager than e-HIP, except for in a training and troubleshooting role, which can be significant in the early days of using the model.

## **ANALYSIS: CONNECTIVITY**

All of the models being tested were dependent on reliable and consistent connectivity in order for HIP and SNAP transactions to be processed and all three models faced connectivity problems during the course of the market season. Processes that had more software or hardware steps faced more connectivity challenges, so e-HIP had the most problems and the token model had the fewest. Each additional hardware or software step was a chance for something to go wrong – a password might have been mistyped or a software update failed or one machine might not be plugged in correctly, etc. Additional steps also made troubleshooting more difficult.

In 2011, the Massachusetts Department of Agriculture<sup>4</sup> surveyed market managers from around the state, and found that “poor wireless connections were the most frequent difficulty experienced at the markets” among the forty-four respondents.



*Connectivity board designed to enhance connections for processing HIP and SNAP transactions.*

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<sup>4</sup> Massachusetts Department of Agricultural Resources, “Supplemental Nutrition Assistance Program Benefits at Massachusetts Farmers’ Markets: Program Evaluation,” 2011.

## **ANALYSIS: HIP PROGRAM IMPLEMENTATION AND IMPACTS**

The HIP farmers' market evaluation survey asked for general feedback about processing HIP and SNAP at participating markets during the 2012 season and the impact it had on the ground at farmers' markets. These questions were designed to gather information beyond the effectiveness of each specific model used for processing HIP and SNAP.

Managers and vendors both felt well trained and supported. Five managers felt that they had adequate training and support in using their assigned model, and two felt they needed additional support. Both of those that suggested that they needed additional support were using the e-HIP model. One market manager said, "I can't think of anything (else we needed). If we needed help we could get help. There was also support staff." Six vendors indicated that they received enough support, three were neutral, and one needed additional support.

Because farmers' markets do not have barcodes or PLU numbers, the two electronic models required vendors or shoppers to designate how much of each purchase was HIP eligible, or else the client would not receive the benefit when purchasing designated foods. This lack of automation required more effort from shoppers, vendors, and market managers for the HIP benefit to be calculated.

Participants in HIP received the benefit on most fruits and vegetables in any form, including canned, frozen, and dried. Some fruits and vegetables were excluded, such as white potatoes and herbs. However, the foods that were eligible for HIP were different than foods eligible for SNAP or other benefit programs accepted at markets. The SNAP program includes foods such as meat, dairy, and other foods excluded by HIP, but even within the category of fruits and vegetables, HIP is more restrictive than SNAP (e.g., clients could use SNAP to purchase white potatoes, which did not qualify for HIP). Many farmers' markets also accept WIC and Senior Farmers' Market Nutrition Program

coupons, with which clients can purchase any fresh, unprocessed fruits and vegetables, including herbs and white potatoes, but may not purchase HIP-eligible canned, frozen, or dried fruits and vegetables. Adding yet another layer of food eligibility criteria through HIP appeared confusing to some clients and vendors, and increased the likelihood that the vendors might inadvertently violate the rules. Greater synergy between the foods that are eligible for purchase through the various benefit programs accepted at farmers' markets would help remove potential confusion on the part of vendors and shoppers alike.

Vendors and managers provided mixed feedback about the impact of HIP participation on their markets. Combined, ten respondents reported neutral feedback from customers regarding HIP, and seven reported positive feedback. One manager at a market that used e-HIP said that feedback about the HIP benefit itself was "positive, but the process was negative. Customers said it was slow." A vendor commented, "I'm unsure if customers knew if they were using HIP vs. SNAP. People seem to be happy to be able to use the benefit to get fresh fruits and vegetables." These quotes illustrate how intertwined the experiences with the models were with the HIP program. For example, clients may have appreciated being able to use their SNAP benefits at the market, but been confused by the model that was in use. Alternatively, non-HIP clients may have appreciated the features of a new model for accepting SNAP, without being a direct beneficiary of the HIP program.

Vendor and managers similarly reported mixed results when asked about the impact of HIP on processing both HIP and SNAP transactions at their markets. Combined, ten respondents reported neutral feedback on transactions, five reported positive feedback, and two reported negative feedback. One vendor said, "It has had little impact mostly because we didn't have many HIP customers coming through. When they did, they were no harder to process than any SNAP transaction. Accepting SNAP made a huge difference in our ability to serve the communities where we were selling." Vendors and

mangers seemed to assess the impact of participation in HIP based on how much they liked the particular model they used. Four market managers were unsure about the impact participation had on sales at their market, and two reported an increase.

## **CONCLUSIONS AND RECOMMENDATIONS**

We found that working with farmers' markets to implement new SNAP systems takes considerable outreach and support due to the seasonal, non-professionalized nature of most market management and the hurdles of implementing new technologies. Of those markets that accepted HIP and participated in our evaluation, nearly half found that it had a positive impact and the remainder stated it had a neutral or negative impact on their markets.

The token model was widely used by markets accepting SNAP in previous years, so implementation of HIP using tokens at markets was straightforward, simple to communicate to shoppers, and easy for vendors and market managers. Two respondents reported some connectivity issues with the machines used to swipe EBT cards. One vendor noted that token denominations are inflexible, which can pose challenges.

The e-HIP model required SNAP clients to swipe their EBT cards at a central table to access their SNAP benefits, and then swipe their EBT cards again at each vendor table to spend down these funds. Vendors reported that shoppers were confused by the need to swipe their EBT cards twice, making this a difficult model to implement at markets, particularly for those with language barriers. Vendors and managers reported system bugs and other technical difficulties. Since this model requires market staff to swipe EBT cards at the central table as well as requiring vendors to conduct multi-step transactions, the process was slowed down for SNAP clients.

The MM+ app decentralized the SNAP process, providing each vendor with the technology to accept SNAP transactions at their booths. This model was well received, especially by managers. Two vendors reported difficulty familiarizing themselves with and using the technology. One reported that older shoppers had difficulty using the touchscreen.

Many markets faced connectivity challenges, regardless of which model they used for accepting SNAP/HIP. Landlines are inaccessible in many farmers' market locations, and cellular connections can be quite spotty throughout western Massachusetts. In order for HIP processing to roll out widely, markets would require transformative technology or an increase in the infrastructure such as cell towers or WiFi connectivity at market locations, e.g., through community partner sites.

## Lessons learned

**Implementation of new systems and procedures at farmers' markets takes significant outreach and support.** Farmers' markets in Hampden County are decentralized, with most markets having a unique structure and management system. In addition, markets are seasonal and are managed by a volunteer or minimally paid staff. Even where feedback for a new processing model was positive, managers would be unlikely to switch processing methods without more push (requirements for new systems from the government) or pull (such as financial support or technical assistance in adopting new systems).

**Technology for processing HIP and SNAP transactions is complicated and evolving.** In order to process HIP transactions, markets participating in HIP needed to get set up for the first time or upgrade their processing systems. Markets needed significant support from DTA staff and HIP contractors to navigate the options and the various third party vendors and equipment sources.

**Identifying the best technology option for their market is often not a top priority of vendors and managers.** This pilot demonstrated that vendors and managers can adapt to changes in processing technology with sufficient support, but are generally not actively engaged in determining the best technology options for their vendors or customers. Markets in the pilot were assigned a model to test and most accepted the model provided to them. Only two markets requested a different model than the one

originally assigned to them, suggesting that either the assignments were appropriate or that managers were not interested or empowered to speak up. No manager provided any critique on the way in which models were assigned. Many participating managers and vendors only experienced one model, and as a result had less feedback than managers and vendors that vended at multiple markets and were therefore exposed to multiple models. This suggests that many vendors and managers will accept technologies that are not necessarily ideal for their market. Providing support to markets in determining appropriate technology for their market and clientele may be essential for maintaining or increasing HIP and SNAP eligible sales.

**Connectivity for processing HIP and SNAP transactions is critical and challenging to navigate.** Most farmers' markets are outside, with varying access to electricity, phone lines, and other infrastructure that enable the use of different models for processing SNAP. In order for a system to work for the customers, managers, and vendors, reliable connectivity is required to support processing SNAP transactions.

**Systems for processing HIP and SNAP need to meet the individual needs of market managers, vendors, and customers to maximize use.** Market managers, vendors and customers have a wide range of experience and comfort with new technology. For example, markets that serve an older population may experience more difficulty in introducing unfamiliar touch-screen technology. Markets that serve multi-lingual populations might encounter more difficulty in communicating more complex systems to SNAP clients if adequate language support is unavailable.

**Incentive programs' food eligibility lists should be aligned as much as possible.** Vendors and customers alike currently must navigate a number of different but overlapping incentive programs that have different methods for processing payment and different product eligibility rules. This complexity increases the likelihood that

inadvertent mistakes will be made, and reduces the willingness of market managers and vendors to add new programs to their roster.

**Multilingual translation of materials and interpretation are critical for supporting markets that serve non-English speaking SNAP clients.** Reducing communication barriers for clients and market staff is critical to encouraging the use of SNAP benefits and processing of transactions at markets. While HIP training materials were made available in Spanish to participating markets, several vendors reported confusion despite this effort.

### Recommendations

**Support markets to adopt new processing systems.** Changes to SNAP processing need to be phased in and must be beneficial enough to provide markets with the incentive to invest in changes. Markets managers and vendors that saw the social benefit of accepting SNAP were willing to shift to a new processing system with the support offered as part of HIP. Seventy-two percent of the markets we spoke with were willing to switch systems provided there was support, and we believe this number would have been much lower otherwise. The specific areas in which markets need support when phasing in a new model include:

- **Evaluating new system options:** Each model has pros and cons in terms of reporting features, connectivity requirements, demands on vendors, and the adaptability required of the clients who will be using it. Markets need guidance in determining which model will work best for their needs.
- **Troubleshooting:** Many of the managers in the pilot stated that they could not have imagined implementing the system used by their market without support from HIP staff when things went wrong. Markets are likely to use the simplest model available if they do not have help with troubleshooting more complex or

technologically demanding models, even if that simpler system is not as appropriate for their market in other ways.

- **Training vendors:** Vendors need to be able to conduct transactions smoothly and to communicate effectively about the system to clients. If vendors are confused about how the model works, what foods are eligible for what programs, or who to talk to if something goes wrong, their needs and the needs of their customers will not be met.
- **Communications with customers:** Vendors at markets that implemented the new models for processing HIP and SNAP were especially aware, more so than even managers, when customers were confused or frustrated by the process. Markets need support in communicating the procedure for spending SNAP and earning HIP incentives at their market to shoppers, especially if that process looks significantly different from how grocery stores or other markets process SNAP.

**Support mobile technology options.** Since farmer's markets operate outside in various settings, technology should allow transactions to be conducted over cellular networks with a back-up option in instances where cellular connections are unpredictable.

**Reduce the number of different eligibility lists for incentive programs.** Markets already work with a number of assistance and incentive programs for SNAP, SNAP matching dollars, WIC CVV,<sup>5</sup> WIC and Senior Farmers' Market Coupons, and the Fruit & Vegetable Prescription program. Each of these programs has its own list of eligible products and other criteria for participation. The proliferation of these programs has

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<sup>5</sup> WIC Cash Value Vouchers (CVV) checks can be used only for fruits and vegetables, and Massachusetts is among the states that allow them to be redeemed at farmers' markets.

made it very difficult for vendors and market managers to train staff for accuracy and to keep records. Reducing the number of eligible products lists or aligning multiple programs will help minimize confusion on the part of market managers, vendors, and clients.

## **APPENDIX I: GLOSSARY**

**CISA:** Community Involved in Sustaining Agriculture, a non-profit based in South Deerfield, MA.

**Connectivity:** Ability to connect the local EBT machine to the system that processed HIP and SNAP, either through an analog or digital phone line or wireless system.

**DTA:** Massachusetts Department of Transitional Assistance.

**EBT card:** Electronic Benefit Transfer card, assigned and distributed by DTA to eligible clients who receive SNAP and/or Transitional Aid to Families with Dependent Children or TAFDC, i.e. cash assistance benefits. While the EBT card is similar in appearance to a debit card, there are clear restrictions on which items can be purchased with SNAP benefits.

**EBT machine:** Electronic Benefit Transfer machine used by some SNAP retailers and at farmers markets to process SNAP transactions for those clients using their EBT card. All states are federally mandated to use EBT to deliver SNAP benefits.

**e-HIP:** One of the three models used by markets to process HIP and SNAP. See p. 5 for a more detailed description.

**FMFM:** Federation of Massachusetts Farmers' Markets, a non-profit based in Waltham, MA.

**Farmers' Market Nutrition Program:** A federal program that provides coupons to participants in the WIC program and to seniors.

**FNS number:** Unique identifier and number assigned by FNS to authorized SNAP vendors (e.g., retailers, farmers markets).

**HIP:** Healthy Incentives Pilot.

**MM+:** Mobile Market Plus, one of the three models used by markets to process HIP and SNAP. See page 9 for a more detailed description.

**POS machine:** Point of Sale machine.

**SNAP:** Supplemental Nutrition Assistance Program, formerly known as Food Stamps.

**USDA FNS:** United States Department of Agriculture's Food and Nutrition Service. Federal agency that administers SNAP and authorizes SNAP vendors.

**WIC:** Women, Infants and Children, a federal program that provides benefits for food purchases, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

**Xerox:** Xerox State and Local Solutions, Inc., Massachusetts' state contracted EBT provider.

## **APPENDIX II: HIP FARMERS' MARKET STAKEHOLDER INTERVIEW GUIDE**

### **EVALUATION PLAN**

DTA (3) and CISA (3) staff will conduct interviews with Farmers Market managers and vendors that participated in HIP during the 2012 market season. The purpose of the interviews is to assess the HIP token system and new electronic models (i.e., e-HIP or MM+) piloted at participating markets and determine their effectiveness, efficiency and usefulness in processing transactions for stakeholders. Interviews will be structured, preferably one-on-one in-person meetings, for a 30-60 minute period following the scripted questions below. If in-person meetings are not possible, phone interviews will be permissible. Interviews to be completed by the end of February 2013. In addition, a focus group will be held in January to allow stakeholders an opportunity to provide additional feedback on HIP and SNAP operations at the markets.

DTA and CISA will identify a list of 28 stakeholders to be interviewed: 18 vendors (out of 44); 10 Farmers Market managers (out of 16), 3 of whom are also vendors. To identify the 28 market stakeholders, DTA will exclude vendors and market managers based on the following criteria:

- extremely low SNAP traffic;
- did not offer SNAP or HIP foods;
- infrequent vendor participation at markets or limited quantity of SNAP and HIP foods; and
- did not process both SNAP and HIP.

A list of participating farmers markets, including the system they used, count of managers and vendors and whether or not DTA will conduct an interview follows:

Farmers Market	City	MM+	eHIP	Tokens	Mkt Mngr	Vendors	Interviews
<b>Three Rivers Farmers Market</b>	Three Rivers	X			1	3	x
<b>The Farmers Market at Forest Park</b>	Springfield			X	1	16	x
<b>West Springfield</b>	West Springfield	X			1	3	x
<b>Chicopee Farmers Market</b>	Chicopee		X		1	7	x
<b>Wilbraham Farmers Market</b>	Wilbraham	X			1	4	x
<b>Holyoke Farmers Market</b>	Holyoke		X		1	9	x
<b>The Monson Farmers Market</b>	Monson			X	1	10	
<b>Indian Orchard</b>	Indian Orchard	X			1	4	x
<b>Concerned Citizens of Mason Square</b>	Springfield		X		1	7	x
<b>Open Square Farmers Market</b>	Holyoke			X	1	3	
<b>Hampden Farmers Market</b>	Hampden			X	1	7	x
<b>Nuestras Raices-Donohue School</b>	Holyoke			X	1	2	x
<b>Enterprise Farm Mobile Market</b>	Springfield	X			1	2	x

***General information to be collected***

- Interviewer name
- Date and time of interview
- Location
- Contact information
- Name and title of stakeholder
- Provide a description of role and responsibilities related to the Farmers Market
- HIP model used

## **INTERVIEW PROTOCOL FOR MARKET MANAGERS**

### ***Processing SNAP and HIP at market***

#### *Prior experience with SNAP*

1. Prior to this year, did this market accept SNAP?
2. Prior to this year, did you have experience processing SNAP?
3. If yes, what system did you use to process SNAP purchases?

#### *Processing SNAP and HIP this year*

4. This year, what system did you use to process SNAP and HIP at this market?
  - a. What was your experience in using the new system?  
*If electronic:*
    - b. Had you ever used a device like this before?
    - c. What aspects of using the technology were most challenging?
    - d. Did the HIP related devices ever malfunction? If so, when and how often? How was the malfunction(s) remedied?
    - e. Did using the technology slow down or otherwise interfere with their normal operations?  
*If tokens:*
      - f. Were there any issues with the use of the HIP tokens?
      - g. How well did the settlement process work with vendors? Were there glitches or hassles, and if so what?
5. Was it clear which items could be purchased with HIP?
6. Thinking about the whole system (implementation at market and connectivity to ACS), and how markets and vendors are paid for SNAP sales?
  - a. What did you like about the system you used?
  - b. What could be improved?
  - c. Would you recommend this system to other markets that accept SNAP? Why or why not?
  - d. Would you use this system again?
7. Did you feel like you had adequate training and support in using the new system?
  - a. What (if any) additional training would you have found useful?
8. Do you feel like vendors had adequate training and support in using the new system?
9. Did you ever call the HIP support line (or HIP and FMFM staff directly) for help with the HIP related devices?  
If so:
  - a. Were you able to reach someone or get support in a timely manner?
  - b. Were your questions adequately addressed?

### ***Impact on market managers, vendors, and customers***

1. What has been the response from your customers, either positive or negative, regarding HIP?
2. How did customers respond to the new way of processing SNAP and HIP at markets?
3. What impact has participation in HIP had on processing SNAP and HIP transactions at your market?  
Has HIP affected SNAP sales and overall sales? If so, how?

## HIP information

1. Did you feel like you had adequate training and support in understanding and relaying information about HIP, to HIP customers?
  - a. What (if any) additional training would you have found useful?
2. Did you feel that the HIP signs were useful to customers who were looking to use their benefit? Did you feel that the SNAP signs were useful in identifying you as a HIP vendor? Why or why not?
3. If HIP becomes an ongoing nationwide program, what changes would you like to see made in how it is used at Farmer’s Markets?
4. Was HIP staff present when you needed additional training or support? If not present, were you able to reach someone or get support in a timely manner?
5. Do you have any other feedback you would like to share?
6. Is there anyone in particular that you think we should talk with as part of the evaluation (e.g. particular vendors, market volunteers, etc.)?

CONTENT	1	2	3	4	5
1. I understood HIP better after viewing the training materials.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
2. I know which foods earn the HIP incentive.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
3. Instructions on how to use the MM+ or e-HIP device and training materials were clear and organized.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
4. As a Market manager, I had adequate training and support throughout the FM season.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
5. Vendors had adequate training and support throughout the FM season.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
6. Having the HIP staff present at the market was useful.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
7. The new system I used to process SNAP and HIP transactions at market this season was easy to use.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree

## **INTERVIEW PROTOCOL FOR MARKET VENDORS**

### ***Processing SNAP and HIP at market***

#### *Prior experience with SNAP*

1. Prior to this year, did this market accept SNAP?
2. Prior to this year, did you have experience processing SNAP?
3. If yes, what system did you use to process SNAP purchases?
4. Did you participate in multiple markets in Hampden County?

#### *Processing SNAP and HIP this year*

5. This year, what system(s) did you use to process SNAP and HIP?
  - a. If electronic, which device(s) did you use?
  - b. How easy was it to use?
  - c. Had you ever used a device like this before?
6. If you participated in multiple markets, did you experience more than one model to process HIP and SNAP transactions? If so, how would you compare them? Did you find it confusing to have to use more than one electronic model?
7. Thinking about the whole system (implementation at market and payments to your account), and how markets and vendors are paid for SNAP sales?
  - d. What did you like about the system(s) you used?
  - e. What could be improved?
  - f. Would you recommend this system(s) to other markets that accept SNAP? Why or why not?
  - g. Would you use this system again?
8. Did you feel like you had adequate training and support in using the new system?
  - a. What (if any) additional training would you have found useful?

### ***Impact on market vendors and customers***

1. What has been the response from your customers, either positive or negative, regarding HIP?
2. Did you feel that the HIP signs were useful in identifying you as a HIP vendor? Did you feel that the SNAP signs were also useful in identifying you as a HIP vendor? Why or why not?
3. How did customers respond to the new way of processing SNAP and HIP at market?
4. What impact has participation in HIP had on processing SNAP and HIP transactions at this market?

### ***HIP Information***

1. If HIP becomes an ongoing nationwide program, what changes would you like to see made at how it is used at Farmer's Markets?
2. Did you feel like you had adequate training and support in understanding and communicating HIP?
  - a. What (if any) additional training would you have found useful?
3. Any other feedback you would like to share?

CONTENT	1	2	3	4	5
1. I understand HIP better after viewing the training materials.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
2. I know which foods earn the HIP incentive.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
3. Instructions on how to use the device and training materials were clear and organized.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
4. Market managers were adequately trained and provided with support throughout the Farmers Market season.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree
5. Having the HIP staff present at the market was useful.	strongly disagree	somewhat disagree	neither disagree nor agree	somewhat agree	strongly agree