

A Sprouting Business

Farmers' markets can help local producers while giving low-income communities more healthy food choices.



BY DOUGLAS SHINKLE

Americans' love of fresh, locally grown food is blossoming far beyond the few "foodie" cities and rural farming communities of the past.

Since 1994, the number of farmers' markets has quadrupled to more than 7,800. After years of record-high obesity and diabetes rates, many people are trying to eat healthier. And with celebrity chefs and nutrition advocates promoting the benefits of locally grown, preservative-free food, farmers' markets are sprouting up everywhere.

But until recently, the movement hasn't reached a huge seg-

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ment of the population that could greatly benefit from it: the 47 million Americans who receive federal supplemental nutrition assistance (SNAP), previously called food stamps. And it's not necessarily because farmers' markets are too pricey. Studies have found that although they are often perceived to be more expensive, they can be comparable to, and at times cheaper than, other food outlets.

Surprisingly, a significant obstacle for many would-be shoppers has been the inability to use their food benefits at farmers' markets. The markets simply did not have the equipment to process government-issued electronic food benefit cards, which are similar to credit cards.

Legislatures in several states, however, have helped to eliminate that barrier. With the equipment needed to process benefit cards, farmers' markets are giving more people an opportunity to choose healthy foods while supporting small- to medium-sized farmers who often depend on direct sales to consumers to survive.

Peaches and Much More

Georgia has taken “locally grown” to a new level, operating nine farmers’ markets that netted the state nearly \$4 million in 2012. Based on legislation enacted back in 1935, the markets are more like agricultural industrial parks with wholesale and processing facilities for local growers, distributors, restaurant owners, grocery store owners and others. The markets sell to the public, but they focus more on processing, packaging, inspecting and distributing.

The nine markets throughout the state host more than 150 businesses with more than 3,500 employees. The state appropriated \$3.5 million to run them in FY 2012, but they generated in \$7.3 million in revenue, and are estimated to have enabled more than \$1 billion in additional sales. Representative Terry England (R), chairman of the House Appropriations Committee, thinks of the state-run markets as incubators, helping Georgia farmers price, market, process and store their goods.



Representative
Terry
England (R)
Georgia

“As consumers have become more aware of where their food is coming from, the markets have provided a boon to our Georgia growers in the produce industry,” says England. “The demand has risen faster than any of us, I think, would have thought possible just a few years ago. People have learned that buying Georgia Grown means fresher, tastier and better quality goods.”

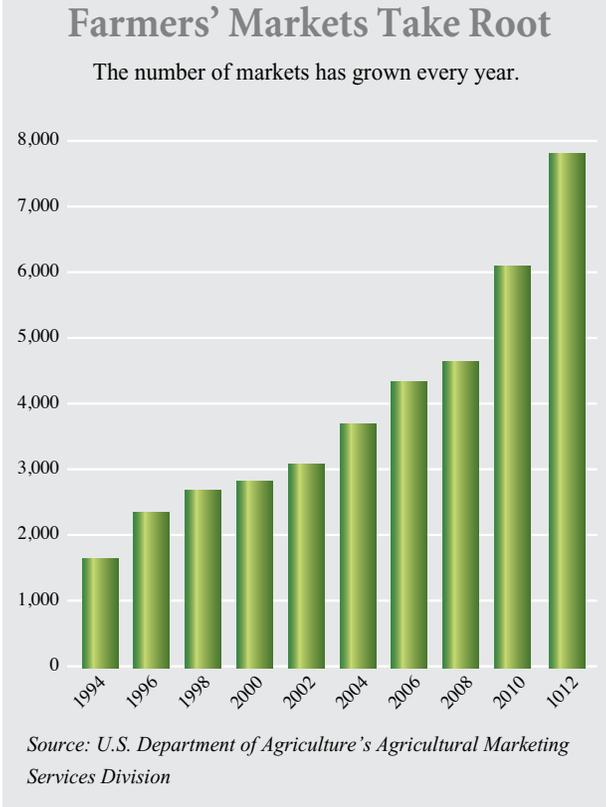
England adds that agriculture helped Georgia weather the recession. “While so many other sectors of our economy took hard hits, agriculture has remained very strong and in many ways pulled us through and kept the recession from hitting us as hard as it could have.”



Sowing Seeds of Access

In the past five years, California, Illinois, Indiana, Massachusetts, Nebraska, Vermont, Washington and the District of Columbia have provided funding for farmers’ markets to process SNAP benefits, taking advantage of \$4 million in grants recently awarded by the U.S. Department of Agriculture.

Today, about a third of farmers’ markets accept benefits cards. And with millions of Americans receiving supplemental nutrition assistance, it’s no surprise that, since 2008, their use at markets has risen 400 percent—to \$16.5 million in 2012, according to the



Department of Agriculture.

The Illinois General Assembly created a Farmers’ Market Technology Improvement Program in 2010 to expand the capabilities of markets to accept benefit cards. Its goals were to use money from the federal grant to purchase or rent equipment, pay activation and wireless access fees, and educate benefit recipients about markets through flyers, TV advertising and cooking classes. The Illinois Departments of Agriculture and Human Services worked with the state farmers’ market association on this effort, and now 55 markets, with more on the way, accept benefit cards, up from just 15 in 2009.

“One of the biggest barriers to healthier eating is access to healthy foods,” says Representative La Shawn Ford (D), sponsor of the bill creating the program. “This legislation can help more people take advantage of nontraditional fresh food markets, such as farmers’ markets that may already exist in their communities.”



Representative
LaShawn
Ford (D)
Illinois

Ford notes that the legislation was also meant to “help farmers and farmers’ markets grow their businesses” while helping the citizens of Illinois eat healthier.



With more than 20 local farmers and vendors, the 61st Street Farmers' Market in Chicago has offered fresh fruit, vegetables, meats and other culinary favorites to the diverse Woodlawn neighborhood since 2008. Photo credit: Connie Spreen

Dollars Don't Grow on Trees

In some states, nonprofit groups have teamed with local governments to offer people incentives to buy from farmers' markets.

Coupons offering savings at markets, for example, have worked well in California, Illinois, Massachusetts and Pennsylvania. Sales to SNAP customers skyrocketed 400 percent in Philadelphia after the introduction of Philly Food Bucks, coupons good for \$2 in additional fruits and vegetables for every \$5 spent at a farmers' market.

Lawmakers in Texas are considering legislation to establish a pilot program in low-income areas that would provide a dollar back for every dollar spent (up to \$20) for additional purchases at a farmers' market.

Another strategy links doctors to farmers' markets through fresh produce "prescriptions," which encourage patients to increase their daily dose of fruits and vegetables through a visit to the local farmers' market. Support for this idea comes from a recent study by a rural health care clinic in South Carolina. It found that diabetes patients increased their consumption of fruits and vegetables when given a financial incentive and referral to farmers' markets.

Green Thumbs Up

Other approaches target assistance to farmers to help them grow their businesses.

The Connecticut General Assembly created a registry of farmers' markets and helps publicize their locations and hours of operation on the state Department of Agriculture website. Kansas is considering similar legislation.

Some states provide some tax relief for vendors at farmers' markets. Tennessee grants a sales tax exemption to a nonprofit online farmers' market, and Washington allows a property tax exemption for nonprofit farmers' markets.

Mississippi exempted food grown or processed in-state and sold at farmers' markets from the state sales tax in 2010. Representative Brian Aldridge (R), sponsor of the legislation, supports markets because they "give farmers another venue for their goods," and says the legislation resolved confusion over whether farmers' markets were required to charge sales tax.



Representative
Brian
Aldridge (R)
Mississippi

A Fresh Future?

For lovers of vine-ripened tomatoes and strawberries in January, the good news is that markets are no longer just a seasonal phenomenon. Greater use of hoop houses and green houses has resulted in a 52 percent increase in markets operating during the winter, according to the U.S. Department of Agriculture.

Only 27 percent of Americans eat the recommended amount of vegetables and only 33 percent get enough fresh fruit, according to the Centers for Disease Control and Prevention. Giving people more opportunities to buy fresh produce year-round may increase those numbers and counteract what some claim to be one of the biggest sources of our escalating health care costs: not eating enough healthy food.

Farmers' markets may be one solution. Just ask a local farmer.

SL ONLINE

For more information on farmers' markets, go to www.ncsl.org/magazine.

Farmers' Markets By the Numbers

1,755

Farmers' markets listed in directories nationwide in 1994

7,864

Markets listed in 2012

24%

Markets open in winter, nationwide

827

Markets in California, the most of any state

47 million

Americans who receive federal supplemental nutrition assistance

860,000

Seniors who receive money from the federal Farmers' Market Nutrition Program

Sources: U.S. Department of Agriculture, Agricultural Marketing Services Division and the Farmers' Market Coalition