MICROFARMING: GROWING FOR FARMERS MARKETS

GROW YOUR CUSTOMER BASE & YOUR SALES

AUGUST 27, 2014

BY

DON WAMBLES
Expand Your Customer Base

- Less than 40% of current FMNP clients are enrolled in SNAP; therefore, 60% plus of SNAP participants are eligible **new customers**!

Increase Your Sales

- Largest reason why purchases are limited at markets is people run out of cash.
Total Funding SNAP vs. FMNP

SNAP Total Benefits (billions)

FMNP Total

MarketLink™ helps you access these sales!
PURPOSE SNAP EBT FUNDING:

- Increase SNAP redemptions/participation at farmers markets...

- ...by providing wireless SNAP EBT equipment to:
  - FARMERS MARKETS and/or DIRECT MARKET FARMERS not currently participating in SNAP at such markets
HISTORY

- **FY12**
  - FNS received $4M in FY12
  - Allocation formula
  - Allocated late in FY12 (May 2012)
  - Extended through FY13

- **FY13**
  - Additional $4M in FY13 (same conditions)
  - Did not allocate FY13 funds
  - Later in year, realized new approach necessary
  - Rolled FY12 funds through FY14 (no feasible alternative)
  - Issued RFP to deal with FY13 funds.
Five Tasks

- Identify Eligible Farmers and Farmers Markets
- Recruit and sign them up
- Provide full spectrum technical assistance
- Record-keeping/Reporting
- Cooperate with States (on FY12 funds)
WHO WE ARE

- The NAFMNP was established in 1992 as a non-profit corporation.

- We are the only national organization linking the States, the District of Columbia, Indian Tribal Organizations, Territories, and other stakeholders in USDA’s Farmers Market Nutrition Programs.

- We serve Farmers Markets, Farmers, low-income families, and seniors who share in our mission.
Our Membership

- 45 members representing WIC FMNP and Senior Programs, and SNAP Agencies.

- Our program footprint which is critical in our delivery includes:
  - Seniors FMNP
  - WIC FMNP
  - WIC CVV or FVV Training & Coordination
  - EBT Terminal Grants
  - Double Coupon Programs
  - SNAP Acceptance Training

- Members currently train more than:
  - 36,000 farmers
  - 6,000 farmers markets
  - 4,000 roadside stands
  - 141 CSAs
Cultivating opportunities for consumers to buy fresh produce from local Growers
The Issue became evident that there was not one complete solution to accept all of the different types of payments in farmers markets.

The problem is compounded by the fact that there were at least 6 different signup processes to be completed:

- Wireless data programs
- Smartphone purchase programs
- SNAP Processor agreements
- SNAP authorization approval process
- Signup processes for credit and debit payment processing and
- Loyalty program signup.

In Maryland, at one point there were 9 different systems to process SNAP, Credit, Debit, and the multiple loyalty incentive programs.
OUR SOLUTION

Met with industry experts from all areas in the industry.
- major processors
- technology providers
- software providers
- terminal providers
- advocacy groups and,
- third party processors.

Develop a solution that would have a simplified signup and authorization process.

Negotiate a single payment processing solution with fees less than what any farmer could obtain on his/her own.

Another important goal in our solution was that it be SELF SUSTAINING.

We see this as a collaboration with all interested parties ESPECIALLY between USDA and our members!
• USDA – Food & Nutrition Service

• National Association of Farmers Market Nutrition Programs (NAFMNP)

• The NOVO DIA Group, Mobile Market+™

• WorldPay™
MarketLink™ is a Complete Technology Solution.

MarketLink™ provides new state-of-the-art equipment to direct-marketing farmers and farmers markets to increase sales and build customer base.

MarketLink™ is a national program with a solution for ALL farmers and farmers markets!
Eligible for FREE terminal

- **New iPhone**, card reader, and printer with one-year warranty to process ALL SNAP, Debit, and Credit Card Transactions, **wherever** you sell.
- **Unlimited Mobile Market**™ data services for 2 years.
- **No** annual fee for Merchant processing account with WorldPay™ the first year.
- World-Class Technical Support from day one!

Not eligible - need terminal & service

- Purchase terminal(s) and card reader(s) and get the processing plan

Not eligible - need service

- Sign up for the processing plan if you have a compatible terminal already
Eligible foods: All fruits and vegetables; meats, fish, and poultry; cheese and dairy products; eggs; baked goods; processed foods: honey, cider, juices; herbs (plants and bunched); plants & seeds that bear fruit

Ineligible foods:
- Non-food products,
- wine and alcohol products,
- hot foods,
- foods meant to be eaten on-site
Report published April 2013 about 17 farmers markets accepting EBT, credit, and debit transactions from July - October 2011.

Only 6% of all sales in cash!

Average electronic sale - $34.57!

$285,211 spent at markets using credit, debit, and SNAP EBT.

- Credit - $162,487
- Debit - $70,092
- SNAP - $30,438
Alabama:
- A farmer reported that using wireless technology for SNAP, Debit, and Credit Card payments increased Saturday sales by 60% ($1,000 up to $1,600-1,800)!

Michigan:
- Farmers in Kent County, Michigan had dramatic sales increases ($44,000 to $117,000) in one year when they used wireless technology to accept SNAP transactions.

New York:
- The Farmers Market Federation of New York reported that a direct-marketing farmer added $40,000 in sales the first year using a wireless terminal.
- SNAP sales at farmers markets have increased by triple digits for the past several years.
THE BOTTOM LINE

This program is a great opportunity for you to try accepting electronic payments without investing your own money for equipment.
**SUPPORT FROM MARKET LINK™**

- **Technical support** from initial sign-up through USDA SNAP-authorization from the *MarketLink™* Team!

- **Tailored setup assistance** of your iPhone and the application that processes all transactions – *Mobile Market+™*

- Technical Support Help Desk available

- **Commitment** from *MarketLink’s™* own Customer Support Team—*people who understand direct-marketing farmers and farmers markets!*
DATA AVAILABLE TO YOU VIA IPHONE

• Ability to retrieve a transaction

• Weekly, monthly, annual sales data

• Great tool to track all of your electronic sales
### MARKETLINK™ TERMINAL PROGRAM

**Option** | **Description** | **USDA Program** (Free to Eligible Farmers, & Farmers Markets) | **Individual Cost**
--- | --- | --- | ---
A | Full equipment package – iPhone, reader, printer | ✔ | $1,963
B | Reader & Printer Bring Your Own Device Option* | ✔ | $689
C | Vx610 Wireless Terminal | ✔ | $650
D | Vx520 Wired Terminal | ✔ | $225

*must be Apple iOS 6.0 or above device as of May 2014
## MARKETLINK™ TERMINAL PROGRAM: FEES & COMMITMENTS

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A / B / C / D</td>
<td>Annual fee for payment processing</td>
<td>$0</td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td>A / B</td>
<td>License Fee for MobileMarket+</td>
<td>$0</td>
<td>$0</td>
<td>$100</td>
</tr>
<tr>
<td>A / B / C / D</td>
<td>Transaction fees</td>
<td></td>
<td>SNAP: 15 cents per transaction</td>
<td>Credit &amp; debit: 1.79%** of sale plus 15 cents</td>
</tr>
<tr>
<td>A / B</td>
<td>Wireless Data Service (2 yrs)</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Data Cost</td>
<td>$19.95 / month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Transaction fees</td>
<td></td>
<td>Additional $0.05 per transaction</td>
<td></td>
</tr>
</tbody>
</table>
## MARKETLINK™
### EARLY TERMINATION FEES

<table>
<thead>
<tr>
<th>Year</th>
<th>Early Termination Fees to exit WorldPay 3-year Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$295</td>
</tr>
<tr>
<td>Year 2</td>
<td>$195</td>
</tr>
<tr>
<td>Year 3</td>
<td>$95</td>
</tr>
</tbody>
</table>

You will receive a notice 90 days prior to the end of your 3-year contract asking you whether you want to continue on an annual basis on the same terms as the Fees & Commitments in Year 3.
MARKETLINK PROCESS

1. USDA eAuth Acct Registration
2. Get FNS # from USDA
3. Customer Processing Agreement
4. Equipment Shipment
5. Set up your Device
Mobile Market Select for World Pay

Troubleshooting Steps For the Equipment

• My SNAP transaction won't go through- the NEXT button will not light up

• My device won't activate. What's wrong?

• My Market is on Saturday, and I need a number to call if something goes wrong. Who do I call?

• I swipe my card but nothing's happening. What's wrong?

• My device is not working! Can I process SNAP transactions with the paper vouchers I was sent?

• There's something wrong with my printer. How do I fix it?
INFORMATION ON WEBSITE

- Eligibility Assessment
- Step-by-Step
- Details on each step
- Sample Completed Forms
- Informative Videos
- Contact information for assistance
- Upcoming Events where you can find a MarketLink Representative
USDA plans to announce the program in August—‘they’ said to keep checking back on the NIFA website for the RFA.

MarketLink is compatible with the electronic incentive programs or will work with token incentive program.

- We are looking at other technical improvements to increase capabilities for incentives.
QUESTIONS & ANSWERS

- Contact the team at:
  - Phone: 443-212-8084
  - Email: info@marketlink.org
  - Amy Crone, amy.crone@marketlink.org
  - Don Wambles, don.wambles@agi.alabama.gov
  - http://marketlink.org