Adopting EBT and Debit Technology at the Farmers Market

Dr. Tim Woods
Ag Economics
University of Kentucky

Janet Eaton
KY Farm Market Association
Kentucky Direct Market Sales

Source: Census of Agriculture, various years

Source: KDA and UK estimates
Kentucky Farm Markets

Number of Vendors

Source: KDA and UK
Tracking Debit and EBT Sales

Test Markets
- Franklin County
- Owensboro
- Christian County
- Middlesboro
- Stanton

Control Markets
- Owen County
- Hardin County
- Woodford County
- Somerset
- Warren

Test Markets: Provided EBT/Debit machine, tokens, promotion budget, Training

Data collected: monthly sales and change in sales, individual transaction sales, Repeat sales, EBT and Debit sales by market
EBT / DEBIT CARDS ACCEPTED HERE

HARDIN COUNTY FARMERS MARKET
LOCALLY GROWN PRODUCE
OPEN TUES-THURS-SAT
MAY THRU OCTOBER

NOW ACCEPTING EBT & DEBIT TOKENS
Debit and EBT Expenses

- USDA Farm Market Improvement Grant
  - KFMA and UK
- 5 units were provided to the Test locations
- Franklin, Owensboro, and Christian Counties had dedicated staff administering program
- Small promotional fund for advertising and signage

- Unit cost: $1150
- $45 monthly service (used on average 4 months)
- $0.10/EBT
- $0.40/Debit
- Most markets charged $1 transaction fee
WELCOME
EBT/DEBIT
TRANSACTIONS

$1.00 Surcharge for Debit Card Transactions

$5.00 Minimum Debit Card Transaction

No Credit Cards Accepted

No Refunds
Debit and EBT Revenues

*All farm market info is based on preliminary data.*
Sales Differences

Over $750 in Vendor Sales

Increase in Sales over Same Month Last Year

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Sales Differences

Increase in Patron Visits over Same Month Last Year

Increase in Patron Visits over Previous Month

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Conclusions From Sales Data

• No significant evidence of sales increases to individual vendors using Debit or EBT for the KY test markets in 2009.

• No significant evidence of impact on patron visits or repeat customer sales for markets using Debit or EBT in the KY test markets in 2009.
Is it worth considering?

- Urban markets are adopting Debit and EBT to meet new customer service demands
- Vendors in 3 markets learned quickly
- Adoption cost very low
- Probably not feasible for very rural markets
- Management commitments can be significant, especially initially
Debit Card Services in Perspective

Services in most demand in KY Farmers' Market

- Sampling
- Expanded market days
- Expanded market hours
- Rest room access
- Debit card
- Cooking/recipe demonstrations
- Expanded parking
- Senior nutrition and/or food stamps
- Entertainment

Based on 302 patron intercepts in 11 different KY Farm Markets, Summer 2009
Services rated on 1 = ‘not important’ to 10 = ‘very important’
Changing Market Customers

<table>
<thead>
<tr>
<th>Do you use a debit card?</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>212</td>
<td>71.9%</td>
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<tr>
<td>No</td>
<td>83</td>
<td>28.1%</td>
</tr>
<tr>
<td>Total</td>
<td>295</td>
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Based on 302 patron intercepts in 11 different KY Farm Markets, Summer 2009
Success Factors

• High customer traffic
• Promotion to community
• EBT not difficult to add onto Debit program (although different selling rules)
• EBT difficult to justify as primary use
• Implementation manager very useful, especially initially
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Managers & Vendors at the test and control markets
Contact Information

Dr. Timothy A. Woods
Extension Specialist in Horticulture Marketing

The University of Kentucky’s College of Agriculture
Department of Agricultural Economics
400 Barnhart Bldg, Lexington, KY 40546
(859) 257-7270

Tim.Woods@uky.edu