

HUDSON VALLEY CSA COALITION

MEMORANDUM

To: NYS Joint - Senate Standing Committee on Agriculture; Senator Michelle Hinchey, Senator Jessica Ramos, and Senator Roxanne Persaud

From: Michelle Hughes, Associate Director, Regional Food Programs, Glynwood Center for Regional Food and Farming, Hudson Valley CSA Coalition

Date: April 20, 2021

Subject: Written testimony for the Joint - Public Hearing: Diversifying Agriculture and Addressing Food Justice alongside Continuing Inequalities in our Food Systems.
Implementing automatic SNAP processing for CSA, and a coordinated statewide nutrition incentives program to improve access to fresh and healthy food in low-income communities and communities of color throughout the state.

Purpose

We would like to recommend to New York State two specific programs to improve access to fresh and healthy food in low-income communities and communities of color throughout the state, namely automatic SNAP processing for CSA, and a coordinated statewide nutrition incentives program.

Background - Hudson Valley CSA Coalition

The Hudson Valley CSA Coalition is a collaborative effort of over 100 farms in the Mid-Hudson and Capital District regions that share the desire to bring the CSA experience to more of our neighbors and community members. Community Supported Agriculture (CSA) has emerged as a broadly transformative model that can increase the economic viability of small and mid-sized farms, strengthen relationships between producers and consumers, revitalize local economies, and have overwhelmingly positive impacts on customer health and lifestyle behaviors, including increased fruit and vegetable consumption, fewer doctor visits, lower medical expenses, and overall improvement and maintenance of long-term health.

There are a number of key strategies that make the CSA model successful, primary among which is effective first-time member recruitment. The Hudson Valley CSA Coalition formed in 2017 out of the need for CSA farms to collaborate and better coordinate efforts to reach new customers, and also out of a desire to figure out how to make CSA more accessible to all people in our communities. Surveys of our membership have consistently found that the overwhelming majority of farms in the coalition--about 80% or more--want to be able to offer subsidized shares to better serve their low-income neighbors and food insecure people in our communities. But there are significant barriers to making this possible.

Background - CSA is a SNAP

In 2018 we developed a pilot program called CSA is a SNAP to address these barriers and make CSA more accessible to SNAP users. We tied this initiative to the SNAP program because it is the most well-known and consistently funded initiative designed to combat food

insecurity in our country. In addition, we were able to leverage federal funding through the Gus Schumacher Nutrition Incentive Program (GusNIP) to create a CSA matching incentive for SNAP users. We would like to note that because of systemic racism and the historic and ongoing oppression of people of color that have led to the inequities that this committee aims to address, SNAP recipients, both in New York State and nationwide are disproportionately people of color.

Accepting SNAP as a payment type certainly helps to open access to CSA and creates a degree of affordability. However, there is a structural mismatch between SNAP and CSA. The key that makes CSA such a powerful tool for farm financial success, is that customers invest in the farms upfront by buying shares at the start of the season, which creates early season cash flow for farms. However, SNAP users are allotted benefits monthly, and cannot pay for food more than two weeks in advance of receiving it, which means that with a traditional CSA model, either farmers have to let go of the economic benefit, or SNAP users can't be part of it.

We created the CSA is a SNAP program to better align SNAP with CSA. The pilot has established a revolving incentive fund that both pays farmers in advance for CSA shares that go to SNAP customers, and subsidizes those shares at a 50% discount (increased from 30% in 2020). SNAP customers in turn then pay for their shares on a weekly or biweekly basis with their EBT cards.

Ongoing Challenges to SNAP use with CSA

However, there are barriers that the CSA is a SNAP program can't solve. The necessity of weekly or biweekly transactions inconveniences and sets SNAP customers apart from other CSA members who have prepaid and can pick up their shares without a point of sale transaction. This can exacerbate the stigma that many SNAP users already experience. In addition, in rural areas or in situations where cell coverage is low, SNAP transaction issues are common, since EBT terminals require an internet connection with high bandwidth. These transaction issues can further inconvenience and stigmatize SNAP users.

Recommendation #1: Implement automatic SNAP payment processing for CSAs

In order to make CSA more accessible to SNAP users, we would like to recommend that NYS put in place a program similar to the SNAP CSA¹ pilot program implemented by Massachusetts. The SNAP CSA pilot was launched in 2014 and was subsequently expanded in 2020 due to increased food insecurity caused by the COVID-19 pandemic. The SNAP CSA program is facilitated by the Massachusetts Department of Transitional Assistance (DTA) and operates under a waiver from the USDA, allowing SNAP-authorized CSA farms to set up automatic monthly payments with SNAP customers. This eliminates the need for weekly payments at distribution, and creates an equal customer experience for SNAP users--which we believe is essential to food justice.

Background - Need for a coordinated statewide nutrition incentive program

As mentioned above, a key component of the CSA is a SNAP program is the matching incentive that subsidizes half the cost of CSA shares for SNAP users. Without this subsidy, CSA would not be affordable for many of these customers. The maximum monthly SNAP allotment for a

¹ <https://www.mass.gov/service-details/how-to-participate-in-the-snap-csa-pilot>

family of 4 is less than \$700, which makes purchasing fresh fruits and vegetables difficult since calorie for calorie they are more expensive. The CSA is a SNAP incentive is funded by the federal GusNIP program which is best known for funding nutrition incentives like Field and Fork Network's Double Up Food Bucks and vegetable prescription programs. NYS has at least six different nutrition incentive programs², some are local, some are statewide, and they are funded through a mix of federal, state, local government, and private funding. These programs currently lack coordination, customers are often unaware that they exist or that they qualify to participate, the benefits are limited as to where they can be used, and the incentive formats--often vouchers or tokens--can be stigmatizing.

Even electronic redemption cards that allow customers to roll over and check balances, such as the loyalty cards used by the Double Up Food Bucks program, still necessitate multiple swipes and transactions. Here is what an average transaction process looks like for a SNAP customer using a nutrition incentive electronic redemption card: The cashier first completes the EBT transaction for the customer and then possibly does a second transaction for non-SNAP eligible items such as cleaning products, personal hygiene supplies, vitamins, etc. Then the redemption card and the EBT card are swiped through a separate dedicated redemption card terminal possibly three times each--first to add to the incentive balance, then to spend down the incentive balance, and then to check the remaining incentive balance for the customer's information. Even if everything goes smoothly, this process takes upwards of 10 minutes to complete, but it can take much longer if the cashier is less familiar with the process or if there are connectivity or swiper issues. I have personally experienced having to type in the 16-19 digit EBT card number, then the redemption card number three times each when the dedicated swiper would not work. The embarrassment this causes to the SNAP customer, and the annoyance expressed by other customers who perceive that person as holding up the grocery line can't be understated.

Recommendation #2: Implement a coordinated statewide nutrition incentive program

As such, we also recommend that NYS put in place a statewide nutrition incentive program similar to the Healthy Incentives Program (HIP)³ in Massachusetts. This program automatically enrolls all SNAP households in the state in HIP, and provides an additional monthly allotment to SNAP users when they purchase fruits and vegetables from local farmers markets, farmstands, CSAs and mobile markets. Farmers and farm vendors must register with the state to become participating HIP retailers.⁴ The money SNAP customers spend at HIP retailers is immediately and automatically added back to their EBT cards and can subsequently be spent at any SNAP retailer, not only at the location where the incentive credit was earned, and not only with certified HIP retailers. This type of incentive provides greater flexibility and choice for SNAP customers, streamlines the point of sale and redemption process, and because the redemption process is automatic, electronic and invisible--it eliminates any stigma for SNAP users.

In 2015, the Massachusetts Department of Transitional Assistance (DTA) received one of the Food Insecurity Nutrition Incentive (FINI) Large Scale Project (FLSP) grants to implement the

²<https://nyshealthfoundation.org/wp-content/uploads/2019/09/nutrition-incentives-for-new-yorkers-in-need-september-2019.pdf>

³ <https://www.mass.gov/service-details/massachusetts-healthy-incentives-program-hip>

⁴ <https://www.mass.gov/service-details/hip-for-farmers-and-farm-vendors>

Healthy Incentives Program (HIP), a statewide expansion of the 2011–2012 Healthy Incentives Pilot. Because of the popularity and impact of the program, it was subsequently taken on as a program of the Commonwealth. HIP now operates off of a line item in the state budget and is administered by the Department of Transitional Assistance (DTA) in partnership with the MA Department of Agricultural Resources and the Department of Public Health. In FY21 Massachusetts has funded HIP at \$13M. To date, \$5.6M of FY21 funds have been spent, which has served 64,000 households. Although it has not yet been codified in legislation, the DTA has continued to increase its programmatic support for HIP with measures such as formal vendor contracts, annual retailer training, customer outreach materials, and program evaluation.

Since the program launched in 2017, in addition to better health outcomes for vulnerable families, the program has increased SNAP sales at farm retailers in Massachusetts by 1250%. The state has seen an 86% increase in SNAP retailers overall, and estimates that the program has helped create 40-60 new ag sector jobs. Overall HIP has increased farm viability, energized farmers markets and CSAs, and of course has made local food more affordable and accessible to people experiencing food insecurity.

Massachusetts farmer Julia Coffey captured the essence of the program when she said, “Thanks to HIP, my farm has the privilege of feeding people that need it most, and that in turn, feeds us, literally and figuratively. It’s rare to witness a program so successful in supporting a balance of complex social, economic, and environmental interests.”

It was eye-opening for us to discover how HIP and SNAP CSA are working in tandem in Massachusetts to allow individuals and families experiencing food insecurity to participate in CSA. In a study of the programs conducted by the John Snow Institute (JSI) in 2017, 91% of SNAP clients participating in a CSA agreed that a CSA share with the HIP incentive made it easier for them to buy fruits and vegetables.⁵ In the same study the majority of SNAP users reported that the SNAP CSA program with the HIP incentive increased their ability to meet household food, transportation, housing, and medical needs. These programs are an investment in the health and wellbeing of our most vulnerable community members, as well as our local farms, and our local economies. This is an incredible opportunity for New York State to not only follow the lead of Massachusetts in enacting these programs, but also to lead in the nation in codifying them in legislation.

Contacts for further information on program background and implementation:

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⁵ https://publications.jsi.com/JSIInternet/Inc/Common/_download_pub.cfm?id=22529&lid=3