



It's a SNAP: The Value of Nutrition Incentives for Brick and Mortar Retailers

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Resource Prepared by Michigan State University
Center for Regional Food Systems

April 2021



About this Paper

Local food sourcing is focused on brick and mortar, which includes retail markets such as corner stores, grocery stores, and supermarkets. This paper presents a case study of a Michigan farmers market with two locations that tailored its operation and marketing techniques to SNAP audiences.

Introduction

Strategic partnerships are a tool that can help businesses improve their bottom line. Developed with a focus on mutual benefit, strategic partnerships can help expand an existing customer base, create access to new customer bases, increase marketing reach, and build brand awareness among several other benefits. Looking to a business in Ann Arbor, Michigan, we see how creative partnerships can increase produce sales and provide added options for accepting nutrition incentive programs in grocery retail stores.

Retailers can use creative partnerships to leverage nutrition incentive programs

In a bustling Michigan college town, the yellow building with brightly painted red doorway and green window frames stands out. Metal bins typically found on farms for feed instead house corn stalks in the summer, with locally grown product found inside the bright walls of the “farm stop.” Billed as a “new model for selling locally grown produce, meats, and dairy,” Argus Farm Stop offers in-store pick up or delivery, as well as a weekly seasonal produce box filled with local products. Their mission is to source locally, and since opening in 2014 they have succeeded, paying more than 200 local farmers and food producers over \$8 million and growing their business to a third location.

While at first one might think this is a resource available only for those who can afford it, Argus Farm Stop is innovative in its offering of Supplemental Nutrition Assistance Program Electronic Benefits Transfer (EBT). Argus Farm Stop provides guidelines for how to place an order using SNAP and other payment options on their website. Shoppers are directed to first use the online catalog to guide their purchasing selections and then send an email to place an order with the appropriate information. Shoppers can also utilize Double Up Food Bucks, Michigan’s statewide nutrition incentive program that allows shoppers to increase their purchasing power by doubling the value of SNAP purchases of fruits and vegetables.



Why creative partnerships?

The COVID-19 pandemic has widely shifted consumer behaviors and food habits during the pandemic. Respondents in a recent survey said that they are more often making food at home, snacking, thinking about food, and wanting fresh produce than before the pandemic (International Food Information Council, 2020). Using creative strategies like offering local farmers a consignment-based sales channel can increase fresh food supply in the store as seen in the Argus Farm Stop model.

Nutrition incentives provide opportunities for under resourced consumers to purchase more fruits and vegetables at farmers markets and retailers. In 2019, 35.2 million Americans, including 5.3 million children, resided in food insecure households (United States Department of Agriculture, 2020). To say a household is food insecure means that the household does not have access to enough food (Feeding America, n.d.). While the data for 2020 is not yet available, there is concern that these numbers will increase substantially from the current rate of one in ten to a rate of one in six Americans being food insecure due to the pandemic (Feeding America, 2020).

What can retailers do?

Creative partnerships and strategies may help leverage resources, reduce barriers to drive sales, and ultimately can positively impact the health of community residents. Nutrition incentive programs can also increase the buying power of individuals qualifying for SNAP, as the Argus Farm Stop retail model illustrates. Retailers accepting nutrition incentives enable partnerships with community stakeholders to increase store sales (United States Department of Agriculture, 2016). Nutrition education and in-store marketing may also increase customer purchases of healthy food products.

Knowing that consumers' food purchasing decisions are still largely driven by taste and price, offering cooking demonstrations and nutrition education in the store could assist shoppers in their understanding of how to prepare fruits and vegetables, alongside recommendations for saving money at the store (IFIC, 2020). Partnering with local universities, extension offices, and healthcare institutions may provide no-cost training for store owners on small changes that can drive use of nutrition incentives. Programs like the [Healthy Corner Store Initiative](#) show how slight modifications to produce displays can increase purchases of fruits and vegetables (International Center for Corporate Responsibility, 2016). Studies show that fruit and vegetable purchases increase as the amount of shelf space dedicated to these products increases (United States Department of Agriculture, 2016). Featuring sale items in demonstrations can help address customer concerns about price or taste.

Strategies for Accepting Incentives

- Community partnerships
- Leverage resources
- In-store marketing
- Nutrition education
- Cooking demonstrations
- Updated displays & signage



Creative purchasing models can increase purchases of locally produced foods. Argus Farm Stop farm products are taken on consignment. The farmers are responsible for setting their own prices and maintaining inventory. This model succeeds in assuring fresh and rotating products while the store retains a specific percentage of sales. If a large quantity of products is needed, a store may locate a nearby food hub, where products are aggregated, stored, processed, and distributed – a strategy that can assist in fulfilling the demand.

Customer engagement

By accepting federal food assistance programs like SNAP or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and more specifically, nutrition incentive programs like Double Up Food Bucks, stores create a more inclusive and welcoming shopping environment. Working with partners and implementing creative customer engagement strategies can help retailers increase sales of featured products, assisting consumers to effectively use nutrition incentives.

Creating value through local partnerships over 600 people shop at Argus Farm Stop every day. Wood crates house produce that was harvested only a day or two before. Labels indicate the farm from which the produce originated, and the price is clearly marked. The bright hues of the produce beckon year-round, with meat and other value-added products available in cases and on shelves. A producer dropping off their product can chat with customers, which is an opportunity to increase customers' knowledge and perceived value of locally sourced products.

Nutrition incentives are widely accepted by food retailers. New and expanding incentive programs provide opportunities for food retailers to accept nutrition incentives specific to produce purchases. Retailers can use strategies like partnering with local farmers and community organizations to increase variety of foods offered and customer participation with the programs.

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About

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Suggested Citation

Rahrig, J. & Shedd, M. (2021, April). *It's a SNAP: The value of nutrition incentives for brick and mortar retailers*. GusNIP NTAE Center, Nutrition Incentive Hub. <https://www.nutritionincentivehub.org>

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Acknowledgments

The authors would like to thank Andrea Weiss, Communications Director, MSU Center for Regional Food Systems (CRFS), Kolia Souza, CRFS Food Systems Equity and Advocacy Specialist, and Kathy Sample and Bill Brinkerhoff of Argus Farm Stop for their guidance and image credit.

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The Nutrition Incentive Hub

The Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information (NTAE) Center is led by the Gretchen Swanson Center for Nutrition. In partnership with Fair Food Network, they created the Nutrition Incentive Hub, a coalition of partners to support this work, including the National Grocers Association Foundation, Farmers Market Coalition, Michigan Farmers Market Association, Ecology Center, Betty Irene Moore School of Nursing at UC Davis, Colorado School of Public Health, Ingredients Consulting, University of California San Francisco, and University of Michigan, among others. These partners are practitioners, retail experts, researchers, and evaluators from across the country bringing decades of experience and leadership in technical assistance, training, reporting, and evaluation. The Nutrition Incentive Hub is dedicated to building a community of practice to maximize program impact and ensure that all Americans have access to the healthy foods they need.

The GusNIP NTAE Center is supported by Gus Schumacher Nutrition Incentive Program grant no. 2019-70030-30415/project accession no. 1020863 from the USDA National Institute of Food and Agriculture.