

# Evaluation of the CalFresh Fruit and Vegetable Electronic Benefits Transfer Pilot Project

## Report to the Legislature

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STATE OF CALIFORNIA  
Gavin Newsom, Governor

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY  
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**LEGISLATIVE MANDATE**

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Assembly Bill (AB) 1811 (Chapter 35, Statutes of 2018) added Section 10072.3 to the Welfare and Institutions Code and created the California Fruit and Vegetable (CF&V) Electronic Benefits Transfer (EBT) Pilot Project. Section 10072.3 requires the California Department of Social Services (CDSS) to evaluate the CF&V Pilot projects that operated between February 1, 2023, and January 31, 2025, and to submit a report to the Legislature by July 1, 2025.

The report must include recommendations about what it would take to further refine and expand CF&V benefits, improve CalFresh client education, and assess the efficacy of benefits. It must also include recommendations for what would make benefits easier to use, support retailer adoption, and streamline CDSS administration. In addition, the report must incorporate the perspectives of county CalFresh administrators, advocates, CalFresh clients, participating retailers, and the State.

Additional copies of this report can be obtained from:

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## EXECUTIVE SUMMARY

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The intent of the CF&V Pilot was to design and test a food benefit incentive mechanism integrated with California's EBT system. The new technology aimed to provide supplemental benefits to eligible CalFresh benefit accounts through a retailer's Point-of-Sale (POS) system. Clients shopping at participating retailers were able to earn a dollar-for-dollar match, up to \$60 per month, in supplemental benefits for each qualifying fruit or vegetable purchase. The Pilot sought to streamline the user experience while increasing access to fresh fruits and vegetables for CalFresh customers.

CF&V Pilot operations launched in February 2023 and concluded in February 2025. Throughout the Pilot, four grocery retailers with a combined 88 locations and a total of eight farmers' markets participated in at least one phase of the program. In the first phase, 92,948 CalFresh households received supplemental food benefits, and in the second phase<sup>1</sup> 88,756 households received benefits. In total, 155,635 CalFresh households received supplemental food benefits, with \$17.9 million<sup>2</sup> in CF&V incentives issued.

Client feedback generally reflected strong interest in the added purchasing power and the overall ease-of-use. In contrast, retailers reported operational challenges, including longer customer wait times and confusion about how to redeem incentive benefits. Additionally, retailer participation was concentrated in Southern California, with one retailer operating at more than 80 participating locations in the region. This raised equity concerns, as broader retailer engagement in other parts of the State could have improved access for clients statewide. Finally, once all participating retailers were certified, the rate at which incentives were issued became unpredictable.

If the CF&V program were to be sustained long-term, key state investments would be required. Some of these investments would include automating data sharing between the EBT system and the California Statewide Automated Welfare System (CalSAWS), enhancing the Statewide Automated Reconciliation System (SARS), and providing sufficient state operations resources to transition CF&V into a state-led program.

## BACKGROUND

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The California Legislature passed AB 1811<sup>3</sup> (Chapter 35, Statutes of 2018), which established the CF&V Pilot Project with an initial allocation of \$9.8 million. Of this amount, \$6.4 million was designated for supplemental CF&V benefits, with the remaining \$3.4 million for grantees and technical modifications. The Pilot was implemented at United

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<sup>1</sup> Total CF&V benefits issued as reported through SARS.

<sup>2</sup> Total CF&V benefits issued as reported through SARS.

<sup>3</sup> [AB 1811 Human Services Omnibus](#)

States Department of Food and Agriculture (USDA) Food and Nutrition Service (FNS) authorized retailers of various types, sizes, and locations. The CF&V Pilot was established in 2018; however, development efforts were unexpectedly delayed due to the COVID-19 pandemic and related relief efforts.

CDSS and the Office of Technology Solutions Integration (OTSI), with support from California's EBT vendor Fidelity Information Systems (FIS), launched the CF&V Pilot in collaboration with selected grantees in February 2023. Following the initial implementation, the Budget Acts of 2023<sup>4</sup> and 2024<sup>5</sup> appropriated an additional \$9.9 million and \$10 million, respectively, to continue the Pilot.

During the Pilot's operation two legislative bills were passed to make adjustments to the pilot:

- AB 120 (Chapter 43, Statutes of 2023)<sup>6</sup> amended Section 10072.3 by removing the requirement that eligible fresh fruits and vegetables be California-grown and extended the CF&V Pilot's repeal date from January 1, 2024, to January 1, 2027.
- AB 3229 (Chapter 916, Statutes of 2024)<sup>7</sup> further amended the section by consolidating two previously required legislative reports, originally due six months apart, into a single report.

Due to the one-time funding structure, the Pilot operated for a non-continuous 17 months, concluding in February 2025 when all allocated funding had been expended. A total of \$17.9 million in incentive benefits were issued to more than 155,600 CalFresh households through grocery and farmers' market retailers across 11 counties.<sup>8</sup> The remaining funding was used on expenses for grantees to administer the Pilot. While the Pilot concluded in February 2025, the California Budget Act of 2025 allocated an additional \$36.0 million to restart the CF&V Pilot.<sup>9</sup> The Pilot was relaunched for a third time in November 2025.

To support implementation across different regions, the Pilot team partnered with three grantees operating USDA FNS authorized retailers with varying characteristics. Participating retailers included four Arteaga's Food Center stores, three Santa Fe Foods stores, two Harvest Market stores, and over 80 Mother's Nutritional Center (MNC) stores. In addition, seven farmers' market sites across California were initially included in Phase I; however, only one farmers' market opted to participate in Phase II.

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<sup>4</sup> [California Budget Act of 2023](#)

<sup>5</sup> [California Budget Act of 2024](#)

<sup>6</sup> [AB 120 Human Services Omnibus](#)

<sup>7</sup> [AB 3229](#) California Fruit and Vegetable EBT Pilot Project: report.

<sup>8</sup> Total CF&V benefits issued as reported through SARS.

<sup>9</sup> [California Budget Act of 2025](#)

The Pilot offered a dollar-for-dollar match on qualifying fresh fruit and vegetable purchases, up to a monthly maximum of \$60 per household. Incentive benefits were made available for future food purchases at any USDA FNS authorized retailer, regardless of the retailer participating in the Pilot. Farmers' markets used a distinct redemption process involving scrip, wooden coins, or paper coupons, issued at a central terminal after CalFresh cards were swiped. This immediate, on-site redemption process differed from the POS model used by other retailers, where the benefit could only be used for a future purchase. All CalFresh EBT cardholders were eligible to earn CF&V incentives from participating retailers. SUN Bucks and Women, Infants, and Children (WIC) cards were not eligible for these supplemental benefits.

This report outlines key milestones in the Pilot, evaluates data collected throughout implementation, incorporates insights from stakeholders, and provides recommendations to inform future program development and administration. For the purposes of this report, the term "CalFresh" includes both the CalFresh program and the California Food Assistance Program. Experiences from the third relaunch in November 2025 are not included in this report.

## **IMPLEMENTATION MILESTONES**

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The CF&V Pilot successfully delivered enhancements to California's EBT system, enabling the issuance of supplemental food incentives directly at the retailer's POS. The Pilot was implemented at USDA FNS authorized retailers across California, including major grocery chains in urban areas, small independently operated stores in suburban neighborhoods, and farmers' markets in rural communities. Central to the Pilot's design was the assumption that participating retailers, already certified to process Supplemental Nutrition Assistance Program (SNAP) transactions, could successfully integrate new EBT system functionality. This required a structured onboarding process and technical readiness assessments to validate POS system capabilities.

Launching the CF&V Pilot required extensive coordination and significant infrastructure enhancements to California's EBT system. Participating retailers were required to configure their POS systems to recognize and process incentive-based transactions in real time. Concurrently, California's EBT platform underwent technical modifications to support this new functionality. The automated system architecture, including third-party processors, facilitates seamless data exchange between state systems and retail terminals. Automation across these systems enabled ongoing EBT operations, including real-time transaction processing, data validation, and comprehensive reporting.

The CF&V Pilot is supported through a coordinated effort by multiple state partners and the State's EBT vendor, FIS. CDSS oversees the administration of the CalFresh program, while technical support for the EBT system is provided by OTSI and FIS. To support the limited-term pilot, all three organizations leveraged existing staff resources to sustain

operations, including retailer onboarding coordination, policy development, retailer support, troubleshooting, grant administration, and system monitoring.

**CF&V Pilot Project Milestones**

Milestone	Date
The CF&V Pilot authority was established under Welfare and Institutions Code Section 10072.3 via AB 1811 (Chapter 35, Statutes of 2018).	September 2018
The CDSS releases Request for Application to identify grantees and recruit Pilot retailers.	September 2020
Grant award letters issued to selected grantees: the Ecology Center, the San Francisco Bay Area Planning, and Urban Research Association (SPUR), University of California San Diego (UCSD).	August 2021
Contracts executed with the selected grantees: the Ecology Center, SPUR, UCSD.	July 2022
The CDSS, OTSI, and FIS complete User Acceptance Testing.	January 2023
The CDSS launches Customer Experience Survey.	January 2023
Phase I: CF&V functionality deployed in the California EBT system.	February 2023
<p>Seven farmers’ markets launch the CF&amp;V Pilot in five counties:</p> <ul style="list-style-type: none"> <li>• Napa County: Downtown Napa Farmers’ Market</li> <li>• Los Angeles County: Atwater Village Farmers’ Market and Adams-Vermont Farmers’ Market</li> <li>• San Bernardino County: Rialto Farmers’ Market</li> <li>• Alameda County: Grand Lake Farmers’ Market</li> <li>• Sacramento County: Country Club Plaza Farmers’ Market and Sunrise Station Farmers’ Market</li> </ul>	February 2023
<p>Three grocery retailers launch the CF&amp;V Pilot in four counties:</p> <ul style="list-style-type: none"> <li>• Monterey County: Santa Fe Foods</li> <li>• Santa Clara County: Arteaga’s Food Center, Santa Fe Foods</li> <li>• Alameda County: Santa Fe Foods</li> <li>• Mendocino County: Harvest Market</li> </ul>	March 2023
The MNC launches the Pilot with over 80 locations. The MNC has grocery retail locations in Los Angeles, Orange, Riverside, San Bernardino, Imperial, and San Diego counties.	December 2023
The Budget Act of 2023 appropriates \$9.9M (General Fund one-time) for initial pilot implementation.	June 2023
The CF&V Pilot functionality is disabled. Available incentive funding expended.	April 2024

Milestone	Date
The CDSS Customer Experience Survey closes. The short pilot survey was designed to collect participant experience data to inform program improvements.	May 2024
The Budget Act of 2024 allocated an additional \$10M (one-time) to relaunch the Pilot after running out of earlier funds.	June 2024
Phase II: The CF&V Pilot relaunches with additional funding allocated in the 2024 Budget Act. <sup>10</sup> Functionality is enabled at one newly joined farmer’s market (Crenshaw Farmer’s market) and re-enabled at all retail locations included in Phase I (Arteaga’s Food Center, Santa Fe Food, Harvest Market, and MNC grocery retailers). <sup>11</sup>	October 2024
The CF&V Pilot functionality is disabled. Available Phase II incentive funding is expended.	February 2025

## **CUSTOMER AND RETAILER EXPERIENCE AND EVALUATION METHODOLOGY**

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### CF&V Evaluation Methodology

To assess the impact of the CF&V Pilot, CDSS employed a mixed-methods evaluation approach that integrated both quantitative benefit issuance data and qualitative client feedback. CDSS administered a customer experience survey, analyzed CF&V transaction data from the EBT system, and contracted with grantees to evaluate retailer outcomes. This approach allowed CDSS to measure operational performance alongside customer experience.

### CalFresh Fruit & Vegetable Incentive Issuance Data

Between the launch of the CF&V Pilot in February 2023, through its sunset in February 2025, the Pilot distributed over \$17.9 million in supplemental benefits to 155,635 CalFresh households, averaging \$1,150 per household. CalFresh families spent 98 percent of the incentives they earned.<sup>12</sup> Consistently high month-to-month transaction rates, coupled

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<sup>10</sup> [California Budget Act of 2024](#)

<sup>11</sup> The City of Rialto Farmers’ Market, Grand Lake Farmers’ Market, Alchemist Community Development Corporation Farmers’ Markets, and the Adams-Vermont Farmers’ Market rescinded participation.

<sup>12</sup> Alvarez, et al., (2024). [CalFresh Fruit & Vegetable EBT Pilot Project: Perspectives from Implementation in Grocery Stores](#). UC San Diego Center for Community Health. Fullwell.

with customer feedback indicating ease of use, demonstrates both consumer demand and the program's overall effectiveness.

### Customer Experience Survey Data Results

To complement issuance data, CDSS conducted a multilingual customer survey between January 2023 and May 2024. A URL link and QR code printed on qualifying transaction receipts directed customers to the survey via the EBT Cardholder Portal. Many participating retailers also provided on-site digital tablets to collect additional feedback.

CDSS received 6,627 responses before the survey closed in May 2024. The results provided insight into the user-friendly nature of the supplemental benefit redemption process and highlighted both the strengths and challenges of the Pilot.

Most respondents reported that the supplemental benefits enabled them to purchase more fresh fruits and vegetables and eased food budgeting constraints. Many indicated increased produce consumption and appreciated the automatic, low-friction issuance of benefits to their EBT accounts. Feedback also identified areas for improvement, including:

- Expanding retailer participation,
- Enhancing store signage, and
- Improving informational resources available through BenefitsCal and the EBT Cardholder Portal.

### Customer and Retailer Experience

CF&V Pilot grantees administered surveys and focus groups with retail staff at participating grocery stores and farmers' markets to identify implementation challenges. The survey found that inconsistent staff training led to checkout confusion at some participating retailers. In-store promotions were the most common method for raising awareness but were less effective in reaching CalFresh recipients in rural or underserved areas. Respondents from these regions reported lower awareness of the program and fewer opportunities to earn CF&V incentives. In contrast, participating retailer MNC achieved strong engagement among underserved and underrepresented groups through robust outreach campaigns, which significantly increased program awareness and access.

Retailers and customers also identified language access barriers, particularly for individuals with limited English proficiency. Customers reported challenges understanding signage, staff guidance, and receiving direct communication in their preferred language. This challenge was most pronounced at farmers' markets, where few operators had multi-lingual staff available to explain the Pilot effectively.

Farmers' markets experienced unique operational challenges due to their use of scrip (wooden coins) for incentive redemption. Because CF&V benefits were issued in real time to cardholder EBT accounts, farmers' market customers were required to conduct multiple transactions to redeem their newly earned incentives. As a result, customers at farmers' markets and smaller grocery stores reported increased wait times, on-site spatial constraints, and uncertainties regarding the redemption process. Due to operational barriers and reduced on-site redemption of CF&V incentives, six farmers' markets withdrew themselves from the Pilot after Phase I. Only one farmers' market location, Crenshaw Farmers' Market in Los Angeles County, participated in Phase II.

Several retailers also reported technological access challenges, including delays in transaction processing caused by legacy POS systems struggling to integrate CF&V codes with updated payment processor software. Despite these challenges, grocery retailers reported high levels of satisfaction with the program.<sup>13</sup> Many stated that the incentive program attracted new customers, increased sales, and supported efforts to address food insecurity in their communities. Retailers emphasized that the technology was functioning as intended and was far less burdensome than coupon-based systems. Notable, all brick-and-mortar retailers that participated in Phase I returned for Phase II.

## **ADMINISTRATIVE, TECHNOLOGICAL, AND OPERATIONAL CONSIDERATIONS TO INFORM A PERMANENT PROGRAM**

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### Administrative Challenges

The CF&V Pilot encountered administrative constraints that affected both its scalability and day-to-day operations.

The rate of incentive funds being earned and utilized was unpredictable. Following full retailer onboarding, the issuance of supplemental benefits nearly quadrupled, outpacing initial forecasts. While this rapid utilization reflected strong consumer demand, it required close monitoring and agile coordination among state partners and grantees to ensure an orderly wind-down of Pilot operations and prevent disruptions for CalFresh customers.

Another significant challenge stemmed from the Pilot's budget structure, which required grantees to balance funding across outreach, staffing, and retailer technology investments. Allocating more resources to one area reduced the availability of funds in others. For example, greater investment in marketing strategies, critical for increasing program visibility, would reduce the amount of funding available for incentive benefits. These trade-offs complicated retailer recruitment, particularly among farmers' markets

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<sup>13</sup> [Alvarez, et al., CalFresh Fruit & Vegetable EBT Pilot Project: Perspectives from Implementation in Grocery Stores, October 2024](#)

with complex transaction needs, and added challenges to long-term sustainability planning.

### Technological Challenges

The Pilot also surfaced several technological issues that underscored the interdependence between EBT systems, payment processors, and retailer POS software.

In February 2024, a routine software update by a payment processor supporting Harvest Market inadvertently triggered a glitch affecting the CF&V code. As a result, all CalFresh transactions temporarily ceased at several Harvest Market locations. The issue was resolved through coordinated efforts among CDSS, FIS, and the payment processor, but it highlighted systemic vulnerabilities in the program's technological infrastructure.

The EBT transaction process operates within a highly interdependent, multi-party payments ecosystem. Unlike standard card transactions, EBT processing requires in-synched compatibility between the retailer, Third-Party Processor, and financial transaction systems with each operating distinct systems, software environments, and compliance frameworks. Transactions could be disrupted if one entity conducts a software update without proper testing. Detailed testing is essential to assure continuous technical functionality and avoid future system disruptions.

The Pilot was launched without integration into CalSAWS, the statewide eligibility and case management system used by county welfare departments. As a result, county case workers were unable to view CF&V incentive balances, limiting their ability to support customers who experienced program-related issues. Effective long-term administration would require CalSAWS integration. In addition, SARS was leveraged to track and reconcile benefit issuance. While SARS plays an important role in ensuring financial accountability, any future iterations of the CF&V program would require clearer linkages between SARS, CalSAWS, and retailer-level systems to improve operational visibility and responsiveness.

### Retail Operations and Capacity Challenges

Retailers, particularly those without prior experience administering incentive-based programs, faced a range of operational challenges when adapting to the new system. These included:

- Stock management issues, which emerged in several stores due to unexpected spikes in produce demand,
- Cashier workflows strain, as new procedures required additional training and support, and

- Inconsistent engagement from retailer payment processors, which lead to missed schedule commitments and delays in retailer onboarding and troubleshooting.

Outreach strategies, while effective in some communities, resulted in inconsistent community awareness of the Pilot. In Alameda County, for example, a surge of customers at one participating farmers' market, driven largely by word-of-mouth promotion, overwhelmed the market's infrastructure. Unlike grocery stores, farmers' markets rely on scrip distribution, introducing additional friction for both customers and vendors. Farmers' markets also reported implementation challenges, including:

- Customer and vendor confusion around redemption processes,
- Delayed transactions and long lines during peak traffic period, and
- Space and staffing limitations risked overall SNAP participation.

These issues made it difficult for farmers' markets to participate consistently, despite their role in improving access to fresh fruits and vegetables. Due to these unique operational barriers, participation among farmers' markets declined significantly over the course of the Pilot. After initially launching with seven participating markets, ultimately only one location, Crenshaw Farmers' Market in Los Angeles County, participated in Phase II of the Pilot. One additional farmers' market is expected to participate during the 2025-26 CF&V Pilot relaunch.

## **RECOMMENDATIONS FOR WHAT IT WOULD TAKE TO TRANSITION CF&V PILOT INTO A SUSTAINABLE SUPPLEMENTAL BENEFIT PROGRAM**

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Welfare and Institutions Code 10072.3 requires CDSS to develop recommendations for how the supplemental benefits mechanism could be further refined and expanded. The recommendations that follow outline targeted strategies that could address needed automation enhancements and state staffing while maintaining robust program oversight and promoting equitable access.

### Recommendation 1: Centralize Program Administration

Establish a centrally administered, state-led administration model that addresses the observed challenges with the grantee-mediated model used during the Pilot. The Pilot's fiscal, technological, and operational challenges underscored the need for enhanced automation, spanning the EBT reconciliation system, the eligibility system, and client-facing platforms such as the EBT Cardholder Portal and BenefitsCal, to reinforce system integrity, enable real-time reconciliation, and streamline customer service.

If the program was expanded statewide, CDSS recommends developing a centralized retailer onboarding process with standardized technical requirements and training

modules for prospective retailers. Centralizing this process would reduce operational friction, streamline onboarding, and support program scalability. Significant state operational investments would be required to support centralized retailer management and ongoing administration.

Dedicated CDSS and OTSI staff would be needed in key areas such as policy development, technical support, and program oversight. The EBT vendor may also require additional resources to support retailer certification and enable or disable CF&V functionality as funding cycles change. Transitioning to a centralized model would require additional state operations infrastructure, including staffing resources for policy development, program branding, and retailer recruitment and oversight.

### Recommendation 2: General Fund Supplemental Benefit Cost Containment

Scaling the CF&V Pilot to cover the entire CalFresh caseload would involve significant expansion costs. Preliminary estimates suggest that if the \$60 CF&V supplemental benefit were extended to every CalFresh household, approximately 2 million households<sup>14</sup>, the State could face annual benefit costs exceeding \$1.5 billion. If the program was expanded statewide, a phased expansion strategy would allow for adjustments and the ability to quickly wind down and re-enable incentive functionality based on available funding.

### Recommendation 3: Automation Enhancements

The Pilot included proof-of-concept automation designed to test program functionality and effectiveness but was not designed for long-term, statewide expansion in its current design. If the CF&V Pilot was adopted as an ongoing program, system enhancements would be needed across both EBT and CalSAWS platforms. These enhancements would include integrating host-to-host and batch interfaces, strengthening auditing and reporting capabilities, and modifying CF&V benefits to align with conventional CalFresh functionality.

The EBT vendor would need to update the ebtEDGE cardholder portal and mobile application to provide enhanced customer support, including detailed CF&V balance and transaction information. Additionally, reconciliation tools, updated reporting, and training materials would be required for state and impacted county welfare department staff.

### Recommendation 4: Retailer Refinement and Product Expansion to Support Program Reach Goals

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<sup>14</sup> Preliminary cost estimates are based on the CDSS CalFresh Data Dashboard.

If the program was expanded statewide, CDSS recommends refining retailer selection criteria to support broad and equitable access for CalFresh customers; the only CalFresh customers who were able to participate in the CF&V Pilot were those who lived near a participating retailer. While the CF&V Pilot included a diverse range of participating retailers, including large chain grocery stores with dozens of locations, farmers' markets in major urban centers, and smaller, independently operated stores in suburban and rural communities, retailer locations were concentrated in urban and suburban areas based on existing grantee partnerships, primarily in Southern California. This resulted in abundant access in those regions while leaving fewer options for CalFresh customers in remote rural communities. Expanding outreach efforts and implementing targeted retailer recruitment strategies would promote participation in more rural and remote areas of California.

Priority could be given to retailers located in food deserts and other underserved areas. In addition, selection criteria could include a retailer's capacity to support both in-store and online transactions, leveraging CalFresh online purchasing capabilities if offered by the retailer, to improve access for populations with limited mobility or transportation challenges. Establishing clear, performance-based criteria would help ensure a balanced geographic distribution of participating retailers while addressing disparities in program reach.

Broadening the incentive beyond fresh produce to also include frozen and canned fruits and vegetables would also provide a tool to expand program reach. This approach would bolster CF&V incentive access in underserved regions such as food deserts and for households that may shop infrequently, which would streamline program access by expanding eligible items in a manner that would not require significant changes to the established EBT system and would maintain SNAP compliance.

#### State Operations and Local Assistance Budgetary Impact Considerations

If a permanent CF&V Program is pursued, strategic state investments would be required for both CDSS and OTSI. These resources would provide dedicated support for policy development, retailer recruitment and onboarding, strengthening program oversight, enhancing operational effectiveness, and upholding commitments to reliable and transparent service delivery. A dedicated team of managers, analysts, and IT support would be required to implement and maintain the program.

In addition to state operations, local assistance needs would have to be identified to ensure local administrative support through county welfare departments. While county impacts are still being evaluated, early findings highlight the importance of local customer service and promoting awareness of participating CF&V retailers within each community.

In summary, transitioning the CF&V Pilot into an ongoing program would require strategic retailer selection, comprehensive cost planning, operational and technological

enhancements, and sustainable funding cycles to manage annual wind-downs. These efforts would be essential to support long-term program sustainability, ensure equitable access, and maintain system integrity at scale

## **CONCLUSION**

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The CF&V Pilot designed, tested, and implemented new EBT transaction technologies that provided \$17.9 million in incentive food benefits to CalFresh customers. High and consistent redemption rates at the grocery stores demonstrated sustained engagement among eligible households that were informed about the CF&V Pilot. The Pilot inspired efforts to launch nutrition incentive pilots from coast to coast, with Rhode Island and Washington modeling similar incentive programs after California's Pilot.

If the pilot was transitioned to a centralized, ongoing food incentive program, it would require a shift towards sustainable, scalable solutions that support both state and retailer administrative needs. Any permanent program should proactively address the operational lessons learned from the Pilot's implementation, particularly those observed in farmers' markets, as those challenges impact the CalFresh customer experience and retailer's ability to participate in the program. In addition, a statewide expansion would entail significant administrative, technical, and operational costs.

## APPENDIX I – CF&V Incentive Benefits Issuance

### CF&V Incentive Benefits Issuance – February 2023 through March 2025<sup>15</sup>

Month/Year	Number of Impacted CalFresh Households	Total Value of Incentives Issued	Notes
February 2023	25	\$585	CF&V functionality went live February 20, 2023. All seven farmers' markets went live.
March 2023	1,011	\$24,461	Harvest Market went live.
April 2023	1,900	\$60,565	
May 2023	2,091	\$75,119	
June 2023	2,511	\$101,380	
July 2023	3,011	\$127,478	
August 2023	4,366	\$177,327	Santa Fe Foods and Arteaga's Food Center went live.
September 2023	6,821	\$212,288	
October 2023	7,444	\$246,065	
November 2023	11,939	\$374,739	MNC went live.
December 2023	29,495	\$1,181,922	
January 2024	37,990	\$1,597,237	
February 2024	43,293	\$1,914,367	
March 2024	55,646	\$2,580,151	
April 2024	40,169	\$1,881,307	CF&V pilot was disabled as all funding was utilized.

<sup>15</sup> Data provided through the SARS CF&V Activity Report.

Month/Year	Number of Impacted CalFresh Households	Total Value of Incentives Issued	Notes
October 2024	266	\$2,720	CF&V functionality re-enabled at Arteaga's Food Center, Harvest Market, and Santa Fe Foods on October 29, 2024, from \$10 million one-time funding added by the 2024 Budget Act.
November 2024	31,505	\$1,377,625	The MNC and Crenshaw Farmer's Market re-enabled CF&V functionality.
December 2024	54,356	\$2,587,043	
January 2025	68,625	\$3,342,329	Participating retailers advised to remove CF&V signage to softly wind-down pilot marketing before functionality was disabled.
February 2025	3,270	\$72,564	CF&V functionality disabled on February 28, 2025, as all funding was utilized.
March 2025	1	\$39	Santa Fe Foods did not disable CF&V functionality timely, resulting in one erroneous CF&V transaction.

## APPENDIX II – GRANTEE EVALUATION AND RETAIL EXPERIENCE REPORTS

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### Grantee Evaluation Reports

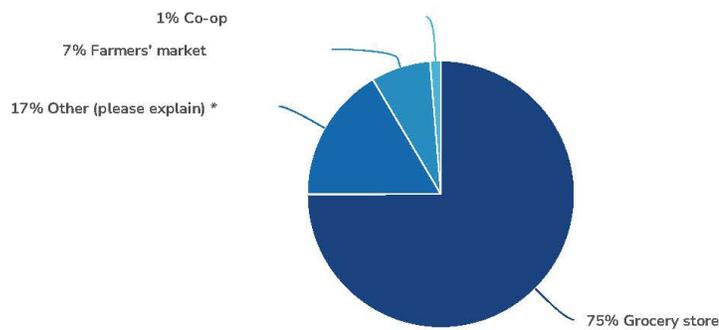
- Chelius, C., Stochlic, R., & Gosliner, W. (2024). (rep.). The California Fruit and Vegetable EBT Pilot Program: Evaluation Report Prepared for the Ecology Center by the University of California, Agricultural and Natural Resources Nutrition Policy Institute (NPI)
- Chelius, C., Stochlic, R., Hewawitharana, S. C., & Gosliner, W. (2024). [Opportunities and Challenges of California’s Fruit and Vegetable Electronic Benefit Transfer Pilot Project at Farmers’ Markets: A Qualitative Study with Supplemental Nutrition Assistance Program Shoppers and Farmers’ Market Staff.](#) *Nutrients*, 16(19), 3388.
- Hewawitharana SC, Stochlic R, Sam-Chen S, Gosliner W. (2025) [The California Fruit and Vegetable EBT Pilot Project at Farmers’ Markets. Evaluation Findings Research Brief.](#) University of California, Agriculture and Natural Resources, Nutrition Policy Institute.
- Alvarez, K., Prickitt J., Zigas, E., Marquez-Nieblas G., Knauer N., Torres A., Bearnse A., & Meléndrez, B. (2024). [CalFresh Fruit & Vegetable EBT Pilot Project: Perspectives from Implementation in Grocery Stores.](#) UC San Diego Center for Community Health. Fullwell.
- John Snow, Inc. Healthy Communities. (2024). (rep.). [California Fruit and Vegetable EBT Pilot Project: Retailer Interview Report.](#)

## APPENDIX III – CDSS CLIENT EXPERIENCE SURVEY DATA

Source: CDSS CF&V Pilot Customer Experience Survey Results

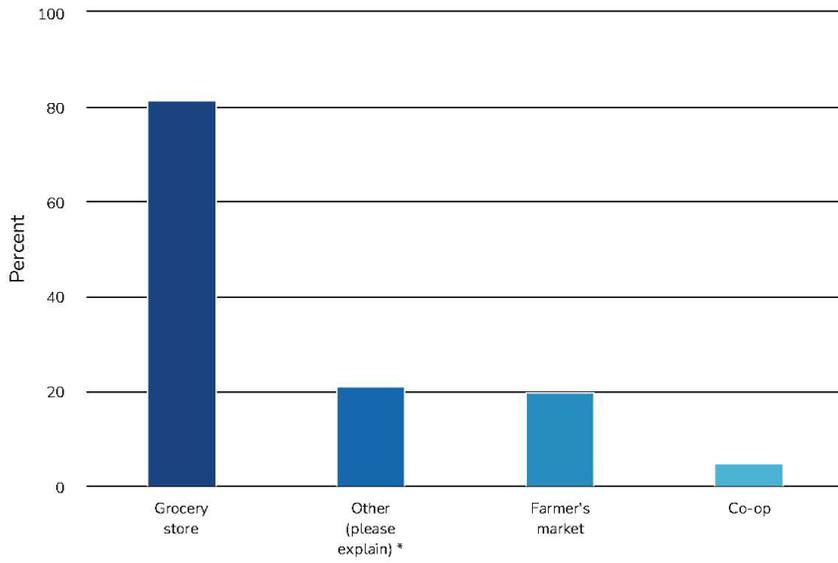
# Report for CF&V Customer Experience Survey

1. Where do you most often use the EBT card to buy fruits and veggies?  
Choose only one option. \*



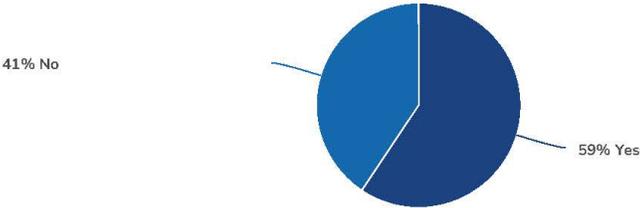
Value	Percent	Responses
Grocery store	75.0%	4,973
Other (please explain) *	16.5%	1,095
Farmers' market	7.2%	474
Co-op	1.3%	85
		<b>Totals: 6,627</b>

2. Where do you use your EBT card to buy fruits and veggies? Select all that apply: \*



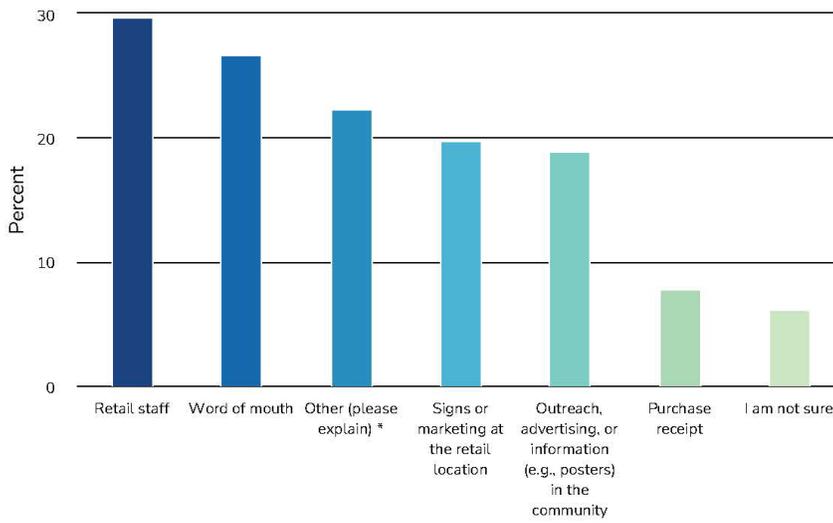
Value	Percent	Responses
Grocery store	81.7%	5,386
Other (please explain) *	21.3%	1,407
Farmer's market	19.8%	1,306
Co-op	4.9%	326

3. Did you know that you were taking part in the CA Fruit and Veggie (CF&V) EBT Pilot Program? \*



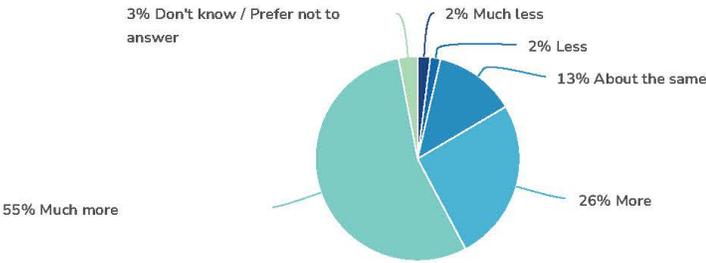
Value	Percent	Responses
Yes	59.4%	3,909
No	40.6%	2,677
		<b>Totals: 6,586</b>

4. How did you learn about the CF&V EBT Pilot Program? Select all that apply. \*



Value	Percent	Responses
Retail staff	29.8%	1,153
Word of mouth	26.7%	1,031
Other (please explain) *	22.4%	866
Signs or marketing at the retail location	19.8%	767
Outreach, advertising, or information (e.g., posters) in the community	19.0%	735
Purchase receipt	7.8%	301
I am not sure	6.2%	238

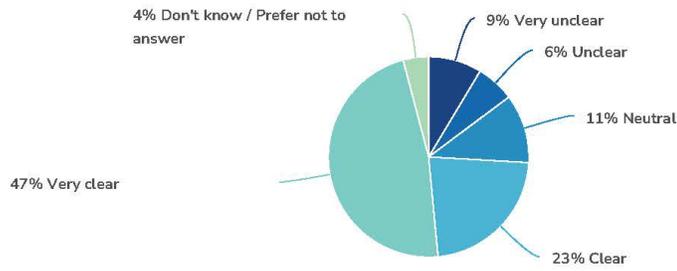
5. Do you buy more or less fruits and veggies because of this Program?



Value	Percent	Responses
Much less	2.0%	79
Less	1.6%	63
About the same	12.9%	502
More	25.7%	999
Much more	54.7%	2,121
Don't know / Prefer not to answer	3.0%	116

Totals: 3,880

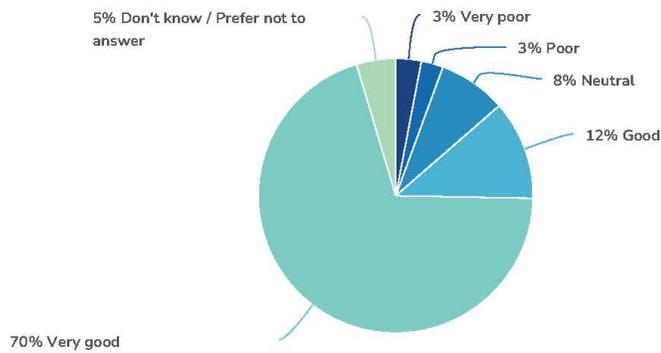
6. How clear or unclear were the details of the CF&V incentive on the receipt?



Value	Percent	Responses
Very unclear	8.6%	334
Unclear	6.2%	240
Neutral	11.1%	430
Clear	22.6%	872
Very clear	47.4%	1,832
Don't know / Prefer not to answer	4.1%	158

Totals: 3,866

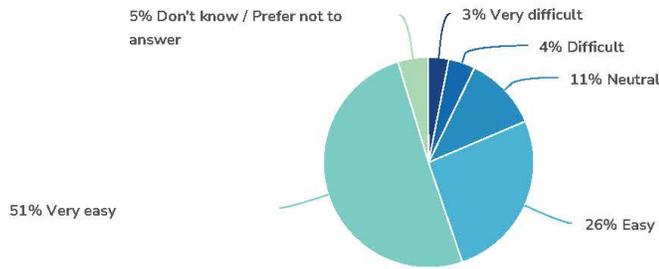
7. Please rate the workers' (cashiers, farmers, or vendors) knowledge of the Program.



Value	Percent	Responses
Very poor	3.0%	117
Poor	2.6%	101
Neutral	8.0%	309
Good	11.7%	451
Very good	70.1%	2,710
Don't know / Prefer not to answer	4.6%	178

Totals: 3,866

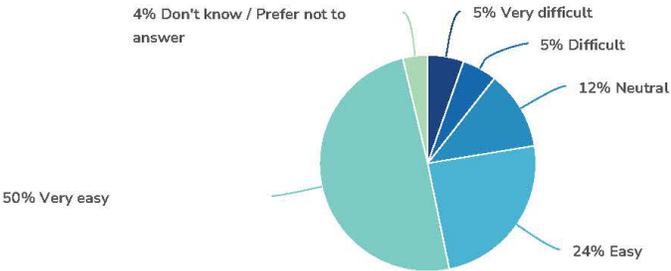
8. How easy or difficult is it to keep track of your CF&V balance?



Value	Percent	Responses
Very difficult	3.1%	119
Difficult	4.1%	160
Neutral	11.4%	440
Easy	26.2%	1,010
Very easy	50.5%	1,952
Don't know / Prefer not to answer	4.7%	181

Totals: 3,862

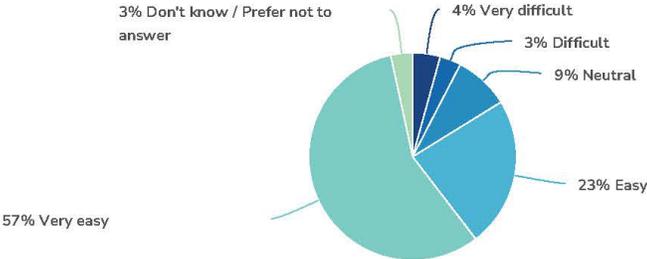
9. How easy or difficult is it to find the CF&V-approved fruits and veggies?



Value	Percent	Responses
Very difficult	5.4%	209
Difficult	5.2%	202
Neutral	11.8%	456
Easy	24.4%	941
Very easy	49.5%	1,909
Don't know / Prefer not to answer	3.7%	143

Totals: 3,860

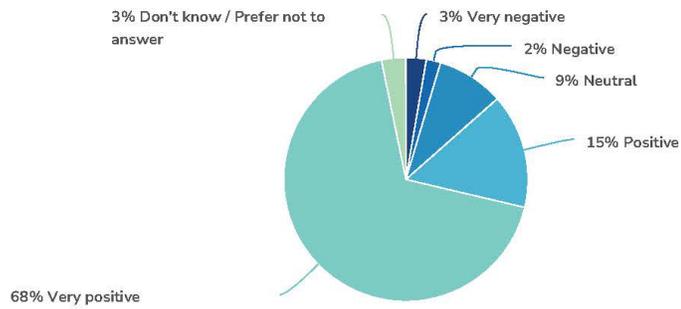
10. In general, how easy or difficult is it to use the CF&V EBT benefits?



Value	Percent	Responses
Very difficult	4.3%	165
Difficult	3.3%	129
Neutral	8.6%	333
Easy	23.4%	904
Very easy	57.0%	2,199
Don't know / Prefer not to answer	3.4%	131

Totals: 3,861

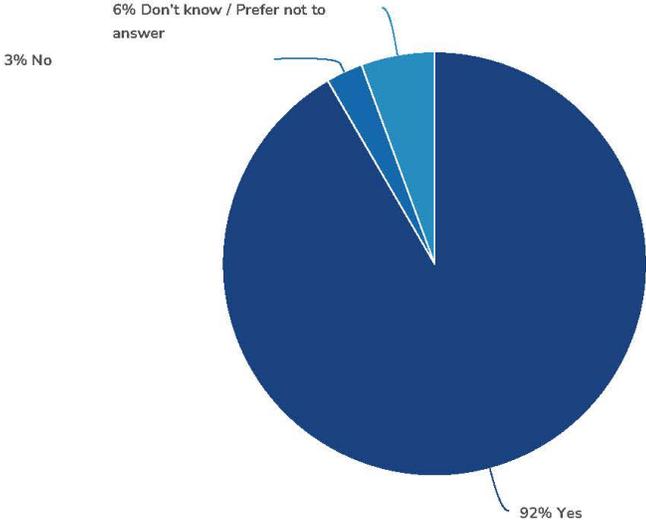
11. In general, how is your experience with the CF&V Program?



Value	Percent	Responses
Very negative	2.7%	104
Negative	1.9%	72
Neutral	8.9%	345
Positive	15.2%	587
Very positive	68.1%	2,628
Don't know / Prefer not to answer	3.2%	125

Totals: 3,861

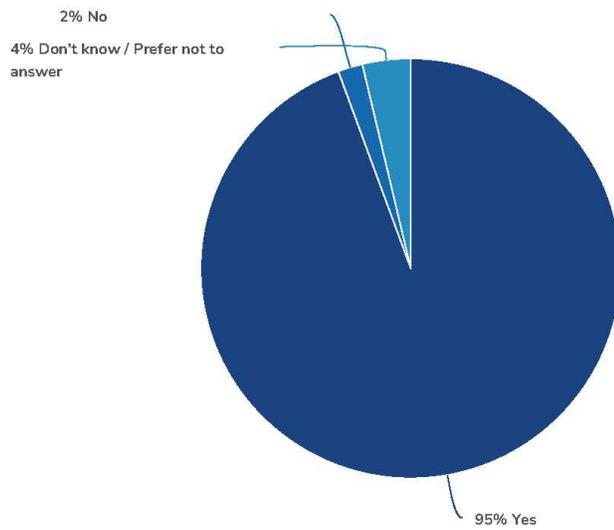
12. Does this Program support your family's health?



Value	Percent	Responses
Yes	91.6%	3,536
No	2.8%	107
Don't know / Prefer not to answer	5.6%	217

Totals: 3,860

### 13. Should the Program expand to more retail stores?



Value	Percent	Responses
Yes	94.5%	3,647
No	1.9%	73
Don't know / Prefer not to answer	3.7%	141
		<b>Totals: 3,861</b>

This is a report for "CF&V Customer Experience Survey" (Survey #6941225)

## APPENDIX IV – ALCHEMIST COMMUNITY DEVELOPMENT CORPORATION - LETTER TO STATE OF CALIFORNIA

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Catalyst for Community Change  
[www.alchemistcdc.org](http://www.alchemistcdc.org)

December 21, 2023

To Whom It May Concern:

I am writing on behalf of Alchemist Community Development Corporation (Alchemist CDC), a 501(c)3 non-profit organization serving the Sacramento region. Our mission is to connect communities to land, food, and opportunity. Our programs include the CalFresh at Farmers' Markets Program, in which we directly facilitate the use of CalFresh/EBT and nutrition incentives at 8 local farmers' markets and help additional markets and farm stands to access these programs. We have been engaged in this work for more than a decade, being among the earliest to operate token-based EBT systems at California farmers' markets. Our work at farmers' markets is simultaneously focused on addressing food insecurity and in building an equitable local food system.

We were the first operator in the state to implement the CDSS Fruit and Veggie Pilot Program (which I will refer to as the "Pilot Program" from this point on), launching it earlier this year at the Country Club Plaza Farmers' Market and Sunrise Light Rail Station Farmers' Market. We have chosen not to renew our contract for the pilot program and would like to explain why.

### **Benefits of the Program**

I would like to begin by highlighting the benefits of the Pilot Program before moving on to our criticisms and concerns:

1. Anti-hunger impact for customers - We have found that customers appreciate the generous \$60 in monthly incentives provided by the Pilot Program. Likewise, we are supportive of food-insecure and low-income households receiving additional benefits to procure nutritious groceries.
2. Additional income for small farms - The incentives spent by customers directly benefit small and midsize local farms.
3. Increased patronage of the farmers' markets - Our two Pilot Program sites have seen a definite increase in the number of customers since the beginning of the program.

## Concerns about the Pilot Program

Some of our chief concerns regarding the continued operation of the Pilot Program include:

4. Lower ROI for Farmers' Markets - Despite being billed as an EBT incentive program, the Pilot Program does not incentivize customers to spend EBT at farmers' markets or with local producers. While the generous funding of the program has driven a noted increase in our distribution of fruit and veggie incentive vouchers at the pilot sites, we have not seen a similar increase in EBT usage at the markets. In fact, EBT usage at these markets has not grown at all. This is because of the way in which the Pilot Program operates. After deducting EBT from their accounts in order to receive a matching amount in incentives, customers can immediately refund the EBT to their account to spend elsewhere. We have seen that many customers choose to do this refund, so that they receive their incentive vouchers to spend at the farmers' market but can use their EBT at any grocery store.
5. Inefficiency at the market - The Pilot Program presents logistical challenges that require more program staff at the farmers' markets and slows down customer lines. This adds to operational costs and frustrates customers, market managers, and vendors as the market can become clogged with the slower-moving line.
6. Administrative inefficiency - The setup of the Pilot Program increases the burden on administrative staff, as it is more complicated than the Market Match nutrition incentive program with regard to reconciling redemptions for vendor payouts.
7. Impact on Organizational Staff - The Pilot Program has been a huge strain on our organization, overwhelming existing staff, frustrating volunteers, requiring continual hiring, and even contributing to low morale amongst staff working those markets and managing the program. I have personally heard from staff working in these markets who have indicated they would resign if we renewed our participation in the Pilot Program for 2024. This has the potential over time to cause ongoing staffing/funding challenges for our organization if continued.
8. Increased patronage is artificial - While I noted above that we have observed more and new customers at the Pilot Program sites, I believe this increase to be artificial. Both of these sites previously offered the Market Match program, which presently offers a \$15 weekly incentive match and so offers each customer a \$60-75 monthly incentive. The Market Match program has never received substantial publicity in our region beyond our own marketing efforts, but the Pilot Program launched with a major marketing push by Sacramento County. New customers have arrived at the markets largely because they have learned of farmers' market nutrition incentive programs for the first time. If we had similar outreach support for other nutrition incentive programs, we would likely see similar outcomes.

## The Importance of Prioritizing Farmers' Markets

In addition to our concerns regarding the Pilot Program's operations and implementation, we have major concerns regarding its potential expansion. AB 605 (2023) was legislation intended to expand the Pilot Program and its language indicated what it would look like if the Pilot Program were to be scaled up to a full program. While AB 605 did not advance into law in the most recent legislative session, it seems that the bill will likely be reintroduced for Pilot Program expansion. Because of this, this section will refer to AB 605 as it represents the planned expansion of the Pilot Program. Furthermore, I will make comparisons between AB 605 and the existing Market Match program, as it is clear that the eventual goal of AB 605 is to replace Market Match as California's shared nutrition incentive program for both retail stores and farmers' markets. Because Market Match—in contrast to AB 605—is designed to be deployed strictly for direct agricultural marketing at farmers' markets and farm stands, this section will examine the benefits of incentivizing customers to shop at farmers' markets and farm stands.

### 1. Public Health Benefits

- a. Academic research finds that farmers' markets increase healthy food access in and revitalize low-income communities, particularly when those markets incorporate federal food assistance programs.
- b. A 2009 study used a 'before and after' approach to examine the impact of the introduction of a farmers' market on the price and availability of healthy food in an underserved urban neighborhood (food desert). The farmers' market had a major impact on grocery prices in the neighborhood, which decreased by almost 12% in 3 years.
- c. A 2012 study of developing a farm stand intervention in low-income communities found that after the intervention, participants reported significantly higher intake of produce.
- d. A 2016 study of WIC participants found that those who shopped at retail locations directly from farmers (such as farmers' markets) were more likely to eat the recommended five or more servings of fresh fruits and vegetables per day.
- e. A 2015 study found that SNAP recipients who shop at farmers' markets are more likely to eat more fresh fruits and vegetables and that existing incentive programs help drive more SNAP customers to these markets.

### 2. Climate and Environmental Benefits

- a. A 2015 joint survey conducted by American Farmland Trust and Farmers Market Coalition found that:
  - i. 81% of producer respondents used one or more ecologically responsible practices, such as cover crops, reduced tilling, and other soil health practices on their farm.
  - ii. One in four farmers selling at farmers markets cultivate land that is protected from commercial development.

- iii. Three out of every four say they use practices consistent with organic standards.
  - iv. 48% use integrated pest management, information on the life cycle of pests and their interaction with the environment to manage and prevent crop damage.
  - v. Four out of five discuss farming practices with their customers, educating them about farming and its interactions with the natural environment.
- b. One study found, "Through direct farmer/consumer relations, farmers indicated a willingness to reduce chemical inputs to meet customer demands, suggesting that customer interaction has the potential to affect environmental quality. By examining the linkages between producers and consumers at a direct market—often embedded with a sense of local identity, there is the potential to better understand social interactions that can support the economic and environmental sustainability of local agriculture."
  - c. On average, food travels over 1,000 miles from the point of production to the retail store. In contrast, many farmers markets only allow vendors to sell food produced within 200 miles. Some markets only have food grown within 50 miles.
  - d. Locally or regionally sourced produce travels about 27 times less distance than conventionally sourced produce.
3. Local and Equitable Economic Benefits
- a. A 2016 UC Davis study found "that direct-marketing food producers had a regional output multiplier of 1.86 compared to just 1.42 for producers not involved in direct marketing. Direct-marketing channels include farmers markets, roadside farm stands and community-supported agriculture programs that provide consumers with regular deliveries of farm products." Study leader Shermain Hardesty, a Cooperative Extension agricultural economist in the UC Davis Department of Agricultural and Resource Economics noted, "The direct marketers make up a relatively small part of the [region's] agricultural sector, but this study demonstrates that these food producers generate both economic and qualitative benefits for the region."
  - b. In order to obtain Market Match vouchers a customer must also use EBT at the farmers' market. This effectively doubles the amount that a customer spends at the farmers' market with local producers.
  - c. Because Market Match can only be spent on direct-marketed agricultural products at certified farmers' markets and farm stands, the entire incentive can only be spent on **California-grown** fruits and vegetables. This provides a direct and much-needed boost in income for California's small and midsize growers who sell via direct marketing. It also **stimulates local economies**.

Because the Market Match incentive can only be deployed alongside a match equivalent in CalFresh/EBT dollars, it effectively doubles the regional economic multiplier. This means that \$1 in Market Match requires an additional \$1 in EBT, such that every \$1 in Market Match spent at a farmers' market can stimulate **\$3.72** in local economic activity, creating jobs and building local resilience.

- d. Farmers who sell their produce at farmers' markets are--almost without exception--from small and mid-size farms. These smaller farms are headed by a more diverse and representative population of farmers than average, particularly with regard to gender. As of the 2017 Agricultural Census:
  - i. There were **42,138** female producers and **30,576** primary producers in California.
  - ii. California's female producers are overwhelmingly small farm producers, which is defined as farms with revenue under \$250k per year. In fact, more than **61%** of female farmers in California make **between \$1k & \$50k** per year.
  - iii. 37% of female farmers in California farmed fewer than 10 acres. 70% farm fewer than 50 acres.

In sum, the current Market Match incentive program delivers multiple layered benefits by targeting farmers' market and farm stands for the program.

### **Concerns Regarding AB 605 and the Expansion of the Pilot Program**

In comparison to the existing Market Match program and even the current Pilot Program, the proposed expansion of the Pilot Program through AB 605 has various flaws that reduce the beneficial impact of its incentives.

1. Although the current iteration of the Pilot Program is most heavily represented at farmers' markets, the plans for its expansion do not follow this model but will greatly expand the use of incentives at grocery retailers. This raises several concerns:
  - a. Most people already do the bulk of their grocery shopping at grocery stores and retail stores that carry groceries. There is no need to incentivize them to continue this practice as the habit and pattern are already established. At the same time, extending a single incentive program to cover both retail stores and farmers' markets will effectively disincentivize shopping at farmers' markets when compared to the current Market Match system. At present, customers adjust their shopping habits in order to receive the incentive at a local farmers' market. If that same incentive is available at Safeway, Walmart, or WinCo, the incentive will no longer drive increased farmers' market shopping, losing the many benefits noted above.
  - b. Unlike the Pilot Program, AB 605 drops the requirement to incentivize only California-grown produce. Such a requirement would have required grocery retailers to track and publicize the sources of their produce and

incentivized them to procure and sell more California-grown fruits and vegetables. This would have continued to stimulate the state economy and reduced food miles. By dropping this requirement, for example, consumption of strawberries grown under abysmal labor conditions by large corporations outside of the US would be incentivized as much as those grown at small family-operated farms within California.

The importance of the California-grown element to an incentive program is evident in the history of AB 605, which originally included this requirement. Although AB 605 dropped the California-grown mandate, it still misleadingly—if accidentally—leans on the language of California-grown produce to promote the program. Two clauses in particular are relevant:

*"These CalFresh nutrition incentive programs support California's farmers and agricultural sector by increasing sales of California-grown produce."*

and

*"(2) Further support the state's farming economy by increasing the purchasing power of CalFresh participants for California-grown fruits and vegetables, often and sometimes solely grown by California farmers, through both direct-to-consumer marketing channels, such as farmers' markets, where the state sees the greatest economic multipliers, as well as through traditional grocery stores that source fresh fruits and vegetables from California farmers through wholesale channels"*

The former refers to existing nutrition incentive programs (such as Market Match) without making clear that this program departs from those programs by not requiring California-grown. The latter is a fairly confusing sentence that—to my reading—gives the impression of including a California-grown requirement. Both of these are in the preamble of the bill but are not reflected in the policy demands of the bill. I don't believe there is any intention to mislead reviewers, but I do think the language has the result of being misleading, to the point that the consultants who prepared bill analysis for the Assembly Human Services, Ag, and Appropriations committees all mistakenly indicated that AB605 applied only to California-grown produce in the 2023 legislative session.

Furthermore, the text of AB 605 repeatedly references the effectiveness of the existing models demonstrated at certified farmers' markets.

Taken together, it is clear that emphases on farmers' markets and California-grown produce are recognized as important elements for a nutrition incentive program, even as AB 605 moves away from both emphases when compared to Market Match.

2. We are also concerned that the expansion found in AB 605, in contrast to Market Match and the current Pilot Program, does not provide operational support for farmers' markets implementing the incentive program. This will have the ultimate effect of losing participation from many markets who cannot afford to operate the

incentive effectively. As already mentioned, we have found the Pilot Program to be much more demanding on the administrative side and more difficult to reconcile reports and receipts. I have previously heard that the lack of operational funding comes from an expectation that farmers' markets, like grocery stores, should not have their operations subsidized by the state. If I recall correctly that this is the argument, I would like to note that Section 1 of AB 605 leans heavily on the unique characteristics of farmers' markets to make the case for this policy (see clauses h, i, j, and n2). Because produce at farmers' markets offers so many more unique benefits and a much higher return on investment than other food retailers (e.g. local economic multiplier effect; local job creation; socio-emotional health benefits; level of customer fresh produce consumption; likelihood produce was grown with sustainable practices; likelihood the producer was low-income, BIPOC, female, etc.), it does seem to me that farmers' markets actually do warrant different treatment and support with incentives.

### **Final Considerations**

Because of the strain the Pilot Program has placed on our staff and my concern that continued participation in the Pilot Program may be read as an endorsement of its eventual expansion through a bill similar to AB 605, I find it necessary to withdraw from the Pilot Program. We are, as a rule, generally supportive of anti-hunger efforts and appreciate that the Pilot Program and AB 605 have the goal of providing customers with more options at which to shop for fresh fruits and vegetables. In fact, if a policy were proposed to simply add more money into EBT so that CalFresh recipients had more EBT to spend on whatever groceries they need, we would be supportive and would expect it to be easy and efficient to implement. We would not oppose the concept of a fruit and vegetable incentive system meant solely for grocery stores and other grocery retailers that allowed Market Match to remain the standard for farmers' markets. But if the Pilot Program were expanded to replace Market Match, it would drastically worsen the incentive program at farmers' markets and effectively redirect millions of dollars away from small and midsize California farms toward national grocery chains and foreign growers.

In sum, the current Market Match nutrition incentives provide so many and different benefits that we cannot support the possible replacement of Market Match with an incentive program that would deliver far less. If there is any interest in speaking with me directly, I would welcome the opportunity.

Thank you for your consideration,

Samuel Greenlee

Executive Director  
Alchemist CDC

## APPENDIX V – ECOLOGY CENTER REPORT OF FARMERS’ MARKET DISCONTINUANCE

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### CA Fruit and Veggie Pilot Challenges at Farmers’ Markets:

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#### Summary:

The California Fruit and Vegetable Pilot was challenging for participating Farmers' Markets for a number of reasons outlined below. While 50% of participating markets subcontracted with the Ecology Center in 2023 chose to continue to operate the CA Fruit and Veggie Pilot in 2024, the other 50% (3 market operators) chose to discontinue operating the pilot, all of them citing the following reasons:

#### Difficult to Deliver Benefit:

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- Long lines—customers, especially disabled and elderly people, having to stand (or wait with a ticket) for up to 2+ hours in order to receive the benefit.
- Complex transactions- having to explain how it works and wait for shoppers to decide how they want to spend their CalFresh and Incentive even when they know how it works. There are too many options at the point of sale.
- Tracking and distribution of scrip slows down service, Checking EBT balances to see if they have enough to spend on F+V to get the benefit they ask for, preparing large amounts of scrip, documenting transactions, doing scrip refunds and explaining how refund of FV scrip works — all of these take a lot of time adding to the wait times and frustration and staffing needs.
- Requires more program execution time for line control, scrip counting and tracking, interpreters.

## Marketing, Promotion, and Education Concerns:

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- **Misguided Messaging from County SNAP Offices-** Many CalFresh shoppers claimed that they had been told that they could get “free \$60” at participating farmers’ markets, creating a lot of excitement without any clarifying information. People traveled from many zip codes away to find the program was in fact a CalFresh rebate program on F+V purchases and operated under a scrip system that had long waits creating a lot of frustration that program implementers had to manage.
- **Rebate System Unclear to Participants** customers get frustrated when they learn they have to spend CalFresh on fruits and veggies to get the benefit, by then they may not have a balance to spend.
- **Hard to Explain-** Difficult to quickly communicate how the program works at Farmers’ Markets in many different languages.
- **Receipts hard to understand:** Many CalFresh Participants, even if they could read English, do not know what “scrip” or “incentive” meant and so when they got their EBT transaction receipt they were confused about how the benefit worked and what went back onto their card. Some participants who did not know their balance before the F+V transaction accused market managers of not giving the rebate because the rebate was not clearly shown on the receipt. Confusion on the receipt led to frustration and tense interactions with market staff.
- **Not Integrated on all Online Portals** like Provider App and BenefitsCal do not show F+V pilot incentive and so many customers were alarmed that the Farmers’ Market was not really offering a rebate or a benefit and caused tense interactions and stress for market staff. Only the CDSS cardholder portal reflected FV pilot transactions.

## Program Structural Issues:

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- **Potential for Fraud-** with so many people responding to CDSS county offices’ messaging, some were seeking to redeem family members’ benefits all at once for large totals in scrip that could be resold outside of the market. Pilot operators were uncomfortable with this level of risk.
- **Staffing** As the program started off in some places with very strong response it burned out existing staff with one walking out in the middle of shift, and resulted in having to hire additional staff quickly with no real sense of how long the need would be there. This also caused burdens in recruiting, hiring and managing new employees.
- **Scrip Losses** Customers receive F&V scrip, but often after waiting in line they are too tired to go shopping so they keep it and do not spend it right away at the pilot markets. Scrip leaves the market and doesn’t come back for a week or more so creates a need to constantly order more scrip, which is costly.

- **Market Bleed** -For one market operator with multiple locations in one area that accept the same scrip, scrip was being redeemed in high volumes at neighboring markets that accept the pilot F+V scrip. Therefore, while the Pilot site workers are doing most of the work to distribute and track scrip, pilot site vendors may not be directly receiving the benefit.
- **Management Impacts**- It has increased the burden on administrative staff, as reconciling redemptions for vendor payouts is more complicated. (ebtEDGE isn't helpful)
- **SNAP \$\$ Leaves Market**- Customers are almost always choosing to "Redeem later" only spending their CalFresh on Fruit and Veggies in the market and keeping their Incentive earned (rebate) to spend elsewhere. Bread and egg and honey vendors did not benefit, and pilot operators felt like money was leaving the market and going to supermarkets.
- **Disproportionate Benefits to Vendors**- F&V vendors sold more in some cases but it resulted in reduced sales for other SNAP eligible food vendors (bread, eggs, honey, meat, etc.), making some vendors unhappy about not getting EBT tokens.
- **Hard to reconcile with ebtEDGE** (online portal) does not distinguish F&V (Incentive) from SNAP in transaction deposits making it confusing for market managers financial tracking.

### Uncertain Future/ Change Management

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- **2 of the 3 sites that left the pilot cited concerns about what the pilot was leading to as reasons for leaving.** They expressed concerns about the proposed bill (AB605) to scale this pilot, noting that the language of this bill doesn't cover admin costs for retailers and this is a high concern in a farmers market setting where agricultural vendors are for the most part not SNAP authorized and depend on centralized point of sale to access SNAP and incentives dollars. The Pilot used a scrip system with centralized point of sale, it required a high level of Admin and staff time to ensure the scrip is distributed, redeemed, and tracked correctly, Market operators wouldn't be able to afford to pay for this admin from their own budgets.
- **Projected Customer Loss**- Another concern cited by market operators was that the proposed scaling of the pilot would draw CalFresh customers away from farmers markets and funnel incentive funds away from CA small and mid-sized growers. The current largest CA nutrition incentive model, Market Match, offers these incentives only at farmer-direct sites– where the model originated.
- **Traditional (CNIP) Market Match is Easier and More Familiar**- Traditional CDFA-funded Market Match is easier and more familiar to operators. Since the pilot partners were all Market Match participants before and during the pilot, they had the option to go back to Market Match and reduce the admin and stress of the pilot.