

Department of Agriculture and Consumer Services Utilizes CRF for Emergency Aid for Farmers Market and Local Food Hubs Program

The North Carolina Department of Agriculture and Consumer Services (NCD&CS) COVID-19 Emergency Aid for Farmers Market and Local Food Hubs program was authorized by Session Law 2020-97:

“(77) \$750,000 to the Department of Agriculture and Consumer Services to provide emergency aid for farmers market operators and local food enterprises. The aid will allow those operations to adapt to new market conditions and further support communities experiencing food insecurity. Eligible categories for emergency aid include, but are not limited to, labor, technology or software upgrades, infrastructure enhancements, COVID-19 education materials, PPE, and test kits.”

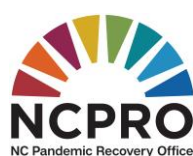
The COVID-19 pandemic resulted in serious and substantial impacts on the food supply chain, including farmers markets and food hubs across North Carolina. Farmers markets were not able to open due to state or local orders and others had to reduce the number of vendors to ensure proper social distancing. Local food hubs lost sales opportunities due to mandated school and food service closures. The North Carolina Department of Agriculture and Consumer Services appreciates the availability of these CARES Act funds to support local farmers market operators and local food hubs as they adjust to new conditions as a result of the COVID-19 pandemic.

The NC Department of Agriculture and Consumer Services collaborated with Carolina Farm Stewardship Association (CFSA), Rural Advancement Foundation International - USA (RAFI-USA); and Appalachian Sustainable Agriculture Project (ASAP) to accomplish the goals of the authorizing statute for this program. The insight provided by these organizations on the impacts of COVID-19 to local farmers market operators and local food hubs was tremendously beneficial in implementing this emergency aid program.

The online application period for the NCD&CS COVID-19 Emergency Aid for Farmers Market Operators and Local Food Hubs was open from October 1, 2020 - October 22, 2020 (press release is available at <https://www.ncagr.gov/paffairs/release/2020/9-20farmersmarketfoodhubsaid.htm>.) In addition to press releases, three online informational sessions were held regarding this program.

For this program, a total of 208 unique applications were started in the online portal. There were 99 complete applications submitted and all were approved for funding. Request for aid from the 99 completed applications funded totaled \$7.25 million, with a total of \$749,959.71 being distributed to these entities. A total of \$40.29 remained from the original allocation of \$750,000. The amount requested by the 99 completed applications received ranged from \$334.75 to \$4,751,247.00. The maximum amount awarded to any entity was \$14,009.88. Additionally, 67 applicants received 100% of the amount requested.

Awards were made to 99 entities located in 57 North Carolina counties: Alamance; Alleghany; Ashe; Beaufort; Bertie; Buncombe (5); Burke; Cabarrus; Caldwell; Carteret (2); Caswell; Chowan; Cleveland; Columbus (2); Craven; Cumberland; Davidson; Durham (6); Forsyth; Gaston; Graham; Granville; Guilford (2); Harnett; Haywood (2); Henderson (5); Jackson (2); Johnston; Lee; Lenoir (2); Macon; McDowell (2); Mecklenburg (5); Moore; Nash (2); Onslow; Orange (6); Pender; Polk; Richmond; Robeson; Rutherford; Sampson; Stanly; Stokes; Swain; Transylvania; Tyrrell; Union; Vance; Wake (10); Warren (2); Watauga; Wayne (2); Wilkes (2); Wilson; and Yancey.



Disbursement of funds for the NCDA&CS COVID-19 Emergency Aid for Farmers Market Operators and Local Food Hubs was handled as expeditiously as possible. Ten days after the online application period closed, applications were reviewed, recipients identified, funding allocations determined and checks were mailed on November 5, 2020 to 95 emergency aid recipients. The remaining 4 entities had errors with the submitted EINs that had to be corrected prior to payment being issued; these checks were mailed on November 23, 2020 (21 business days following the close of the application period.)

Definitions:

For the purposes of this program, farmers market operators are defined as “markets that feature two or more farm vendors selling agricultural products directly to customers at a common, recurrent physical location (USDA).”

For the purposes of this program, a local food hub is defined as “businesses or organizations that actively manage the aggregation, distribution, and marketing of source-identified food products to multiple buyers from multiple producers, primarily local and regional producers, to strengthen the ability of these producers to satisfy local and regional wholesale, retail, and institutional demand (USDA).”

Only entities located in North Carolina were eligible for these emergency aid funds.

Impacts of COVID-19 and anticipated adaptation to new market conditions as a result of COVID-19:

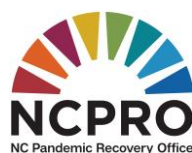
Goal: Capture impacts of COVID-19 on farmers markets and local food hubs.

Metric: Applicants were required to describe how their farmers market operation or food hub has been impacted by COVID-19 and to describe how they anticipate their farmers market operation or food hub will need to adapt to new market conditions as a result of COVID-19. Failure to provide this information ended the application process.

Three examples of responses regarding the impacts of COVID-19 on farmers markets and local food hubs provided by applicants are highlighted below:

“Due to COVID-19 our farm market was forced to close in mid-March due to the Stay at Home Order imposed by the Governor of North Carolina. After the order was revised and we re-opened on a limited basis, many of our customers were afraid to venture out. A large percentage of our customers consist of people over the age of 65 many of who live in senior living communities who were enforcing even stricter limitations on residents' ability to leave the facilities. In addition, our workforce was limited as several of our normal employees did not return to the area for the season. Additional operational expenses were incurred for PPE, sanitation products, hand washing stations, barriers to reinforce social distancing. In order to minimize contact with currency, we were forced to purchase mobile payment technology and hardware. Moving to this form of payment has resulted in additional bank fees. Increased advertising costs were incurred to inform customers our facility was open and following all CDC recommendations and precautions.”

“GFM, the area's largest producer's farmers market with 100 vendors operates in a city building. The city closed all facilities to the public on March 18, which closed our market and operations as we are contracted by the City. We quickly developed an online directory for consumers to connect to vendors to reduce the disruption while we negotiated to re-open offsite as a drive thru with pre-order pre-pay distribution. We connected farmers to farmers



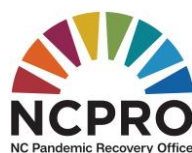
and helped vendors re-active certified roadside stands and promoted these as well. We then returned to the Market outside in June with two types of markets—a drive thru once a week and a walk up, reduced capacity outside market requiring extensive equipment (perimeter fencing, one-way entrance and wayfinding signage, handwashing stations, port-o-potty, etc. and personnel including a security guard as well as a market coordinator to help us put up significant supplies every day including signage, barrels, tables, and tents. Our staff invested in additional hours and outside contracted provider to update the website and communications were developed along with educational campaigns and signage. We held classes to help vendors establish online stores to connect with vendors. We are going to re-enter the facility at the end of this month (October) requiring one way stickers/aisle signage, more cleaning materials, masks, and communication campaign to our existing customers and gain new ones as vulnerable shoppers are choosing to shop groceries by delivery while also continuing to offer a "Veggie Valet" where customers who want to support local farmers and vendors can pick up pre-orders outside. This next phase will require patio heating units and "curbside pick-up" tents up fitting for outdoor distribution as well as a station shield /barrier for the food security hub which we'll continue to offer SNAP match programs."

"The need of our community grew during COVID-19 by 20 times the people we served. We needed more staff and quickly started to experience growing pains as the facilities and space we used became too small for our operations. We began by increasing the amount of days we open our Co-Operative to give more access to our communities. We then had to create a new measure to track the data because our numbers increased so much which led to the frequency with which we needed to track the data. We then had to increase the amount of Farmers we worked with in order to meet the growing demand. We currently service 850-1000 people per month. Last year we were serving 300 - 500 on average. We have had to set up two different hubs to meet the needs of the community we serve. We added delivery service for our community elders and those who because of their high risk status could not come to the market. We became their sole source of nutrition. Because we are an organization that works for the economic liberation of black and brown people by creating our own food systems, we serve community that are already considered high risk and COVID-19 has increased that risk by adding the co-morbidity factors face by a majority of our community."

Three examples of responses regarding how farmers markets and local food hubs will need to adapt to new market conditions as a result of COVID-19 provided by applicants are highlighted below:

"This pandemic doesn't seem to be going anywhere, and even if it does, it will forever have an impact on how we live life in the future. We anticipate that we will continue to be required to operate at reduced vendor and customer capacity for the foreseeable future. We will need to continue to have 2 additional part time employees to maintain COVID 19 procedures and manage customer crowds. The market will continue accruing expenses related to financial support from the CPA, PPE (e.g. face masks, gloves, hand sanitizer, anti-bacterial wipes, bleach), infrastructure adaptations (e.g. caution tape, duct tape, spray paint), technology (e.g. zoom meetings), and other (e.g. safety vests)."

"Coordinating food assistance in our community during the pandemic has revealed new market opportunities for our food hub that we expect to persist in the wake of COVID-19. Most significant of these is a market for locally-sourced meals for seniors. Senior services agencies in our region have not had a locally-based supplier of locally-sourced meals for their clients. During the pandemic, we have successfully piloted a farm-to-fork senior meals program in Warren County, and potential exists to expand this program regionally—thereby establishing a new market for local farmers."



“We had to have more traffic control materials because of the new location. We were unable to accommodate all the vendors requesting to sell because of the distancing requirement between booths. Since our Kids Zone was unable to operate, we made activity kits for the kids to pick up and take home. Our portable demonstration kitchen is used to teach folks how to cook fresh and local food that is in season, particularly focusing on SNAP customers. Since we are unable to do this, the market has begun a YouTube channel and the person we hired to assist with set up is also making the cooking demo videos.”

Eligible Aid Categories:

Goal: Ensure aid is applied to eligible categories for this program.

Metric: Applicants were also required to report expenditure of unanticipated funds to respond to COVID-19 from eligible aid categories (from authorizing language). If other purchases were needed to follow procedures and guidelines and/or adapt to new market conditions due to the pandemic, the applicant had to list what caused those unanticipated expenditures. Applicants also had to provide what the estimated increase in eligible expenditures for the farmers market or local food hub relating to COVID-19 from March 1, 2020 - December 30, 2020.

Requests for funding for eligible aid categories for the 99 applicants receiving funding was self-identified as follows:

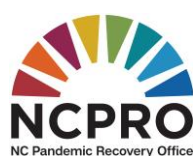
- Additional labor or increased hours worked due to the COVID-19 pandemic: 79
- Technology or software upgrades for contactless transactions due to the COVID-19 pandemic: 48
- Infrastructure enhancements to assist with social distancing measures due to the COVID-19 pandemic: 66
- COVID-19 Education materials: 49
- Test Kits: 6
- PPE purchases due to the COVID-19 pandemic: 76
- Other purchases needed to follow procedures and guidelines and/or adapt to new market conditions due to the COVID-19 pandemic: 53
 - Example 1: “Equipment purchases and upgrades needed to support pandemic-related food assistance programs.”
 - Example 2: “Tents”
 - Example 3: “Sales and marketing investments, including training, on-line tools for customer management, merchandising materials, product photography and product labels.”

Addressing Food Insecurity:

Goal: Capture how farmers markets and local food hubs address food insecurity within their communities.

Metric: Food insecurity as a result of the COVID-19 pandemic is impacting communities across our state. Applicants were required to indicate how their farmers market or local food hub helps to address food insecurity by accepting benefits programs. If they do not participate in a benefits program, they were asked to explain what limited their participation.

Food insecurity was self-identified by the 98 applicants receiving funding as follows:



- Accept Electronic Benefits Transfer (EBT): 57
- Accept Supplemental Nutrition Assistance Program (SNAP): 50
- Accept Special Supplemental Nutrition Assistance for Women, Infants, and Children (WIC): 11
- Accept WIC Farmers Market Nutrition Program (FMNP): 18
- Accept Senior Farmers Market Nutrition Program (SFMNP): 18
- Have own program (i.e. Double Food Bucks) to address food insecurity and encourage local food purchases: 37
- Other: 31
 - Example 1: “We give produce away to people who need it. We also give the overabundance of produce to a local hog farmer to help supplement his hogs.”
 - Example 2: “We work with various co-op operations which provide fruit to veterans and families in need. We also make it a practice to use a cleaning at the end of the year, which allows local food banks the opportunity for free fruit.”
 - Example 3: “Donating to various church groups.”
- None: 19
 - Examples of why they do not have any programs to address food insecurity include:
 - “In previous years we did accept some of the above-mentioned programs. However, while we are located in a food desert, we have had very few (5 per year) customers request to use the above-mentioned programs.”
 - “While running the market this year online, in-person and a small market store, I have incurred a substantial amount of overtime already and wasn’t able to add more “extras” to the mix. I believe having an EBT/POS machine for SNAP benefits, etc. is crucial to attracting customers from all socioeconomic backgrounds. This is a high priority for 2020 winter and upcoming 2021 market.”
 - “Our food hub does not directly sell food to end consumers on a retail basis, so we are not eligible to accept these types of benefits. However, addressing food insecurity is a primary goal of our food programs. We address food security by providing food to institutions that serve low-income consumers (e.g. public schools). A majority of the consumers who receive our products are low-income. During the pandemic, we have been addressing food security directly by providing free food to low-income families and seniors.”