



LEVELING THE SNAP ONLINE PURCHASING PLAYING FIELD FOR INDEPENDENT GROCERS

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Background:

The 2014 Farm Bill created the Supplemental Nutrition Assistance Program (SNAP) Online Purchasing Pilot to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. Retailers in eight states were chosen as part of the pilot program, which initially launched in New York in April 2019. While the intent for the pilot program was to slowly bring additional states on board once the program was proven to be successful, the U.S. Department of Agriculture's Food and Nutrition Service (USDA FNS) expanded the program in March 2020 due to the onset of the COVID-19 pandemic and the influx of individuals and families shopping online from their homes to avoid physically going into stores.

The program is now operating in 47 states, but small retailers are experiencing technical and financial barriers that are preventing them from offering this important option for their customers, while also allowing larger pilot competitors to expand nationwide. It is critical that the playing field be leveled for independent grocers to participate in SNAP online purchasing so they can best serve customers according to their needs.

Position:

NGA supports legislation to provide technical and financial assistance for small retailers participating in SNAP online purchasing. While many grocers have responded to the shift of consumers shopping from home by providing the opportunity for customers to purchase items via e-commerce or curbside pickup, small retailers face very high costs of entry to accept SNAP benefits online, and they also must work through an extensive application and testing process with FNS, an e-commerce company of choice and a third-party processor. The technical barriers and expensive costs make it a difficult endeavor for many small retailers to pursue. These concerns come at a time when SNAP participation has increased significantly and FNS has approved emergency allotment benefits and implemented programs such as Pandemic-EBT.

NGA urges Congress to expand the SNAP online purchasing program to small retailers that lack the resources and financial capacity to participate in this important program by providing technical and financial assistance for small retailers that participate in the program, so that all retailers have the opportunity to best serve their customers and provide food access during this critical time.

Level the Playing Field for Independent Grocers

NGA requests Members of Congress consider legislation providing technical and financial assistance for independent grocers participating in SNAP online purchasing. The following principles would be most constructive in helping expand the program to more independent grocers:

- Creation of a technical assistance center designed to provide support to independent grocers that lack capacity and resources to support SNAP online purchasing.
- Financial assistance through the form of a tax credit for small retailers offering SNAP online purchasing.

