



Modernizing Food Access with  
**SNAP ONLINE**  
*A guide for food system retailers*



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# BACKGROUND



An estimated 53.6 million Americans, roughly one in six, live far enough from a supermarket that their census tract is deemed a “food desert.” Distance to the grocery store isn’t the limiting factor that it used to be, though, as food delivery has expanded significantly in recent years. As of this writing, the Brookings Institute reports that 93% of Americans have access to at least one food delivery service. Nationally, online grocery sales accounted for 13% of total grocery spending in 2021. Now, the impact of e-commerce on food systems is increasingly shifting the food access paradigm and creating new opportunities—and steep challenges—to feed Americans in the digital age.

Food insecurity is a household-level economic and social condition of limited or uncertain access to adequate food. People living in food deserts are more likely to experience food insecurity, both because of their relative proximity to grocery stores and also because areas that are defined as food deserts are more common in impoverished areas. Food deserts have been traditionally defined as areas where many people have low incomes and live more than 1 city mile or 10 rural miles from the closest grocery store. Now, that definition is being challenged by new options for online grocery shopping paired with home delivery.

Grocery delivery solves the problem of physical proximity, but affordability remains a looming barrier—many of the people who stand to benefit most from home delivery of groceries purchased online can’t afford to. Roughly 42 million Americans, or 13% of the population, receive help paying for food using SNAP benefits, formerly known as food stamps.

The Supplemental Nutrition Assistance Program (SNAP) is the predominant way that the United States subsidizes food costs for eligible households. It is the largest social safety net program in the United States at \$85.6 billion dollars in 2021. SNAP shoppers are issued EBT cards - similar to debit cards - but until recently, these households could not use their benefits to buy food online.

(1) [https://www.voanews.com/a/usa\\_pandemic-worsens-food-deserts-235-million-americans/6189526.html](https://www.voanews.com/a/usa_pandemic-worsens-food-deserts-235-million-americans/6189526.html)

(2) <https://www.brookings.edu/essay/the-potential-and-pitfalls-of-the-digitalization-of-americas-food-system/>

(3) <https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#Alabama>

To help close this gap, the SNAP EBT Online Purchasing Pilot was authorized by the 2014 Farm Bill (PL 113-79). The Farm Bill mandated that a pilot be conducted to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. Retailers who wanted to participate completed an intensive application process, and worked with the USDA's Food & Nutrition Service (FNS) for two years to implement online EBT sales. Mega-stores like Amazon and Walmart were among the first retailers to be approved to participate in the pilot—giving them early access to a \$7 billion market opportunity in New York State alone (\$111 billion nationally). An estimated 16,900 New York retailers accept SNAP benefits, but as of this writing, only 30 retailers are approved to accept SNAP online in the State.

Of the 30 retailers that accept SNAP online in the State, one is a small nonprofit food hub; The Hub on the Hill in Essex, NY. The Hub recently became the first food hub in the United States to be approved to accept the benefit through its online marketplace featuring food from local farmers. This small nonprofit food hub, with the help of a AdkAction, a community-based organization, beat the odds and joined the ranks of Amazon and Walmart in the online EBT space. The Hub now has the opportunity to serve a market of 30,000 households within their delivery radius who are eligible for SNAP benefits, opening up access to a \$7.8 million per year market funded by federal dollars and circulating those captured funds within the local community. This represents a sizable economic opportunity that can help support farmers, vulnerable residents, and communities at large.



*"Online grocery shopping paired with home delivery has the potential to close the food access gap for many Americans."*

As the SNAP Online Purchasing Pilot continues to expand and accept new retailers, it is important that independent grocery stores, farmers, farmers' markets, co-ops, and food hubs are empowered to participate. Few resources are available for small, independent retailers, especially food hubs and farmers' markets, that would enable them to meet the technical requirements for online SNAP. These smaller markets serve many rural communities across the United States with products that are produced with a focus on advancing economic and environmental justice.

(4) [https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#New\\_York](https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#New_York)

(5) <https://www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-snap>

(6) [https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#New\\_York](https://www.cbpp.org/research/food-assistance/a-closer-look-at-who-benefits-from-snap-state-by-state-fact-sheets#New_York)

(7) Extrapolated from monthly SNAP dollar allocation in Clinton Essex and Franklin counties. <https://otda.ny.gov/resources/caseload/2022/2022-10-stats.pdf>

This guide, *Modernizing Food Access with SNAP Online*, is a resource designed for community food system retailers who are looking for information on how to leverage technology to expand markets, bring delivery services to food deserts, and drive sustainability and equity in their communities. The intent of the guide is to help these smaller retailers navigate the process of becoming approved to accept SNAP online in the hopes that this method of food access will help fill the meal gap in America. It is our attempt to shed light on the time, resources, and actions that were required to get the Hub authorized so that other small food systems retailers are a little more informed and prepared for the road ahead than we were. After all, groceries purchased online and delivered directly to homes have the potential to transform the way Americans get their food. As more small, independent retailers are able to offer digital points of sale along with door-to-door delivery, equitable access in food deserts, will reduce the transaction cost of getting food from small farms to consumers who have limited mobility and resources.



## DIGITALIZATION OF THE FOOD SYSTEM & IMPACTS ON FARMERS, COMMUNITIES, AND THE ENVIRONMENT

As food systems become increasingly digitized, it is important to consider the impacts on farmers, communities, and the environment. There is a risk of further monopolization of the food system, putting the power of access to food in the hands of a wealthy few. Local farmers now compete not only with other area farmers, grocery stores, and super stores like Walmart, but also with online “farm-fresh” subscription services which promise to deliver fresh produce regardless of the season and have the benefit of national market volume to drive down their pricing. The competitive forces stacked against farmers, especially diversified and organic farmers, are steep. The decline of small, independent farms has been credited as a major factor in the hollowing out of rural America – there are 70% fewer farms in the United States today than there were in 1935. The digital food system must be shaped in a way that supports equity for independent farmers by providing fair access to markets.



In addition to being an exciting opportunity to address gaps in food access, online grocery shopping carries with it the downside of siphoning money out of local communities and into large conglomerates based hundreds or even thousands of miles away. That's why it is critical that local food system retailers and independent grocers have access to the information, support, and resources they need to compete in an e-commerce landscape that is dominated by large companies with advanced technology and deeper pockets. With thoughtful systems of support in place, online grocery with home delivery can help democratize the benefits of technological advances and serve more vulnerable people than brick and mortar alone. Ensuring that people who receive SNAP benefits can participate in online shopping, while supporting independently-owned and community food system retailers, is a critical piece of creating a more equitable food system.

It is also important to remember that not all food is created equal. The traditional industrial agriculture model has led to negative impacts on the environment and human health, and it is important to shift towards a more sustainable and regenerative approach. This includes practices such as crop rotation, conservation tillage, and integrated pest management, which can not only improve soil health, but also increase crop yields and reduce dependence on synthetic fertilizers and pesticides. Additionally, sustainable agriculture can promote economic and social equity, by supporting small-scale and diversified farming operations, which can create jobs and stimulate economic activity in rural areas. As the food system becomes more digitized, it is essential to ensure that sustainable agriculture is at the forefront of the conversation and incorporated into the design and implementation of online food systems.

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*Retailer Frequently Asked Question:*

***Do I need to be a certain type of FNS retail operation?***



SNAP authorized “delivery routes” have not been eligible for online EBT to date. If applying for SNAP retailer authorization for the first time, it is encouraged NOT to apply as a delivery route. Any existing delivery route operation should contact FNS (through the online EBT mailbox) to find out what their options are for SNAP OPP.

A 'holding facility' does not qualify for SNAP retailer authorization. It is the case that any SNAP retailer must own the product being sold.

Decisions that still need to be made by FNS related to online SNAP EBT include how to handle different types of retail operations, including farmers markets and online-only retailers. For now, online-only retailers are being handled on a case by case basis and farmers markets are still not eligible (because a single FNS number for multiple vendors in an online setting is problematic).

# RETAILER REQUIREMENTS TO PROVIDE ONLINE PURCHASING TO SNAP HOUSEHOLDS

The following information has been pulled directly from the Food and Nutrition Service website and reflects the latest guidance on the process for participating in the SNAP Online Purchasing Pilot.

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) oversees the SNAP Online Purchasing Pilot. The FNS website includes the most up-to-date and detailed information on how to apply to participate in the Pilot. The retailer requirements as of the writing of this guide are as follows:

1. The firm is an eligible SNAP retailer. Currently authorized retailers should note that a separate FNS authorization will be required in order to participate in SNAP online purchasing.
  
2. The firm has an online e-commerce presence.
  
3. The firm must have a website capable of being updated to meet the requirements to operate online SNAP purchasing, including but not limited to functionality for:
  - Integration of secure online PIN-entry via a Third Party Processor (TPP)
  - Error Handling – includes messaging displayed to customers when an EBT transaction fails as appropriate to the situation.
  - Matching refunds back to the original purchase.
  - Handling of estimated pricing for items that are variably priced based on weight.
  - Allowing only one SNAP EBT card to be provisioned to a customer account.
  - Ensuring only eligible foods can be purchased with SNAP benefits.
  - Not charging sales tax on SNAP purchases.
  - Allowing split tender transactions for the payment of non-SNAP eligible items and delivery fees.
  - Allowing SNAP customers to choose the amount of SNAP benefits that they will use for each purchase.
  - Meeting additional requirements found in the Online Purchasing Pilot Request for Volunteers (see Sections 2.4 and 2.5).
  
4. Retailers must email a letter of intent confirming the firm can meet the requirements above to [sm.fn.snaponline@usda.gov](mailto:sm.fn.snaponline@usda.gov).



# SYSTEM NEEDS OF SNAP ONLINE RETAILERS

The retailer requirements are fairly straightforward, though there are many different paths a vendor can consider when operationalizing the requirements. There are several important considerations for retailers to determine the best tools and mechanisms for complying with the requirements.

Taking stock of current systems is an important early step, as retailers will be better able to make informed decisions about technology and systems needed to support SNAP online goals after evaluating their current systems. This early assessment will help retailers select the most appropriate technology and infrastructure, and avoid wasting time and money on systems only to later learn that they are not the best-fit. Retailers should evaluate the following capabilities before endeavoring to apply to accept SNAP online:

## 1

### **Procurement and Inventory systems:**

A vendor's procurement system helps to manage the purchasing of products that are sold in the store. A good procurement system will assist the store in efficiently purchasing products from farmers and suppliers, manage inventory, and ensure that products are available for customers to purchase. The procurement system can also be leveraged to control costs by allowing the store to negotiate favorable pricing and payment terms with suppliers, and to keep track of inventory costs.

A modern procurement system can provide valuable data and insights that can inform purchasing decisions and help the store to better understand consumer trends and demand for products. By optimizing the procurement process, a store can improve its bottom line and provide its customers with an optimized shopping experience. Some e-commerce solutions also provide integrated procurement and inventory management capabilities; vendors are encouraged to research these features when selecting an e-commerce provider.





## 2

### **Food Storage Systems:**

Online food retailers need a secure and controlled environment for storing food products before they are delivered to customers. The storage space should be designed to maintain the quality, safety, and freshness of the food products and to prevent contamination, spoilage, or waste. The storage space may also be used to organize and manage inventory, ensuring that products are readily available for shipping or delivery as orders are received.

In addition to maintaining the quality of the food, the storage space must also meet health and safety regulations. This can include requirements for temperature control, lighting, ventilation, and cleanliness. Proper food storage helps to minimize food waste and reduces the risk of food-borne illness, ensuring that customers receive fresh and safe food products. By having a well-designed and well-managed food storage space, an online food retailer can improve its operations, reduce costs, and provide a better customer experience by delivering fresh and high-quality food products.



## 3

### **Delivery Infrastructure Systems:**

Food delivery infrastructure refers to the systems, processes, and technologies that are used to deliver food to customers. This can include the delivery vehicles, software systems used to manage orders and track deliveries, payment systems, and logistics networks that ensure timely and efficient delivery of food to customers. Food delivery infrastructure also includes the storage and handling facilities used to store food and packaging materials, as well as the tools and equipment used by delivery personnel to safely transport food to customers.

The goal of food delivery infrastructure is to provide a convenient and reliable way for customers to receive their food orders, while also ensuring that the food is delivered in a timely manner and in a safe and hygienic condition. With the increasing demand for food delivery services, the food delivery infrastructure has become an important aspect of the food service industry.



## 4

### **E-Commerce Solution:**

The choice of an e-commerce platform for food retailers selling online can greatly affect the customer experience. A platform with a user-friendly and intuitive interface will enhance the browsing and purchasing process for customers via a website and/or mobile app. The platform's design and navigation will determine how easy or challenging it is for customers to find and select products, and it will also play a crucial role in digital merchandising strategies aimed at driving sales. There are a number of e-commerce solutions that have already been tested and approved by FNS to accept SNAP/EBT online. Selecting one of these already approved platforms may ease the process for your business. A non-exhaustive list of e-commerce platforms are compared later in this guide.

# 5

## Integration with an approved Third Party Processor (TPP):

TPP's provide the financial networking and PIN processing technology that enable retailers to accept SNAP EBT and receive payment for SNAP purchases. (Credit card transactions also require networking through a TPP.) Retailers may have individual contracts with TPPs, or work with an ecommerce provider that is contracted with a TPP. There are currently only three TPPs approved by FNS to accept SNAP EBT online (though there are many TPP's able to process in-store/card-present EBT transactions). Details of the approved EBT online TPP's and Ecommerce platforms are provided later in this guide.



### Innovation in the grocery e-commerce space

A partnership between Grocerist and Forage provides a streamlined option for retailers looking to get up and running for SNAP Online quickly. Whereas it took nearly two years for the Hub on the Hill to become authorized to participate in the SNAP Online Purchasing Pilot, new retailers using Grocerist and Forage can expect to go-live in 90-days or less.

# CASE STUDY:

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# THE HUB ON THE HILL

*Independent Nonprofit Food Hub Retailer with Delivery Capabilities*



In the fall of 2020, The Hub on the Hill and AdkAction endeavored to apply for the Hub to become approved to accept SNAP online. It was an audacious goal—to catapult a small regional food hub focused on locally produced organic food—to join the ranks of mega-food retailers who had been approved to accept SNAP benefits online. Despite the challenges, getting approved to accept SNAP online felt like the only way to ensure that the low income households who had been receiving the Hub’s free emergency food packages during the pandemic could continue to have access to the farm fresh ingredients in the long term.

For The Hub on the Hill, the path to becoming a SNAP online retailer was long and arduous, and in many ways mysterious. It wasn’t clear how long the process would take (about two years), how much it would cost (roughly \$20,000), or whether it would be worth the effort (time will tell). One thing was clear: the hard lessons learned had to be passed on to help other food hubs and small retailers navigate the process.

In March of 2020, as the impacts of Covid-19 on food insecurity and farmer’s sales outlets started to become clear, AdkAction launched the Emergency Food Packages program in partnership with The Hub on the Hill. Over the course of six months, the Emergency Food Packages program provided consistent food assistance to over 1,035 individuals in Essex, Clinton, Franklin and Hamilton counties. AdkAction and The Hub on The Hill distributed 4,313 Emergency Food Packages containing 15 meals each with ingredients sourced from local farms, for a total of 64,700 meals. Meals were delivered to the doorsteps of seniors, students, and other households in need.

Funders at Adirondack Foundation, NYS Health Foundation, and Mother Cabrini Health Foundation banded together and provided the resources for AdkAction and The Hub to extend the Emergency Food Packages effort and design a permanent program that would help participating families continue to have access to home delivery of farm fresh foods in the longer term.

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***"The Hub on the Hill's mission is to forge pathways toward a just and sovereign food system in the North Country and SNAP Online was an important pursuit for us to better do this."  
- The Hub on the Hill***



AdkAction and The Hub built a website on Shopify, an e-commerce platform, and offered “farm fresh packages” for sale at deeply discounted prices. Since the Hub was already a traditional SNAP vendor, mobile handheld EBT card readers were obtained and systems were set up to allow households to order online or by phone and then pay for the packages upon delivery. Unfortunately, paying on delivery caused many issues for customers and organizers:

- Customers had to be home to receive and pay for their food delivery with SNAP: this felt like a lot to ask of the hardworking people in the program, especially because deliveries took place during workday hours. If customers weren’t home when the delivery was made, it was impossible to collect EBT payment (because of the necessity for a customer to enter a PIN when paying with EBT).
- The mobile SNAP/EBT card readers required an internet or data connection to process transactions. Many remote homes were in connectivity dead zones.
- Even when customers were home and data connectivity was available, the time it took for the Hub’s delivery drivers to interact with EBT customers created significant delays and reduced efficiency to the point where the economics of the project were threatened.

It became clear that something had to change. That is when AdkAction and The Hub learned about the SNAP Online Pilot and decided to apply. If SNAP customers could check out online with their EBT cards, all of the major challenges outlined above would be solved. Since The Hub was already an approved traditional SNAP vendor with an e-commerce presence and delivery infrastructure in place, participation in the SNAP Online Pilot sounded like a logical next step.

What quickly became apparent was that the technology required to meet the SNAP Online Pilot’s requirements for retailers was relatively new, complex, and difficult to integrate for a small retailer with a tight budget. Requirements included custom error handling, support for split payments, ensuring sales tax isn’t charged on SNAP purchases, and integrating a secure online PIN-entry solution via a Third Party Processor (TPP) through an Application Programming Interface (API). AdkAction began searching for software solutions and could not find anything at the time (Fall 2020) that would meet the requirements “out of the box,” so they reached out to software engineers in California through a mutual connection.

Those software engineers were the founders of a company called Forage. At the time, Forage was focused on providing an app that SNAP customers could use to compare the prices of groceries at several local supermarkets to find the best price. When AdkAction reached out to see if they could provide some insights on how to navigate the technical landscape of the SNAP Online Pilot, the co-founders of Forage jumped at the opportunity. They had already been thinking about the lack of online grocery shopping access suffered by SNAP recipients and it felt serendipitous to be approached with the same challenge from a couple of small nonprofits from across the country.



A partnership formed and Forage quickly got to work developing a series of tools that would help a small food hub meet the requirements. The partners envisioned something as simple as PayPal checkout for SNAP/EBT customers—an app that could integrate with online grocery stores' checkout pages and take customers to a secure payment page where they could enter their pins and use a combination of benefit dollars and debit/credit to buy groceries and pay delivery fees.

Before long, it became clear that Forage would need to become a SNAP EBT Third Party Processor to deliver on the simple, dignified, user-friendly experience that was envisioned and ensure that the PIN-solution would be integrated in a streamlined way. It was also apparent that a grocery-specific eCommerce solution would be needed in order for the Hub to meet the Online retailer requirements. Forage introduced The Hub and AdkAction to Grocerist, a Shopify-based eCommerce technology and marketing solution for grocery stores, to help address the technical requirements such as inventory management, user-friendly interface for online shopping, and, critically, ensuring only eligible foods can be purchased with SNAP benefits.

***"Both companies understood our vision and were committed to creating a process that would be replicable for other small vendors and food hubs."***

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AdkAction and The Hub worked with Forage and Grocerist over the course of two years to build an online store that would reliably meet all of the requirements outlined by FNS. Simultaneously, Forage grew into a promising start up. It joined forces with the Head of Product Payments from Instacart, and raised tens of millions in venture capital to scale its solution. Forage was approved by the USDA to act as a Third Party Processor (TPP) for SNAP/EBT Online, joining only two other processors—WorldPay and Fiserv—who were authorized to fill that role.

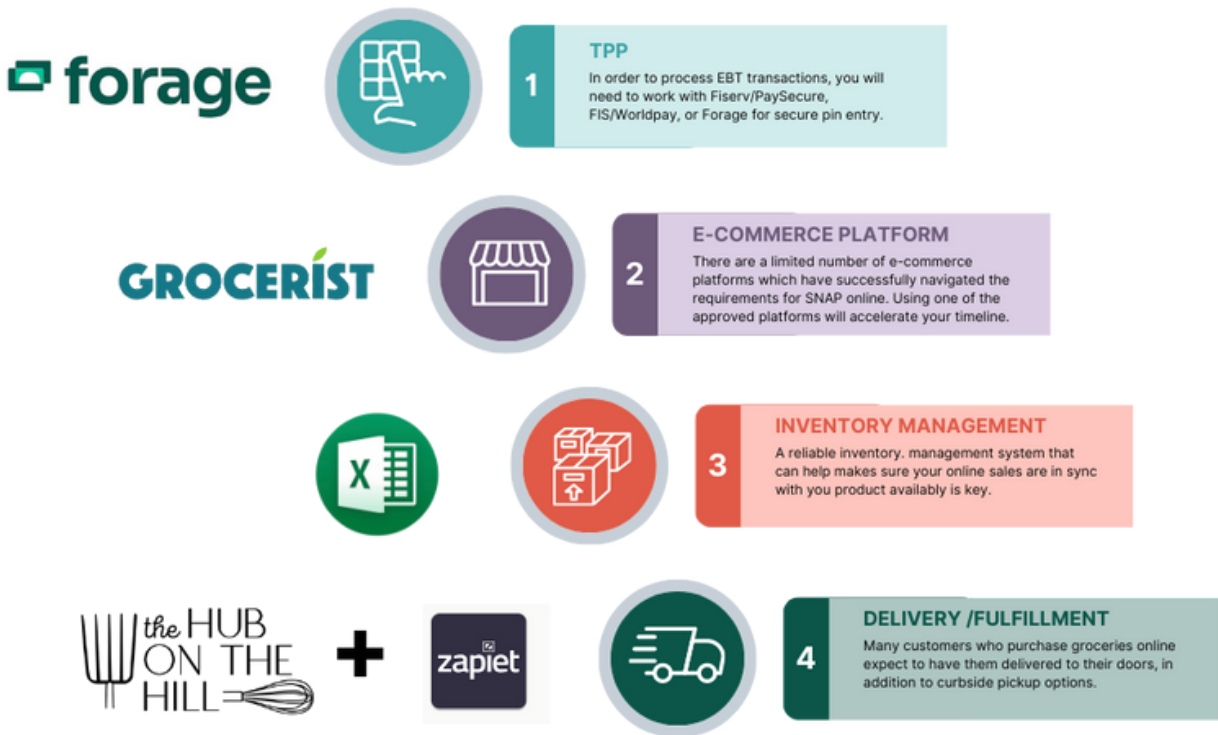
While it took two years for The Hub on the Hill's solution to be fully implemented - including the process with Grocerist and Forage - it will not take that much time for vendors who follow in their footsteps. The duration of the process for The Hub was in no small part working with two new SNAP EBT partners - Forage and Grocerist - but both companies understood our vision and were committed to creating a process that would be replicable for other small vendors and food hubs. When starting with a TPP and an ecommerce platform that are both already authorized for EBT online, the path will be smoother and quicker than it was for The Hub.



# THE HUB ON THE HILL'S TECH STACK

A stars-aligned partnership with Forage, a tech startup focused on becoming the Stripe of government benefits, generous ecommerce and marketing support from Grocerist, and unwavering dedication by families buying the food, the farmers growing it, and the people in between connecting the two have made SNAP Online possible for the Hub on the Hill. This tech stack is one option for other merchants too.

## Tech Stack





# TECH STACK OPTIONS

The approach that The Hub on the Hill took to getting SNAP online approval is by no means the only way. In this section, we will highlight the tools and platforms that can help SNAP retailers get set up to accept SNAP online.

The formula is simple, but there are many tradeoffs and retailer specific considerations.

## Third Party Processor

+ eCommerce Solution

+ Inventory Management Solution

+ Delivery/Fulfillment

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= SNAP Online Tech Stack

# THIRD PARTY PROCESSORS

Retailers must select an FNS approved Third Party Processor that will provide secure pin entry. The choice of a PIN encryption provider is up to the retailer.

Third Party Processors	Food and Nutrition Service Approved EBT Online Payment Solution?	Integration Timeline	Compatibility Considerations
Forage	X	Varies by State	Does not offer in-store TPP services
Fiserv PaySecure	X	Varies by State	Also provides in-store TPP services
FIS WorldPay	X	Varies by state	Also provides in-store TPP services

# ECOMMERCE, INVENTORY MANAGMENT, AND DELIVERY/ FULFILLMENT PLATFORMS

Technology Platform	FNS Approved eCommerce Platform	Inventory Management	Delivery/ Fulfillment	Contact Information
Always On Grocery/ RSA America	X			Rob Belcore rob@rsaamerica.com 312-471-6700
Door Dash	X			DoorDash SNAP Mailbox SNAPEBT@DoorDash.com
eGrowcery	EBT Card and EBT Cash	POS integration	In-store fulfillment + Doordash Delivery integration	eGrowcery General Mailbox sales@egrowcery.com 888-294-1610
Grocerist	X	X	Roadie (A UPS Company) delivery integration	Matt Smith matt@grocerist.com
Instacart	X	X	X	Nicholas Gajewski partners@instacart.com
Local Express	X	X	Supports shipping as well as delivery and curbside pickup.	Veronika Baghdasaryan veronikab@localexpress.io 818-405-9777
Mercato	X			help@mercato.com (855) 966-2725
Mercatus	X	X	(Instacart Integration)	Mercatus General Mailbox solutions@mercatus.com
NCR Freshop	X			Veemal Jaggeshar Veemal.Jaggeshar@ncr.com 561-291-6849
Point Pickup Technologies	X			Gabriel Candin gabriel.candin@pointpickup.com 407-493-63738
Rosie, an Instacart Company	X	X	Instacart Fulfillment and Delivery Integration	Rosie SNAP Mailbox snap@rosieapp.com
ShopHero	X			info@shophero.com (855) 361-9525
Vroom Delivery	X		X	Vroom Delivery SNAP/EBT Mailbox ebt@vroomdelivery.com

# IMPLEMENTATION TIMELINES

The approval timeline for participating in the SNAP Online Purchasing Pilot (OPP) varies depending on various factors, such as the readiness of the retailer's systems, the completeness and accuracy of the application submitted to FNS, and the current capacity and workload of the USDA FNS. In general, the entire approval process can be expected to take several weeks to several months if the retailer's systems meet FNS OPP requirements. However, if the retailer's systems need to be put in place first, the process can take between three (3) and eighteen (18) months.

## COSTS

There is no fee to apply to participate in the SNAP Online Purchasing Pilot through USDA's FNS, but there are costs associated with procuring the necessary technology and staffing required to implement systems requirements. These costs can vary depending on the size and complexity of the retailer's operations, the existing technology infrastructure, and the chosen e-commerce and TPP solutions. Some of the potential costs to consider may include:



### ***Cost and Timeline Example***

eGrowcery does not charge retailers for SNAP Online integration - instead they charge a flat fee on all transactions through the platform. They tell customers to plan around 75 days to go live, but it can be as fast as 3 weeks.

- 1** Procurement and Inventory systems: This may involve software licensing fees, implementation costs, customization, training, and ongoing maintenance and support fees.
- 2** Food storage systems: This may include costs associated with construction or renovation, refrigeration, shelving, food safety equipment, and compliance with health and safety regulations.
- 3** Delivery infrastructure systems: The cost of establishing or expanding a delivery infrastructure system can include expenses related to delivery vehicles, software systems for order management and tracking, payment systems, storage facilities, and equipment for delivery personnel.
- 4** E-commerce solution: The cost of implementing an e-commerce platform can vary depending on the chosen platform, customization requirements, and ongoing fees such as transaction fees, hosting fees, and platform subscription fees.
- 5** Integration with an approved Third Party Processor (TPP): The cost of integrating with an approved TPP for SNAP EBT processing may include setup fees, transaction fees, and ongoing maintenance fees.



## A note on cost:

It's important to note that costs can vary greatly depending on the specific retailer's needs, requirements, and choices made. Retailers are encouraged to thoroughly research and evaluate different options, and consider consulting with technology vendors, experts, or USDA FNS for guidance on costs associated with participating in the SNAP Online Purchasing Pilot.



# DEEPER INSIGHTS INTO THE SNAP ONLINE PURCHASING PILOT



The timing of the online purchasing pilot (OPP), with the first retailers taking their solutions live in 2019, had everything to do with its subsequent rollout, quick expansion and extended status in limbo as a pilot program. To the credit of USDA/FNS, with the onset of the COVID-19 pandemic they opened up the pilot almost immediately, which provided the opportunity for dozens of additional grocers to offer SNAP online sales, and the ability to purchase groceries online to thousands of additional SNAP participants. The pilot was originally intended to include a limited number of retailers (10) - including large/national and small/local grocers - and to undergo an intensive evaluation process, which is the usual process for all USDA pilot projects.

For the foreseeable future, the program will remain a "pilot" in order to continue without interruption until FNS policy and rulemaking is complete.

The process for implementing new federal policy and regulations is a long one. It will likely be several years until SNAP online purchasing policies and regulations are officially adopted. In the meantime, FNS intends to continue accepting new OPP applicants and approving them for online SNAP purchasing through a process that includes submission of system documentation by retailers, and testing of retailer systems for compliance with SNAP and EBT requirements.

Decisions that still need to be made by FNS related to online SNAP EBT include how to handle different types of retail operations, including farmers markets and online-only retailers. For now, online-only retailers are being handled on a case by case basis and farmers markets are still not eligible (because a single FNS number for multiple vendors in an online setting is problematic).

For individual farmers, there is a program to help them move through the process of accepting EBT online. Through this program, SNAP-authorized direct marketing farmers will receive:

- Authorization assistance to become online-ready
- Access to one of the four eCommerce platforms at no cost for one-year
- Technical and training support from the eCommerce platform team
- On-going communication as well as platform maintenance and security updates.

Direct marketing farmers should contact [Marketlink](#) for more information.

## **SEMTAC - The SNAP EBT Modernization Technical Assistance Center**

To advance SNAP online programs for independent grocers, in December 2022 USDA/FNS awarded a \$5 million grant to the National Grocers Association Foundation (NGAF). The funds will be used to create the SNAP EBT Modernization Technical Assistance Center (SEMTAC), fund required technology, and support the new SNAP Mobile Payments Pilot. SEMTAC will educate retailers on the federal requirements for SNAP online purchasing and mobile payment programs.

Through the Mobile Payment Pilot, SNAP recipients will be able to provision their EBT cards to a digital wallet on their personal devices and complete contactless payments in-store, providing an alternative to physical SNAP cards. The pilot will operate in five states (Illinois, Louisiana, Massachusetts, Missouri and Oklahoma) and will likely become an option available to SNAP participants in those states in the second half of 2025.

To contact the USDA/FNS team with questions about EBT online, email: [SM.FN.SNAPOnline@usda.gov](mailto:SM.FN.SNAPOnline@usda.gov).

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# CONCLUSION

The SNAP Online Purchasing Pilot (OPP) has the potential to benefit millions of Americans, particularly those living in food deserts, by providing them with access to healthy food options from online retailers. While larger retailers like Amazon and Walmart were among the first to participate, there is now a precedent for smaller, independent retailers such as food hubs to participate as well. These smaller markets often serve rural communities and promote economic and environmental justice, but face a steep learning curve to implement the system requirements to participate in the OPP. However, innovation in the ecommerce and social impact technology sectors are driving solutions that are more plug-and-play for retailers. With some patience and a great tech stack, even small retailers can now expand their offerings and sell to the more than 42 million Americans who receive SNAP benefits.

# ACKNOWLEDGEMENTS

This Modernizing Food Access SNAP Online Guide for Food System Vendors would not be possible without AdkAction's partners and supporters. Thank you to The Hub on the Hill in Essex, NY for their investment in and dedication to innovation in pursuit of a more equitable and sustainable regional food system, and their willingness to take on such a meaningful and impactful project that will serve as a model for many other small food hubs across the country.

In addition to The Hub on the Hill, we would like to thank the partners that have provided hands-on technical support and thought leadership throughout the project—Grocerist and Forage. These two tech-based partners executed the online e-commerce portion of this project and helped forge the way forward for smaller regional food markets in the future.

Thank you to our major funders of this project, the New York Health Foundation, the Adirondack Foundation, and the Mother Cabrini Foundation. These three funders came together at the same time to help AdkAction and The Hub on the Hill expand emergency food packages during the COVID-19 pandemic, and gave us the critical support needed to harness the momentum that the emergency situation created and turn it into lasting food systems change for communities across the greater Adirondacks. Thanks especially to New York Health Foundation for the additional funding directly designated for launching SNAP online and making this guide possible. We want to acknowledge and thank Bruce McInahan for continued support of our work at AdkAction and The Hub on the Hill and his ability to recognize the need in our region and respond to that need so generously. In addition, we would like to thank Arnold & Porter for providing pro bono legal services and helping us navigate the contracting process with our technology partners.

Finally, we would like to express our immense gratitude to the farmers in the Adirondack Region who work hard everyday to produce healthy, nourishing food for our communities. Thank you for demonstrating the quality of food, quality of life, and quality of community that is possible when we hold ourselves to a higher standard and refuse to accept the current reality of the industrialized food system. We dedicate this work to you, and to the individuals and families in the Adirondacks who choose to buy local. It's our highest objective to help more people have access to fresh, local food.

# SNAP ONLINE REFLECTIONS FROM THE HUB ON THE HILL

We are so grateful to have been part of this pilot project and especially for AdkAction's guidance and commitment to such an ambitious, but important, endeavor. Without the leadership they provided to acquire funding, coordinate all the partners involved, and navigate such complex administrative processes, our small food hub could not have achieved any of this. They also took on the task of documenting the process from start to finish and creating this guide; without their efforts, these lessons would not have been captured in hopes of helping other small retailers.

The Hub on the Hill's mission is to forge pathways toward a just and sovereign food system in the North Country and SNAP Online was an important pursuit for us to better do this. With SNAP Online, the process is not only efficient- for both customers and administratively, for our staff- but it is also more dignified. SNAP customers are now able to check out conveniently the same way any other customer already could and are not asked to wait at home the day of their delivery for a manual swipe of their card. Our community is ecstatic for the opportunity to make SNAP food purchases on local foods and to expand their options beyond the likes of Amazon or Walmart.

Launching SNAP Online also opened the door for us to swiftly find a way to pilot an online iteration of Double Up Food Bucks (DUFB), a nutrition incentive program that matches SNAP dollar-for-dollar on fruits and vegetables. Thanks again to the tech support of Grocerist, and now in partnership with Field and Fork Network—the organization overseeing DUFB in New York—we were able to achieve this in less than two months. We are proud and humbled to share that at the end of February 2023, these partners launched the first automated Double Up Food Bucks online solution in the nation. While SNAP Online was a major milestone in accessibility for low-income families, bringing Double Up Food Bucks online was an obvious next step in working to address the affordability barrier of local foods- but one that was only possible if SNAP Online was unlocked first.

It is our belief that everyone should have access to nutritious food and technology can play an important role in breaking down barriers. Unfortunately, harnessing technology and pursuing innovative solutions that aren't yet established or widespread can be incredibly difficult for small nonprofits like ours. Being able to bring SNAP Online has been a huge achievement for our community- SNAP customers, local farmers, our staff, and our local economy that can now leverage dollars from the largest food support program in the nation- and for our efforts in building a just local food system. We are deeply indebted to our partners who believed that such a heavy lift was worthwhile. With this achievement, we hope it's a step forward for other small retailers and their communities, too!

With thanks,  
The Hub on the Hill



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