A Local Food Business Guide:
Online SNAP/EBT

About

Interested in incorporating Online SNAP into your online business model but unsure where to start?

With assistance from Forage and Activate Food Arizona, we've created this comprehensive guide to aid businesses in understanding their eligibility and navigating the implementation process seamlessly.

Please Note:

The information shared in this guide is based on our experience and understanding of FNS requirements. It's important to remember that SNAP approval can only be granted by FNS. Since SNAP Online is fairly new for FNS, we expect the approval process and requirements will continue to evolve. Thus, it is critical that all information be verified with USDA resources.

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Online SNAP Eligibility

Is your business model currently eligible for SNAP Online?

This section explores:

- A non-exhaustive list of common FNS Store Types, along with their current eligibility for SNAP Online.

- Information on inventory requirements.

- An approach to Community Supported Agriculture (CSA) and SNAP Online

Eligibility

Online SNAP eligibility is evolving as more businesses embrace the program. However, it's crucial to note that the information below is not exhaustive. Even if your business model aligns with one of the eligible store types, there are additional Online SNAP requirements beyond store type that FNS considers in their decision-making process. Approval can only be granted by FNS, so it's advisable to thoroughly review the resources available on their website and seek guidance from them regarding eligibility.

Eligibility

The following FNS Store Types have the most straight forward path for Online SNAP eligibility.

Direct Marketing Farmers (DF)

The DF Store Type designation applies to individual producers of agricultural products, including fresh fruit and vegetables, meat, grains, etc., that are sold through venue such as a farm stand, pick-your own operation, and/or stall within a farmers' market.

Non-Profit Food Buying Cooperatives

This FNS store type includes any store that is a non-profit consisting of members that collectively purchase their food.

Eligibility

The following FNS Store Types have the most straight forward path for Online SNAP eligibility.

Stores

Food hubs and farms designated as a "Store" are usually sub-categorized as "Specialty Food Stores" or "Small Grocery Stores" with stocking requirements met under Criterion B (more than 50% of total gross sales in staple foods).

Delivery Route

The Delivery Route designation is for businesses that do not have a permanent store location.
FNS has begun approving Delivery Route Store Types to accept Online SNAP — paving the way for others! Although, it is important to remember that FNS looks at each business on a case-by-case basis to determine eligibility.

DELIVERY NOW!

Note:
Many food hubs operate as Delivery Routes.

Eligibility

? The following FNS Store Type currently has a slower path forward to approval.

Online Only Retailers

Recently, FNS approved the very first online-only merchant to accept SNAP EBT payments online! Since this is a recent development, the details and eligibility status are still evolving. Thus, online only retailers should expect longer approval times.

! Please Note: Online Only designations are intended for businesses that only transact online. If you accept sales in person, you will need to first become a SNAP Retailer under another Store Type.

Eligibility

The following FNS Store Type currently does not qualify for Online SNAP eligibility.

Farmers Markets

Most Farmers Markets do not own the inventory sold at the market, thus making the business ineligible for Online SNAP. If your business falls under this category, there is not currently a path forward for Online SNAP eligibility.

Some non-profit Farmers Markets/Food Hubs that operate farm box models have applied as a Non-Profit Buying Cooperative for that sales channel. Although, it's important to note that this designation only applies to sales of the farm box that include products that are pre-purchased from producers.

Eligibility

Approaches to Community Supported Agriculture (CSA) and SNAP Online

CSA and subscription sales models will need to be altered to allow SNAP customers to order AND pay online.

Subscriptions, CSA, and retail models with auto-renew/auto-pay features cannot be paid with online SNAP. Instead, merchants must enable customers that pay with SNAP benefits to make one-time, ala carte purchases. Customers that pay with SNAP benefits will be responsible for logging in online to order and authorize each purchase.

LFM allows products in the storefront to be listed as "ala carte" items. Additionally, LFM's "Bundles" Feature allows for CSA style pre-assembled boxes/bags to be sold, with or without add-ons.

INVENTORY REQUIREMENTS

Per FNS in-store SNAP requirements, all authorized in-store SNAP retailers are required to have certain stocking requirements and offer a certain range of products. Specific inventory requirements vary based on Store Type.

To learn more about minimum inventory, visit the FNS website or reach out to FNS at SM.FN.snaponline@usda.gov.

LFM's Advanced Inventory Module will enable you to manage Inventory PAR levels and reorder levels that ensure you maintain the minimum inventory levels required by FNS for your store type.

LFM: A Comprehensive Solution for Online SNAP

Having comprehensive technology systems and personalized support is a key component in the success of local food businesses competing in today's online shopping landscape.

When selecting a platform to host an online store and implement Online SNAP, it's crucial for businesses to keep in mind a few key features that will help them reach their SNAP Online goals.

This section explores:

- ✓ The key technology features businesses need to implement Online SNAP

- ✓ How LFM's software is tailored to support local food businesses in offering Online SNAP.

1 Inventory Management

Robust inventory management capabilities are essential for ensuring businesses can meet customer orders, replenish inventory efficiently, and adhere to the inventory requirements specified by FNS for Online SNAP.

LFM offers a dynamic inventory management system tailored to the needs of farms & food hubs.

LFM's Advanced Inventory Module allows businesses to:

- ✓ Flexibly manage product sourcing and order fulfillment.

- ✓ Set and monitor inventory PAR levels and reorder thresholds to maintain compliance with FNS inventory requirements.

2 Logistics & Delivery Management

Reliable delivery options are crucial for ensuring customers receive their orders promptly, aligning with FNS priorities for Online SNAP retailers.

LFM's Advanced Packing & Logistics Module simplifies delivery management and tracking, optimizes efficiency and ensures timely order fulfillment.

LFM's Route & Distribution Module allows businesses to:

✓ Easily generate packing slips, invoices, and delivery instructions for each delivery vehicle — all organized by delivery sequence.

✓ Benefit from LFM's integration with Routific to plan efficient delivery routes, maximizing stops within minimal time and mileage.

3 User-Friendly Online Store Interface

In today's market, the success of local food businesses hinges on their ability to design and leverage their website & online store effectively. Selecting a platform with an intuitive, visually appealing interface is essential for facilitating easy browsing and purchasing for customers.

LFM's platform is designed to support local food businesses in maximizing their sales with intuitive navigation and customizable branding.

LFM's interface maximizes sales

- ☑ The ability to easily designate and filter for SNAP eligible items.

- ☑ A seamless checkout process for customers using SNAP benefits.

- ☑ Automated SNAP Match support.

- ☑ The reporting and metrics required for SNAP Match.

SNAP Match through LFM

4 LFM Supports SNAP Match Models

We're thrilled to be the first local food-focused provider of Online SNAP that features built-in automated SNAP Match support. This comprehensive solution not only drives sales opportunities for our customers, making Online SNAP more impactful, but also reduces admin time spent on reporting.

Automated SNAP Match support

We know that SNAP sales are driven by SNAP Match for most farms and food hubs. LFM automates the creation of SNAP Match credits to support you in making more sales.

Reporting & Metrics

Having access to metrics can help you grow and manage your online SNAP sales. LFM provides simple reports for tracking and reporting on both your Online SNAP sales and your SNAP Match sales.

SNAP Match through LFM

LFM Supports SNAP Match Models (such as DUFB)

→ **Model One: Loyalty/Credit Model**

LFM currently supports a SNAP Match model where credit is earned on SNAP payments to be used on a future transaction toward SNAP Match eligible products.

→ **Model Two: Discount Model (Coming April 2024**

This SNAP Match model allows customers to use a discount code on their current order.

Note:

The discount code will only be applied to orders that have Online SNAP/EBT selected as the payment preference by the customer, and the discount will only be eligible for items designated as SNAP Match eligible.

5 We are here to help local food businesses expand their reach.

LFM will guide you through the entire FNS approval process.

Our team at LFM is staffed with food hub veterans and tech professionals that understand the local food landscape and how technology plays a pivotal role in success. We prioritize cultivating genuine, lasting relationships with our customers and are dedicated to supporting them through the Online SNAP implementation process, bringing them one step closer to building a resilient and equitable local food system.

Implementing SNAP Online: Next Steps

Next Steps for Accepting SNAP Online Through LFM

1 **Fill out our Online SNAP interest form.**

After you submit this form, we'll get in touch with the next steps — including setting up a demo if you are not already an LFM customer.

> **Note:**
>
> If your organization is already a SNAP retailer, please be sure you know your SNAP store type when filling out the interest form. If you aren't sure what type of SNAP store you have, you can reach out to FNS at SM.FN@snaponline.gov.

2 **Get your LFM store set up, if you are not a pre-existing LFM customer.**

Next Steps Continued

3 Get a Forage account setup — the LFM team will direct you to the right contact person.

4 Submit a Letter of Intent (LOI) to FNS — LFM & Forage team will provide information on how to do so.

5 Prep your online store for production testing with FNS — the LFM & Forage teams will provide guidance.

6 Production Testing and approval by FNS.

7 You're LIVE!

Additional Resources:

Email Templates

Have questions about your eligibility status or Store Type?

Keep reading for a few email templates that may be helpful when contacting FNS.

Email Templates

Email template for in-store SNAP approved merchants inquiring about Online SNAP eligibility.

This template is useful for businesses who are currently approved for in-store SNAP, and have questions about their online SNAP eligibility.

Download Template

Email template for Delivery Route Store Types who are currently authorized to accept in-store SNAP.

This template is for businesses who are currently approved for in-store SNAP under a Delivery Route designation but would like to know if they are eligible for Online SNAP as well.

Download Template

Email template for SNAP retailers to verify current FNS store type.

This template is for businesses who are currently in-store SNAP approved but need to verify their FNS Store Type

Download Template

Additional Resources:

Helpful Links

Following are a list of resources and quick links to consult during the SNAP Online process

Have additional questions?

Feel free to contact us at info@localfoodmarketplace.com

Helpful Links

LFM Resources & Next Steps

Not a current LFM customer?

Request a demo — we'll be happy to show you around our platform and explain how Online SNAP may work for your business!

For LFM customers:

The LFM Community Forum is a great place to connect, ask questions, and gain insight from others.

Online SNAP through LFM: FAQ

Visit our website to learn more.

Ready to move forward with Online SNAP through LFM?

Fill out our Online SNAP interest form and we will be in touch to schedule a one-on-one call.

FNS Resources

FNS Online SNAP webpage

Visit the FNS Online SNAP website to review a complete list of eligibility requirements, application information, and more

Store Type definitions

Visit the FNS website for a complete list of Store Type definitions, as defined by FNS.

Helpful Links

FNS Resources (cont.)

Inventory Stocking Requirements

For more details on inventory stocking requirements, visit the Clarification of Criterion A and Criterion B Requirements on the FNS website.

Contact the SNAP Online Team

Contact the SNAP Online Purchasing Team at SM.FN@snaponline.gov

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Technical Assistance for Online SNAP

ADKAction Guide

Check out the ADKAction Guide to read more about the importance of local food businesses using advanced technology to be competitive within the online shopping and online SNAP landscape.

SEMTAC

SEMTAC is a technical assistance center for retailers who are implementing, or interested in, Online SNAP.

Helpful Links

SNAP Match

**Supplemental Nutrition Assistance Program-Education
(SNAP-Ed)**

Visit FNS' SNAP-Ed webpage for resources, information by state, and more.

Double Up Food Bucks

Visit the Double Up Food Bucks website to learn more about the program and see if it's available in your state.

Market Match

Market Match is California's incentive program. Read more about how it works by visiting their website.

MA HIP

MA HIP is Massachusetts Healthy Incentives Program. Visit their website to learn more.

Community Resource for Farmers Markets

The Farmers Market Coalition

The Farmers Market Coalition listserv can be a great place to connect with other farmers and market managers that are also considering how they can innovate their business model to become Online SNAP eligible.