

Direct to Consumer Farmers Guide to Accepting SNAP

What is SNAP?

The Supplemental Nutrition Assistance Program (SNAP) is a federally funded program that provides individuals and households that meet eligibility requirements with funds to purchase food each month. The Food and Nutrition Service (FNS) administers SNAP under the USDA, and each state manages its own SNAP program. SNAP funds are delivered on an Electronic Benefits Transfer (EBT) card which is used as a debit card.

What is the impact of SNAP?

Access to fresh food is a basic human right, and yet 9.7% of lowans are food insecure (Feeding America, 2018). This rate increases when looking at communities of color or vulnerable populations such as children. Food insecure individuals are often forced to make challenging decisions about whether to spend their income on food or other vital expenses such as medical, water, or heating bills. SNAP helps low-income families access food each month.

What are the benefits of farmers accepting SNAP?

SNAP recipients constitute a large pool of eaters that have limited access to local food. Becoming SNAP authorized has the dual benefit of increasing farmers' customer bases and making it easier for low-income individuals to purchase nutritious local food products. Farmers can also establish work-trade arrangements and make food donations in an effort to increase local food accessibility. Although these are great options, farmers may not be able to meet the cost of production. SNAP allows farmers to increase access to their food without compromising their income.

Am I eligible to become SNAP-authorized?

CSAs, farm stands, farmers market vendors, U-picks, butcher shops, and other small food producers are all eligible to become SNAP authorized. These operations meet the criteria of, "More than one half (50%) of the total dollar amount of all retail sales (food, nonfood, gas and services) sold in the store must be from the sale of eligible staple foods."

Rules for accepting SNAP

Food producers can accept SNAP for "eligible food" which is food that is grown and intended for human consumption. SNAP can also be accepted for plants and seeds that grow eligible food. Ineligible foods include: hot foods, inedible flowers, decorative pumpkins, vitamins, etc. When a customer uses SNAP benefits to purchase food, CSAs must provide them with that food at the same time. This means that CSAs cannot ask SNAP members to make an upfront payment at the beginning of the season. CSAs should communicate openly with their SNAP customers to establish payment plans that work well for both parties.



How to become SNAP-authorized

Completing the USDA application for SNAP authorization can be a complex, confusing process for CSAs and other small food producers that are different from large retailers because the application does not include applicable language. The steps listed below will help you navigate the USDA application process as a small food producer.

Step 1: Get a USDA account

Visit <https://www.fns.usda.gov/snap/apply-to-accept> and click “register for a USDA eAuthentication account”.

Step 2: Complete the store application - NOT the farmers market application

After creating an account, click on “Apply Online/Check Status of Online Application”. Sign in with your account, and click on “Start Your Application”. This is a free application that is saved to your account for a period of time, so you do not have to complete it in one sitting. Applicants are encouraged to apply online but can submit a paper application if desired. Contact the SNAP Retailer Service Center at 1-877-823-4369 to request a paper application.

If you are accepting SNAP at a CSA, farm stand, or farm store OR at your individual booth at the farmers market, fill out the application as if you are a **store**.

The application will require information regarding:

- The ownership of your business
- Who runs the business
- The food and non-food items that you stock and sell
- Your actual or estimated sales
- Days and hours of operation - CSAs should list the days and hours for which they are open for CSA distribution. If the FNS has questions about these hours, they will call and let you know.

Step 3: Reach out with questions

If you need assistance with the USDA application process, call the SNAP Retailer Service Center at 1-877-823-4369. Their hours are 7:00am-10:00pm ET Monday- Friday.

Step 4: Upload required documentation

Usually, applicants must send supporting documents in the mail, but due to COVID-19, the FNS is requesting that applicants submit documentation electronically. To upload the required documentation, you can either take a picture of the documents or scan the documents and upload them. There are several scanning apps that are free and can be used to scan the required documents.



Required documents include:

- Certification and Signature Statement (for online applications only) - You will need to print, sign, and date this form which states that the information in your application is true and that you will follow the rules and regulations for accepting SNAP. You must scan and upload this form.
- Copies of Photo ID - drivers license or passport
- Copy of Social Security card
- Business License - Direct to consumer farmers can skip this part of the application and still receive approval. If you have a certificate stating that you own a roadside stand, you could upload that.

Step 5: Wait for authorization

It can take up to 45 days for applications to be approved, but many receive approval within 2-3 weeks. It is possible that the USDA will call or email you with follow-up questions or requests for additional information before approving your application. You can check the status of your application online. If you have not heard from the USDA in a timely manner, call the SNAP Retailer Hotline at 1-877-823-4369 to request an update on your application status.

Step 6: Receive your FNS number

Once you are approved to accept SNAP, you will receive an FNS number. This number can be used to access a free EBT card reader. See the following page to learn more.



Acquiring an EBT card reader

SNAP funds are delivered on an Electronic Benefits Transfer (EBT) card which is used as a debit card. Businesses must acquire the infrastructure to accept EBT cards in order to process SNAP payments. There are two options that small food producers can choose from.

Option 1: *The Wireless EBT Project*

The Wireless EBT Project provides all direct marketing farmers in Iowa with a **free**, wireless EBT reader. These EBT readers can also accept MasterCard, Visa, Discover, and American Express cards. If farmers wish to accept debit and credit cards on their EBT reader, they are responsible for paying the fees that companies charge for them to use that service.



Tracy Penick from the Iowa Department of Human Services manages the Wireless EBT Project. You can contact her at tpenick@dhs.state.ia.us or 515-281-4935 to express your interest in a free EBT reader. It will take about a month to receive your reader.

Option 2: *Update current POS equipment or purchase an EBT POS device*

If you do not wish to acquire a free, state administered EBT card reader, you can either purchase a POS device that accepts EBT from a third party, OR you can see if the provider of your current POS equipment can update it to accept EBT.

Double Up Food Bucks

As of 2021, farmers in Iowa can accept Double Up Food Bucks. Under the Double Up Food Bucks program, for every \$1 that a SNAP customer spends on fruits and vegetables, they receive \$1 matched (up to \$10) that can be used to purchase additional fruits and vegetables at participating locations.

Iowa Healthiest State Initiative facilitates the Double Up Food Bucks program. Farmers can contact Aryn McLaren with questions: aryn@iowahealthieststate.com, 515-650-6854.

Outreach

Once you are authorized to accept SNAP, make sure to spread the word! Post about this new option on your website and social media accounts. Ask community organizations to let their clients know that SNAP can be used at your farm or store. Finally, ask your customers to let their friends and families know.



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