

## Create a Healthier Retail Food Environment in the 2023 Farm Bill

The Center for Science in the Public Interest (CSPI) urges the following recommendations be implemented in the 2023 Farm Bill to mitigate hunger in the U.S., while simultaneously improving nutrition security.

The Supplemental Nutrition Assistance Program (SNAP) is a powerful food safety net program and has many positive public health impacts. The program helps to reduce poverty, food insecurity, health care expenditures, and the risk of chronic conditions later in life.<sup>1</sup> More than 250,000 retailers participate in SNAP across the country,<sup>2</sup> with SNAP sales representing approximately nine percent of grocery sales industry-wide.<sup>3</sup> Thus, SNAP retailers and SNAP sales are a critical component of the U.S. retail food environment and represent a large-scale opportunity to increase healthy food access.

### *Stocking standards*

**Recommendation: The U.S. Department of Agriculture (USDA) should explore ways to further improve retail environments to include stronger stocking standards to increase availability of foods in-store and online that align with the latest Dietary Guidelines for Americans.**

- SNAP participants have choices when it comes to where to shop but may lack choice when it comes to the foods available to them.
  - The SNAP retailer authorization process can encourage retailers to stock and promote nutritious foods that meet people's needs, yet there are only minimal standards for the products that retailers must offer (called stocking standards).<sup>4</sup>
  - More than half of SNAP-authorized retailers are smaller grocery and convenience stores<sup>5</sup> that have limited fruits and vegetable, whole grain rich, and dairy products compared to larger retailers.<sup>6, 7</sup>
  - This limited healthy food availability disproportionately impacts African American and Native American SNAP participants as they spend more of their SNAP benefit at smaller retailers relative to White SNAP participants.<sup>8</sup>
- Since 2014, there have been multiple attempts to update SNAP stocking standards.
  - The 2014 Farm Bill required retailers to stock an increased variety of staple foods and an increased number of perishable options.<sup>9</sup>

- In 2016, USDA proposed a rule that codified the 2014 standards and added a “depth of stock” requirement that retailers carry at least six units of each variety of staple foods,<sup>10</sup> however the 2016 final rule watered down these updates.<sup>11</sup>
- Stronger stocking standards are feasible, evidence based, and supported by both SNAP participants and issue area experts.
  - Nearly 80% of SNAP benefits are spent at large retailers where stocking standards are easily met.<sup>12</sup>
  - Smaller stores are capable of stocking healthier products, especially when coupled with technical support and incentives to increase consumer demand for these products.<sup>13</sup>
  - Minimum stocking standards for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), including the 2009 WIC package reformulation, increased the availability and variety of healthy foods in convenience and nonchain grocery stores.<sup>14</sup>
  - A recent study of North Carolina SNAP participants found high levels of support for increasing produce availability at small retailers.<sup>15</sup>
  - CSPI, the Bipartisan Policy Center, and leading experts in the field all believe now is the time to finally strengthen stocking standards.<sup>16, 17, 18</sup>

### *Online SNAP retailers*

**Recommendation: Improve access to SNAP grocery delivery by reimbursing direct market operations and smaller, independent retailers for SNAP delivery and service fees, while requiring larger retailers and their e-commerce vendors to waive delivery and service fees for SNAP orders, so that fees are not passed on to SNAP participants wherever they shop.**

- Online SNAP has grown rapidly but remains inaccessible to many SNAP participants.
  - Online grocery shopping has increased<sup>19</sup> and is predicted to surpass \$260 billion, 20% of the grocery market, by 2026.<sup>20</sup>
  - Online ordering and grocery delivery may improve food access because transportation is often cited as a major barrier by people experiencing food insecurity, especially those who are elderly,<sup>21</sup> have disabilities,<sup>22</sup> or live in food deserts.<sup>23</sup>
  - The 2014 Farm Bill authorized the SNAP Online Purchasing Pilot to allow retailers to accept SNAP benefits for online transactions to be picked up at the store or for delivery.<sup>24</sup>

- USDA rapidly expanded the pilot in response to the COVID-19 pandemic with 49 states and Washington, DC now participating, with at least one company authorized for online SNAP in each state.<sup>25</sup> In 2021, 4% of SNAP sales were online.<sup>26</sup>
- Yet online SNAP purchasing and delivery services are not consistently available, especially in rural areas.<sup>27</sup>
- Even if available, online SNAP remains inaccessible to many due to delivery and service fees charged for online orders.<sup>28</sup>
- USDA can increase online SNAP accessibility by alleviating service and delivery fee financial burden from SNAP participants.
  - In 2022, USDA invested in expanding online SNAP access through the SNAP EBT Modernization Technical Assistance Center that will increase and diversify retailer participation through technology and systems support needed for SNAP online shopping.<sup>29</sup>
  - The 2023 Farm Bill should build upon these efforts to increase online SNAP participation by addressing the financial barriers SNAP participants face. USDA should reimburse service and delivery fees for smaller, independent retailers and require larger retailers to waive fees.

**Recommendation: Require online SNAP authorized retailers to adhere to a granular set of privacy safeguards for limiting what kinds of data can be collected from individuals and how that information can be used and shared with third parties. USDA should establish a uniform privacy policy with clearly stated specific data and consumer protections.**

- Online shopping should be safe for SNAP participants but currently is not.
  - Data is frequently collected from online shoppers to promote products and target specific marketing.<sup>30</sup>
  - This puts SNAP participants at risk of potentially experiencing privacy violations as well as targeted marketing of products that may be less nutritionally dense.<sup>31</sup>
- CSPI supports Center for Digital Democracy’s recommendation that USDA work with state agencies, industry, SNAP participants, and other stakeholders to develop best practices and policies for protecting data and privacy as online SNAP is expanded.<sup>32</sup>

For more than 50 years, the Center for Science in the Public Interest has been an influential force in the fight for a better food system. CSPI leverages our unique expertise to support passing policies that increase access to nutritious food, support healthy food and beverage choices, and ensure a healthy diet for all consumers.

For more information, please contact the Center for Science in the Public Interest at [policy@cspinet.org](mailto:policy@cspinet.org).

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- <sup>3</sup> Ms. Kathy Hanna on behalf of the Food Marketing Institute speaking at The Past, Present, and Future of SNAP: The Retailer Perspective, on May 12, 2016, to the House Agriculture Committee. [https://republicans-agriculture.house.gov/uploadedfiles/hanna\\_testimony.pdf](https://republicans-agriculture.house.gov/uploadedfiles/hanna_testimony.pdf).
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August 2023