



United States Department of Agriculture

Recent and Upcoming ERS Research: SNAP and Retail

Jordan Jones

Food Assistance Branch, Food Economics Division
Economic Research Service, USDA

HER NOPREN Healthy Food Retail Work Group
April 20, 2021

The findings and conclusions in this presentation are those of the author and should not be construed to represent any official USDA or U.S. government determination or policy.





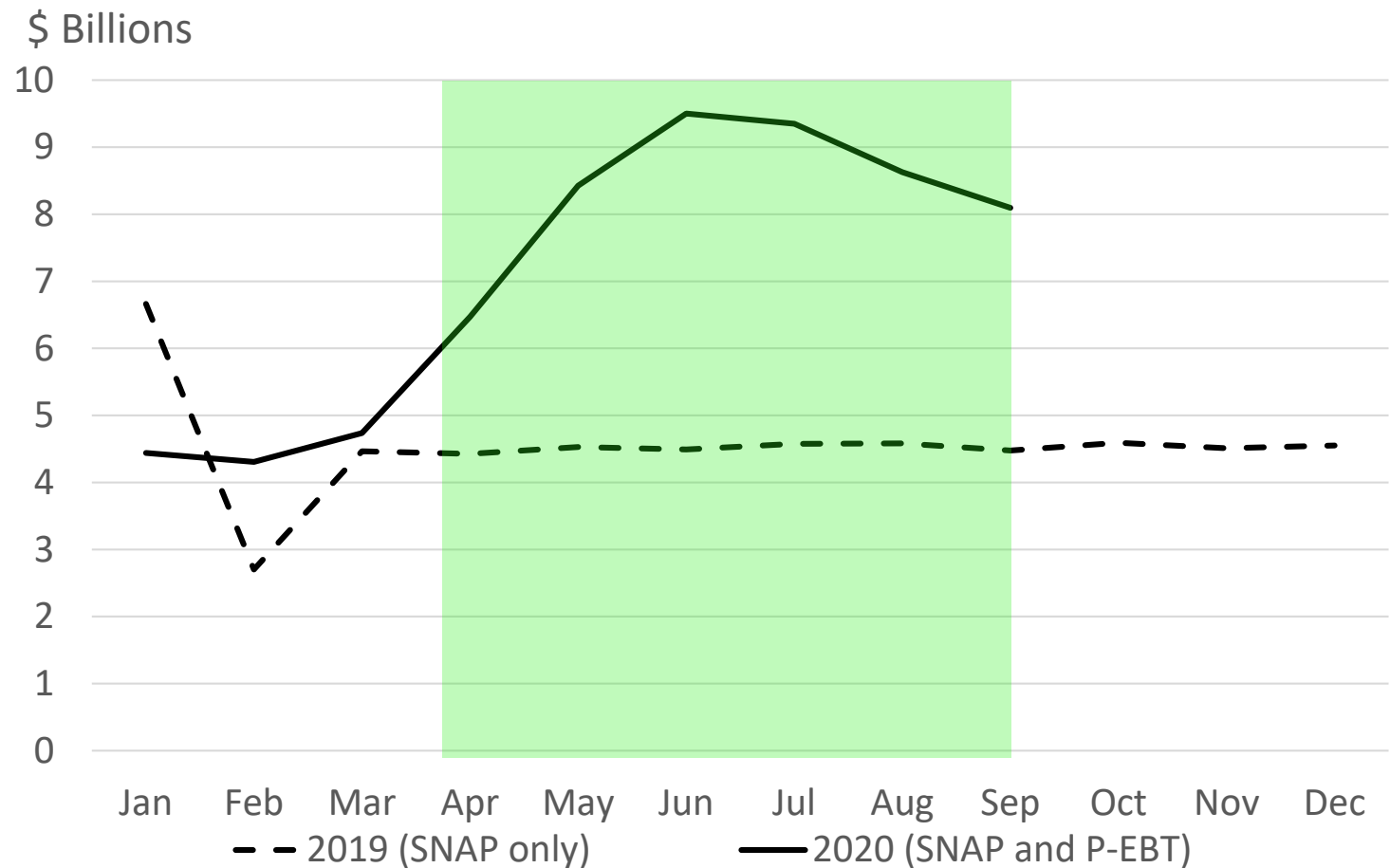
United States Department of Agriculture

Recent Work



SNAP (and P-EBT) Redemptions during the Coronavirus Pandemic

- COVID-19 working paper (March 2021)
- Aim: Provide timely month-by-month measurement of growth in food assistance
- Major findings:
 - \$8.4 billion per month (Apr-Sep)
 - 12% of food-at-home spending
 - Share going to convenience stores fell

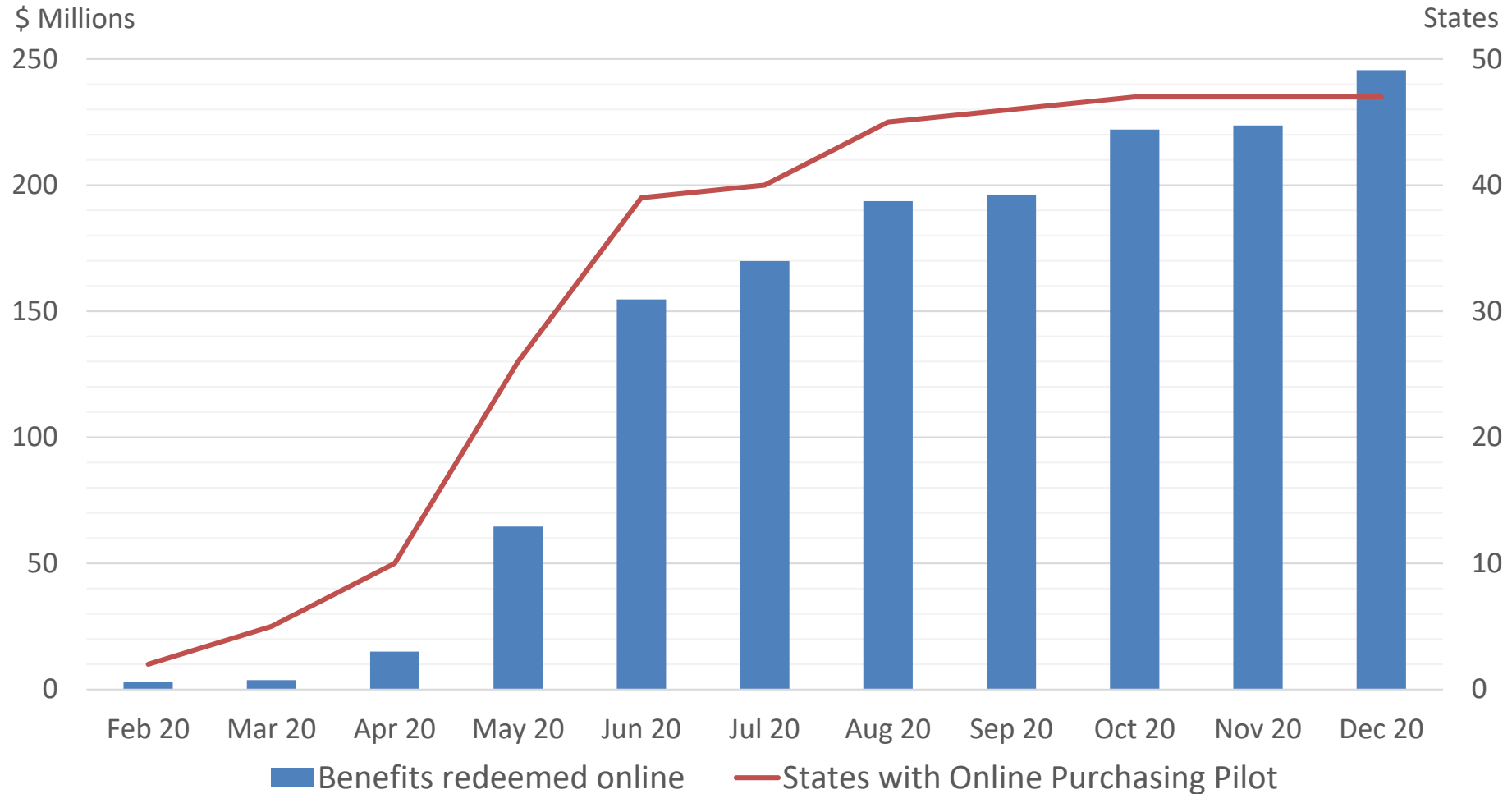


Online SNAP purchasing

- “Online Grocery Shopping Knowledge, Attitudes, and Behaviors Among SNAP Participants” (Dec. 2019)
 - Aim: Examine SNAP recipients’ attitudes and behaviors toward online shopping ahead of the SNAP Online Purchasing Pilot implementation
 - SNAP recipient focus groups in New Mexico, 2018
 - Few had shopped for groceries online
 - Uninterested in online grocery shopping
 - In-person shopping as recreation
 - Barriers: cost, quality control, distrust of process



Online SNAP purchasing





United States Department of Agriculture

Upcoming Work



Food Assistance Landscape Report, FY 2020

- Aim: Describe annual trends in ~15 food and nutrition assistance programs (focus on SNAP, WIC, and child nutrition programs)
- 2020 content:
 - Focus on within-year trends in participation and spending
 - Program developments and additional programs: P-EBT and Farmers to Families Food Box Program
 - SNAP: Emergency allotments, online purchasing



Impacts of SNAP expansions on retail environment

- Aim: Estimate how SNAP expansions affect the food retail environment
 1. Number of SNAP-authorized stores of different types
 2. Number of stores in operation of different types
- 1996-present: changes in State-level SNAP eligibility policies
 - SNAP Policy Database
 - Construct summary measure of SNAP eligibility expansions
- Estimate impacts on the number and type of food retail stores
 - Store data from FNS and county-level retailer counts
 - More generous SNAP policies → greater participation → more “general stores”



Impacts of Super Center Stores on the Availability of SNAP-Approved Stores

- Aim: Estimate the impacts of supercenter entry (Walmart, Target, Costco, etc.) on various factors:
 - Population density
 - Other business density
 - Food prices
- Looks at areas with one supercenter entrant over a 7-year timespan
 - Store data from FNS



Retail chains and the benefits of SNAP

- Aim: Estimate the benefits of SNAP authorization of “non-traditional” food stores (i.e. non-grocery stores)
 - Food sales
 - Food prices
 - Exits of competitors
 - SNAP participation of households
- Exploits sudden chain-wide expansions centered around ~2009 to identify impacts of individual store authorization
 - Store data from FNS linked with micro retailer data





Update on SNAP Retailer Evaluation

Eric Sean Williams, PhD

USDA/Food and Nutrition Service

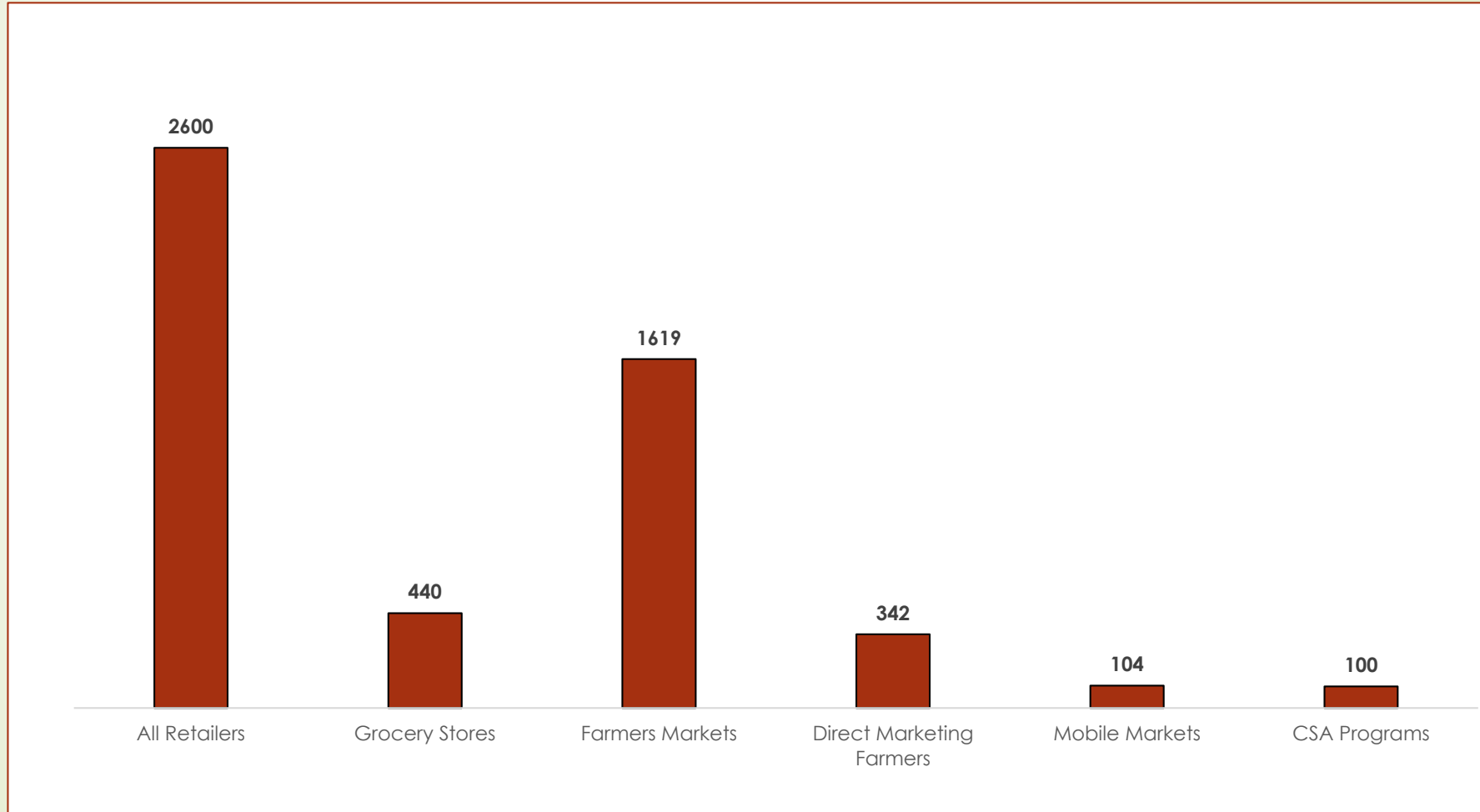
SNAP Research and Analysis Division



Food Insecurity Nutrition Incentives

- ▶ Authorized by the 2014 Farm Bill
- ▶ Provided grants to organization that provide incentives for SNAP participants to purchase fruits and vegetables.
 - ▶ Had to reduce the cost 'at the register'
- ▶ NIFA awarded \$31.5 million for projects in the 2014-15 grant cycle, \$16.8 million for projects in the 2016 grant cycle, and \$16.8 million for projects in the 2017 grant cycle:
 - ▶ 39 pilot projects;
 - ▶ 35 community-based projects; and
 - ▶ 16 large-scale projects.

Number and Type of Retailers Operating FINI Between Q2/2015 and Q3/2017





Incentive Earning and Redemption

- ▶ The majority of grocery stores restricted incentive redemption to fresh fruits and vegetables, and 25 percent restricted incentive redemption to local produce.
- ▶ The most common incentive match rate was \$1:\$1, whereby SNAP participants could earn an incentive amount equal to their qualifying purchase amount.
- ▶ Most FINI retailers offered a daily or weekly incentive capped at a certain value—participants could earn an incentive every day they purchased FINI-eligible products, up to the cap.
 - ▶ To encourage incentive redemption, some grantees instituted incentive expiration dates.



Incentive Issuance and Redemption Patterns

- ▶ Between Q2/2015 and Q3/2017, FINI retailers issued \$17,357,444 and redeemed \$14,208,546 in incentives – 82 percent redemption rate
- ▶ In most quarters, incentive issuance and redemptions were the highest at farmers markets
- ▶ With the increase in FINI farmers markets between Q2/2015 and Q3/2017, SNAP transactions, SNAP redemptions and the number of SNAP shoppers increased.



FINI Impact on Fruit and Vegetable Expenditures and Consumption

- ▶ Four Treatment Groups:
 - ▶ Farmers Market General, (FMG). SNAP participants living close to a FINI farmers market (shoppers and non-shoppers)
 - ▶ Farmers Market Shoppers, (FMS). SNAP participants living close to a FINI farmers market (shoppers only)
 - ▶ Grocery Store General (GSG). SNAP participants living close to a FINI grocery store (shoppers and non-shoppers)
 - ▶ Grocery Store Shoppers (GSS). SNAP participants living close to a FINI grocery store (shoppers only). This group is a subset of the GSG group.
- ▶ Comparison Groups for each Treatment Group


Awareness of FINI among Treatment Group SNAP participants

	Farmers market		Grocery store	
	General (SE)	Shoppers (SE)	General (SE)	Shoppers (SE)
Have you heard of <LOCAL NAME FOR FINI>? (n)	416	345	377	123
Yes (%)	30.53 (1.88)	67.96 (2.43)	39.02 (3.28)	49.91 (2.17)
No (%)	69.47 (1.88)	32.04 (2.43)	60.98 (3.28)	50.09 (2.17)



Use of FINI

- ▶ The use of incentives was low across most treatment groups (participant survey)
 - ▶ 58 percent of FMS reported receiving incentives
 - ▶ 15 percent of FMG reported receiving incentives
 - ▶ 24 percent of GSS reported receiving incentives
 - ▶ 18 percent of GSG reported receiving incentives
- ▶ For many retailers, redemption rates and issuance were slow initially and improved over time (retailer survey).



Impact on Fruit and Vegetable Consumption

- ▶ No statistically significant increase fruits and vegetables consumption
 - ▶ FMG showed a slight non-significant decrease in fruit and vegetable consumption.
 - ▶ Three other groups had a small, but non-significant increase in consumption



Impact of FINI on Fruit and Vegetable Expenditures

- ▶ FINI increased fruit and vegetable purchases by 12 percent to 16 percent in three of the four treatment groups; average monthly household expenditures increased by \$15.32 for FMS, \$9.37 for GSG and \$9.90 for GSS.
- ▶ Between one-quarter to one-half of SNAP participants in the four treatment groups reported spending less of their own money on fruits and vegetables as a result of FINI.



SNAP Online Purchasing Pilot

- ▶ Ongoing
- ▶ Integrity Analysis
 - ▶ Involves data on transactions provided by EBT processors
 - ▶ Does not involve data from retailers or States
- ▶ Trying to determine if online purchasing opens new opportunities for fraud
- ▶ Not planning to release final report
 - ▶ It may enumerate possible avenues for fraud



Supplemental
Nutrition
Assistance
Program

Putting Healthy Food
Within Reach

Supplemental Nutrition Assistance Program

Andrea Gold-O'Connor
Division Director
Retailer and Issuance Policy and Innovation

What Makes Retailers SNAP-Eligible?

Criterion A

A store must have 3 stocking units of 3 different varieties for each staple food category on a continuous basis. (3x3x4)

Staple food categories:

- 1.vegetables or fruits
- 2.dairy products
- 3.meat, poultry, or fish
- 4.breads or cereals

For 2 staple food categories, there must be at least 1 perishable variety. Most stores are authorized under Criterion A.

Criterion B

A store must have more than 50 percent of its total gross retail sales from the sale of staple foods.

Specialty stores, like butcher shops, are often authorized under Criterion B.

Other Eligibility Considerations

FNS also takes other factors into account when determining the eligibility of your store. These are included but not limited to:

Need for Access: Stores that do not meet Criterion A or Criterion B are still considered for authorization if they are in an area where SNAP clients have significantly limited access to food.

Restaurants: With very few exceptions, SNAP benefits may not be redeemed at restaurants. A firm is a restaurant if more than 50% of total gross retail sales come from sales of hot or cold prepared foods fit for immediate consumption.

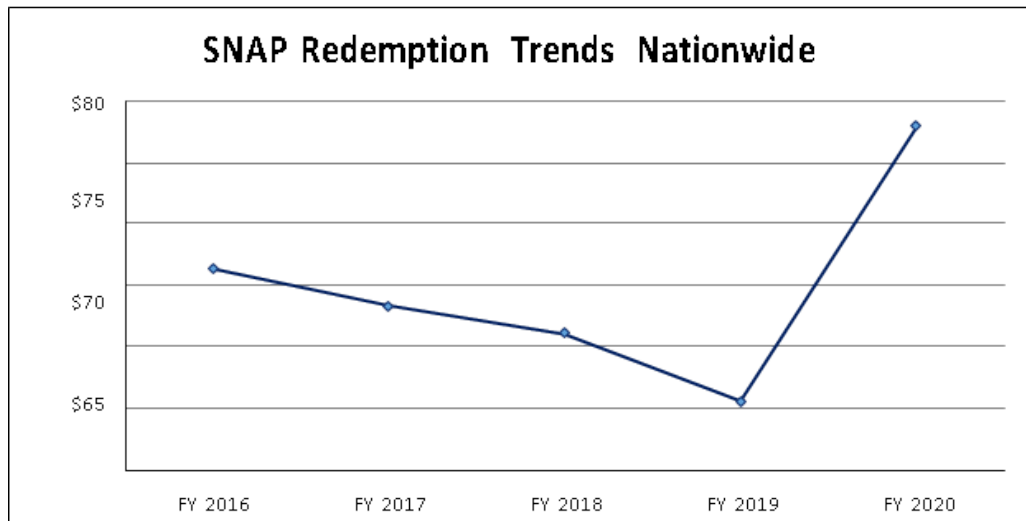
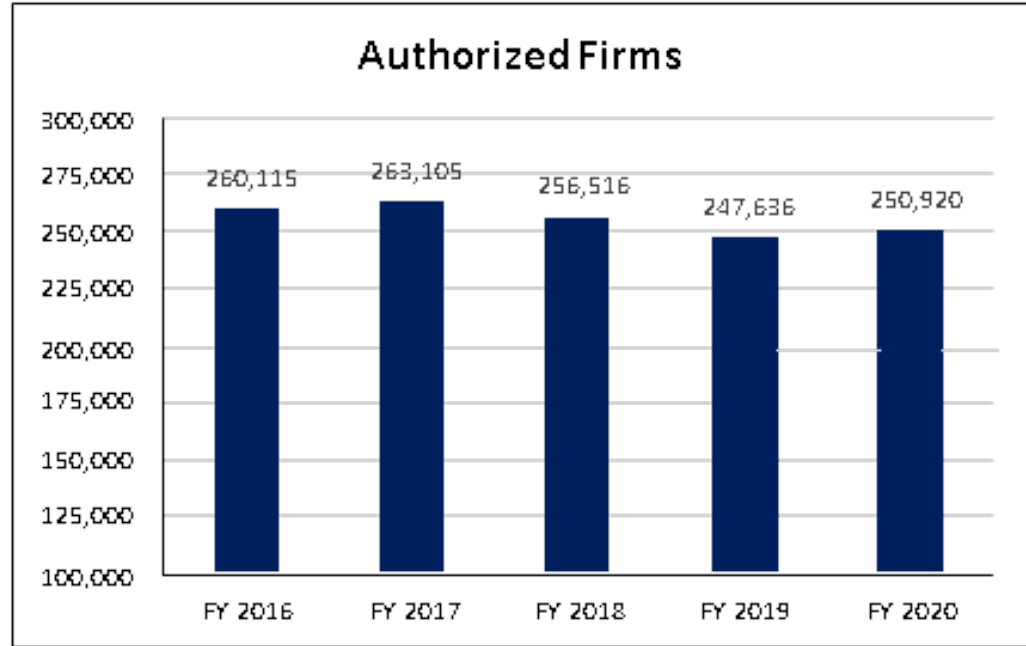


<https://www.fns.usda.gov/snap/retailer/eligible>

What's the current SNAP landscape?

- *SNAP Participation*
- *Authorized stores*
- *SNAP Redemptions*

Dec 2019: 18,976,739 hh's; 37,243,840 persons
Dec 2020: 21,380,260 hh's; 41,191,185 persons



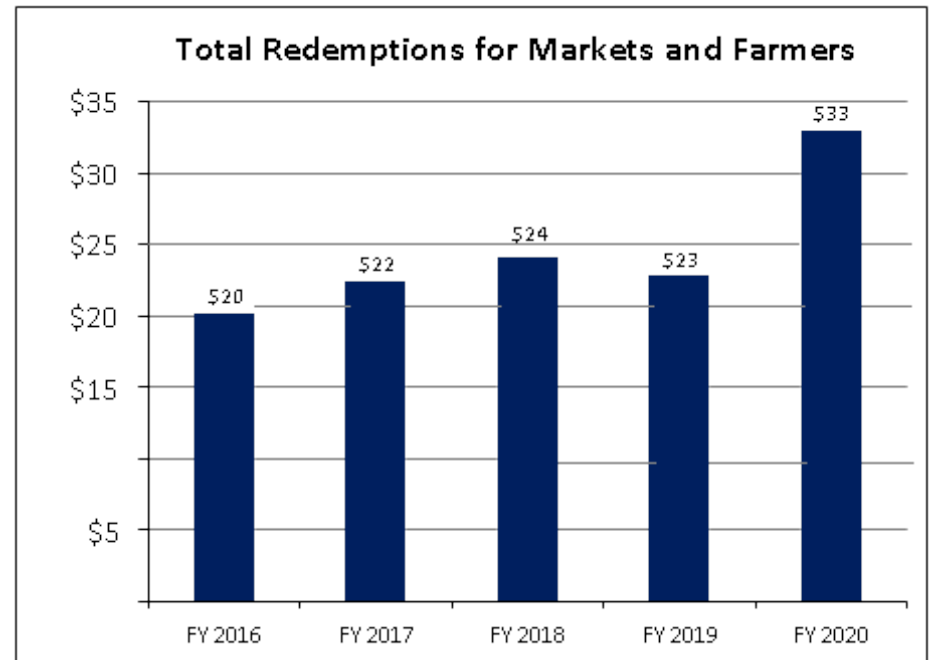
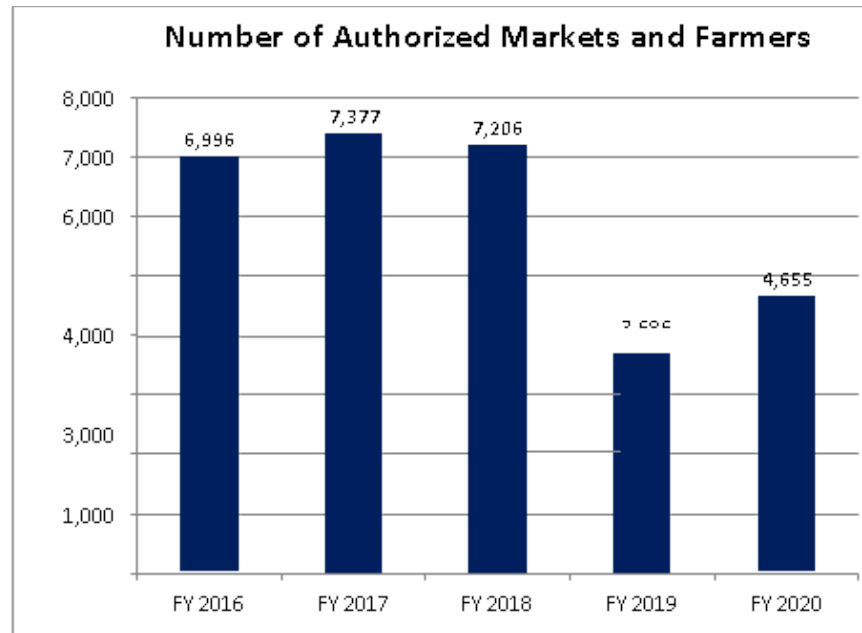
SNAP Redemptions by Firm Type

Combined, supermarkets and super stores redeem over 82 percent of all SNAP benefits while making up 15 percent of the total number of authorized firms.

Firm Types	Total Firms Authorized	Percent of Total	Redemption Amount	Percent of Total
Bakery Specialty	2,433	0.97%	\$112,206,893	0.14%
Combination Grocery/Other	61,460	24.49%	\$4,361,245,827	5.60%
Convenience Store	111,277	44.35%	\$3,807,361,855	4.89%
Delivery Route	636	0.25%	\$57,940,601	0.07%
Direct Marketing Farmer	1,930	0.77%	\$14,153,343	0.02%
Farmers Market	2,726	1.09%	\$18,949,412	0.02%
Fruits/Veg Specialty	809	0.32%	\$46,731,893	0.06%
Internet Retailer	7	0.00%	\$808,583,536	1.04%
Large Grocery Store	3,871	1.54%	\$1,360,112,292	1.75%
Meat/Poultry Specialty	2,327	0.93%	\$330,970,127	0.43%
Medium Grocery Store	10,055	4.01%	\$1,557,126,680	2.00%
Military Commissary	187	0.07%	\$41,703,955	0.05%
Non-profit Food Buying Co-op	175	0.07%	\$9,214,607	0.01%
Seafood Specialty	1,116	0.44%	\$228,439,330	0.29%
Small Grocery Store	8,833	3.52%	\$572,995,706	0.74%
Super Store	19,313	7.70%	\$41,919,484,315	53.85%
Supermarket	18,656	7.44%	\$22,362,833,418	28.73%
Total	245,811	97.96%	\$77,610,053,790	99.69%
Communal Dining Facility	205	0.08%	\$2,181,266	0.00%
Drug and/or Alcohol Treatment Program	808	0.32%	\$38,275,646	0.05%
Group Living Arrangement	543	0.22%	\$85,184,171	0.11%
Homeless Meal Provider	146	0.06%	\$3,498,458	0.00%
Meal Delivery Service	175	0.07%	\$617,599	0.00%
Private Restaurant/Meal Delivery	3,055	1.22%	\$95,381,877	0.12%
Senior Citizens Center/Residential Building	164	0.07%	\$11,870,059	0.02%
Shelter for Battered Women and Children	13	0.01%	\$1,002,668	0.00%
Total	5,109	2.04%	\$238,011,744	0.31%
Total	250,920	100.00%	\$77,848,065,534	100.00%

*Focus on SNAP
Access at Direct
Marketing Farmers
and Markets*

*In fiscal year 2020,
SNAP households
made 1.6 million
purchases at
farmers markets
and direct
marketing farmers
nationwide.*



What's Happening?

- *SNAP Online Purchasing*
- *SNAP Mobile Payments Pilot*
- *SNAP Solutions for Farmers*
- *SNAP POS Incentives*

Resources

General SNAP information

www.fns.usda.gov/snap

SNAP Retailer Eligibility Criteria

<https://www.fns.usda.gov/snap/retailer/eligible>

SNAP Retailer Management FY 2020 Year-End Summary:

<https://www.fns.usda.gov/snap/retailer/data>

Key FNS Program Data

<https://www.fns.usda.gov/data-research>

SNAP Participation Rates:

<https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>

SNAP EBT Information:

<https://www.fns.usda.gov/snap/ebt>

SNAP Online Shopping

<https://www.fns.usda.gov/snap/online-purchasing-pilot>

Gus Schumacher Nutrition Incentive (GusNIP) Grants

<https://nifa.usda.gov/funding-opportunity/food-insecurity-nutrition-incentive-fini-grant-program>

SNAP Retailer Locator:

<http://www.fns.usda.gov/snap/retailerlocator>

COVID-19 and FNS Programs

<https://www.fns.usda.gov/coronavirus>