

CDFI Guide to Federal Nutrition Benefit Programs

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Author: Nessa Richman, Brightseed Strategies

DRAFT



Introduction

Access to healthy food is a cornerstone of a healthy community. However, recent studies have demonstrated that there are large sections of the United States that are designated as 'food deserts' – or areas "with limited access to affordable and nutritious food, particularly such an area composed of predominantly low income neighborhoods and communities."¹ In fact, a study performed by the United States Department of Agriculture (USDA) found that over 11.5 million people, or 4.1% of the United States' population, live in a low income area that is more than one mile from a supermarket.¹ Today, stakeholders throughout the country are joining forces to creatively transform these food deserts into 'food oases,' areas where affordable, healthy foods are available to the surrounding communities.

Community development financial institutions (CDFIs) play a critical role in this transformation by offering financing to retailers that are promoting access to affordable, healthy foods. To effectively provide this financing, CDFIs must understand the requirements, opportunities, and challenges that accompany a key revenue stream for these traditional and alternative retailers – federal nutrition benefit programs. This TA Memo describes a select number of federal nutrition benefit programs so that CDFIs can have knowledgeable conversations with potential borrowers who intend to tap into these programs as a revenue source for their healthy food initiatives.

In particular, this report contains the following information:

1. The federal response to accessing healthy foods
2. An overview of the Supplemental Nutrition Assistance Program (SNAP)
3. SNAP requirements and challenges for traditional retailers (i.e., grocery stores and corner stores)
4. SNAP requirements and challenges for alternative retailers (i.e., farmers' markets)
5. Overview of additional federal nutrition benefit programs
6. Conclusions and selected resources

Federal Nutrition Programs and Healthy Foods

The federal response to financing healthy food access to low income populations is twofold.

- First, the government houses loan and grant programs that can be accessed by CDFIs, nonprofit organizations, government agencies, and healthy food enterprises in support of healthy food initiatives. Through the CDFI Fund's Capacity Building Initiative for Financing Healthy Food Options, Opportunity Finance Network has created a *Financial Resources Catalogue* which outlines many of these loan and grant programs. This catalogue can be accessed at the following link on the CDFI Fund's website:
http://www.cdfifund.gov/what_we_do/resources/Financial%20Resources%20Catalogue%20PDF.pdf

¹ United States Department of Agriculture. (2009). *Access to Affordable and Nutritious Food: Measuring and Understanding Food Deserts and Their Consequences*. A Report to Congress, retrieved from <http://www.ers.usda.gov/Publications/AP/AP036/AP036.pdf>.



- Second, the government runs federal nutrition benefit programs which increase low income consumers' food purchasing power. The largest of these is the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program.

This report will focus on the second half of this response – federal nutrition benefit programs – and the challenges and opportunities they present to traditional and alternative retailers focused on promoting healthy food access.

The Supplemental Nutrition Assistance Program (SNAP)

Overview

In 2008, the United States Department of Agriculture (USDA) announced the re-branding of the Food Stamps Program as The Supplemental Nutrition Assistance Program, or SNAP, to highlight the agency's emphasis on connecting low income Americans with healthy food and nutrition education. SNAP is an integral tool to ensure food security for many individuals and families by providing monthly benefits that allow eligible participants to purchase food items from certified retailers.

SNAP is the largest federal nutrition benefit program in the United States and the number of SNAP participants continues to grow. According to the Food Research and Action Center, SNAP participation rose to 45.8 million in May 2011, an increase of over one million people from April 2011, and an increase of more than 4.9 million people compared with May 2010.² These statistics indicate that **one in seven Americans is now receiving SNAP benefits**, the highest share of the United States population on SNAP in program history. This rise in participation translates to a rise in expenditures for eligible food items. In fiscal year 2011, **SNAP expenditures were over \$70 billion.**²

As the number of individuals and families who utilize SNAP benefits grows, the ability of retailers to accept SNAP benefits is critical to ensure that low income communities have access to affordable, healthy foods. For retailers interested in improving access to healthy foods among low income and low wealth communities, SNAP is a key potential revenue stream as program participants can use federal benefits to purchase healthy food at certified retailers. A CDFI involved in the healthy foods movement must understand the federal benefit system in detail and be able to ensure that a potential retail borrower also understands the implications of participation in federal food benefit programs for a business's cash flow, inventory management, and employee scheduling, among other areas.

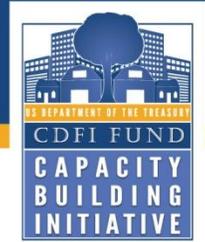
Eligible Food Items

Households can use SNAP benefits to purchase food including bread, cereal, fruits, vegetables, meat, fish, poultry and dairy products. They can also use SNAP benefits to buy seeds and plants which produce food for the household to eat.

Households cannot use SNAP benefits to purchase beer, wine, cigarettes, tobacco, pet food, soap, paper products, household supplies, vitamins, medicine, food that will be eaten in the store, or hot food.

More information about eligible and ineligible food items can be found at:
<http://www.fns.usda.gov/snap/retailers/eligible.htm>.

² Food Research and Action Center. (n.d.). Retrieved from <http://frac.org/>.



Benefit Delivery System: Electronic Benefit Transfer Cards

SNAP benefits are provided via Electronic Benefit Transfer (EBT) cards similar to bank debit cards. EBT is an electronic system that allows a recipient to authorize transfer of government benefits from a federal account to a retailer account to pay for products received. EBT is used across all states. State SNAP agencies work with contractors to procure their own EBT systems for delivery of SNAP. Some also use these systems for other state-administered benefit programs.

Understanding both eligible food items as well as the mechanisms by which SNAP benefits are distributed is critical for both traditional and alternative retail outlets. The following sections will detail some specific considerations for retail stores participating in the SNAP program.

SNAP and Traditional Retail Store Outlets

Traditional retail stores such as grocery stores, corner stores, and superettes, are the primary point of access for affordable, healthy foods to low income communities. The following section outlines some requirements and challenges that CDFIs need to be aware of when potential borrowers are considering certification as a SNAP retailer.

Requirements and Certification Process to Accept SNAP Benefits

In order to be certified to accept SNAP benefits, a retail store must sell food for home preparation and consumption. It must also either:

- Offer at least three varieties of qualifying foods in each of the four staple food groups (meat, poultry, fish; bread or cereal; vegetables or fruits; or dairy products) on a continuous basis. There must be perishable foods in at least two of the categories.

OR

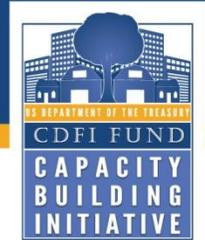
- Earn more than 50% of total dollar amount of all retail sales (food, nonfood, gas, and services) in the store from the sale of eligible staple foods.

QUESTION:
**Does a potential borrower's
retail outlet meet SNAP
eligibility requirements?**

Retail stores meeting the requirements above can be certified online to accept SNAP in a three step process:

1. Set up and activate a USDA e-Authentication account
2. Fill out the online application
3. Send all required documentation to your servicing USDA Food and Nutrition Service (FNS) office

Additionally, there is the option of applying by paper rather than online. In either case, FNS may take up to 45 days to process an application once it is complete. FNS reviews all applications for accuracy, conducts a background check for past SNAP history, and evaluates stores for eligibility. FNS may make site visits to stores to confirm eligibility. It should also be noted that if a retailer has more than one location, a separate SNAP permit must be obtained for each store. More information on certification and licensing can be found at the following link: <http://www.fns.usda.gov/snap/retailers/merchants.htm>.



Key Business Considerations for Certified SNAP Retailers

Distribution Schedule of Benefits

The timeframe by which SNAP recipients receive their benefits varies according to state (details for each state can be found on the USDA’s website -

<http://www.fns.usda.gov/snap/ebt/issuance-map.htm>).

It is critical for potential retail borrowers to understand the SNAP benefit disbursement schedule for the state where they are located as this could have critical

implications for the outlet’s cash flow, inventory management, and employee scheduling.

QUESTION:
What is the benefit disbursement schedule for the state where the potential borrower is located?
Does this have cash flow, inventory, or staffing implications?

Some states such as Alaska distribute all SNAP benefits on the first day of the month, other states such as Pennsylvania and Washington disburse benefits between the first and tenth day of the month, while other states such as Illinois distribute benefits regularly throughout the month.³

These different schedules can have differential impacts on retail outlets. If all benefits are distributed at the beginning of the month there may be a high volume of retail activity during the first weeks of the month and slow activity during the latter part of the month. This can be seen clearly in Detroit where the Michigan Department of Human Services just announced a shift from disbursing benefits between the 1st and 8th of the month to distributing benefits between the 3rd and 21st day of each month.⁴ In part, this shift is to prevent the ‘boom and bust’ cycle experienced by grocers whose stores are packed during the first weeks of the month, but are empty during the end of the month. CDFIs must ensure that potential borrowers understand this disbursement schedule and its business implications when considering certification for accepting SNAP benefits.

Equipment Needs for Benefit Delivery Systems

As discussed above, EBT cards are the most common conduit by which SNAP recipients can use their nutrition benefits to purchase food at certified retailers. After becoming certified, SNAP retailers may have their existing point-of-sale (POS) equipment programmed to accept SNAP EBT or to purchase new devices. All states must provide a no-cost option for retailer participation in SNAP; the government will supply dedicated POS devices for retailers who opt to conduct only SNAP EBT transactions at point-of-sale. The devices and transactions costs are covered

by the state, as long as SNAP transactions are at least \$100 per month on average. In cases where there are no POS devices (e.g., where there is no electricity), paper vouchers may be filled out for each transaction. Stores that opt to take commercial debit and credit are responsible for purchasing or leasing their own third-party provided POS equipment. Detailed information on this topic is available at the following link: <http://www.fns.usda.gov/snap/retailers/accepting-benefits.htm>.

QUESTION:
What equipment and transaction costs are associated with becoming a SNAP retailer?

³ United States Department of Agriculture. (2011). SNAP Monthly Benefit Issuance Schedule. Retrieved from <http://www.fns.usda.gov/snap/ebt/issuance-map.htm>.

⁴ Weinstein, P. (2011). SNAP Benefits – Change is Coming. *The Michigan Citizen*. Retrieved from <http://michigancitizen.com/snap-benefits-change-is-coming-p9396-77.htm>.



Employee Training

After certification, store owners accept responsibility for the actions of their employees. Store owners will need to review the SNAP Retailer Training Guide and instructional video in their approval package with all employees to ensure compliance with rules and regulations. All of the store's employees must read the SNAP Retailer Training Guide and watch the instructional video as well. These materials are all available online at: <http://www.fns.usda.gov/snap/retailers/application-process.htm>

QUESTION:
Does the SNAP retailer have the capacity to properly train staff? Have they considered costs associated with this training and monitoring?

Conclusion

Participation in SNAP can be an effective way to ensure access to healthy foods among low income communities and can be an important revenue stream for retail stores promoting this access. However, CDFIs must be aware of the requirements and challenges associated with retailers who participate in SNAP. In particular, CDFIs should be aware of how acceptance of SNAP benefits may affect a business's cash flow, inventory, and employee training. With this information CDFIs can ensure that potential borrowers understand how SNAP operates and can also connect them with appropriate technical assistance if more training is needed.

SNAP and Alternative Retail Outlets

Alternative retailers such as farmers' markets, farm stands, roadside stands, Community Supported Agriculture (CSA) operations, "Pick-your-own" farms, internet marketing, mobile markets, and buying clubs have also become an important force in healthy food access.

For example, in recent years, farmers' markets have experienced a wave of support throughout the United States. Since 1994, the number of farmers' markets has grown from 1,155 to 7,175 in 2011.⁵ Additionally, as of August 2011, LocalHarvest lists over 4,000 CSAs in the United States.⁶ In part, the popularity of farmers' markets and CSAs can be attributed to the fact that organic and in-season produce can be found at more affordable prices than in a conventional retail venue. The food is fresh and ripe, carrying more nutritive value than food that has traveled for a long period of time to reach the table. As such, alternative retailers such as farmers' markets have become a key component in creating innovative ways to ensure access to healthy foods in low income and low wealth communities throughout the United States.

The USDA has taken an active interest in promoting the use of accepting SNAP funds at farmers' markets to support access to healthy foods as well as to support the local economy. The USDA has published a how-to guide for SNAP at farmers' markets, which is available at the following link: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5085298&acct=wdmgeninfo>. While alternative retailers must consider similar questions to traditional retailers, as outlined above, there are unique opportunities and challenges to accepting SNAP benefits at farmers' markets and other alternative locations.

⁵ United States Department of Agriculture. (2011). Farmers Market Growth: 1994-2011. Retrieved from <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateS&leftNav=WholesaleandFarmersMarkets&page=WFMFarmersMarketGrowth&description=Farmers%20Market%20Growth&acct=frmrdirmtk>

⁶ LocalHarvest. (n.d.). Community Supported Agriculture. Retrieved from <http://www.localharvest.org/csa/>.



Requirements for Certification

All alternative retailers must meet the same eligibility requirements listed above for traditional retailers, and comply with additional requirements to become a certified farmers’ market. To be eligible, farmers’ markets must meet the USDA’s definition of a farmers’ market which is “a multi-stall market at which farmer-producers sell agricultural products directly to the general public at a central or fixed location, particularly fresh fruit and vegetables (but also meat products, dairy products, and/or grains).”⁷ This definition can apply to both an umbrella organization that operates farmers’ market locations or to direct marketing farmers. Details about the application process for alternative retailers becoming SNAP certified can be found on the USDA’s Food and Nutrition Services (FNS) website: <http://www.fns.usda.gov/snap/ebt/fm.htm>.

QUESTION:
Does the potential borrower meet the USDA’s definition of “Farmers’ Market”?

Electronic Benefit Transfer (EBT) Capacity

As detailed above, SNAP benefits are distributed through EBT cards which are like bank debit cards that transfer federal benefits to the certified retailers account upon purchase of food. While manual vouchers can be used to accept SNAP benefits (see “Scrip System” below), farmers’ markets that opt to participate electronically must procure special wireless point-of-sale (POS) equipment to conduct these transactions. A market can choose to purchase or lease a commercial wireless POS device that also accepts debit and credit cards and can be used at multiple locations operated by the same farmers’ market organization. However, in most states, the markets need to obtain funds for all equipment, service/lease, card provider, and transaction fees as the government only provides funding for wired equipment. For more details, please see the following link: http://www.fns.usda.gov/snap/ebt/fm-scrip-EBT_Equipment.htm.

QUESTION:
What unique equipment and transaction costs are associated with becoming an alternative SNAP retailer?

Participating in a Scrip System

A farmers’ market sponsor may obtain a license that allows eligible farmers who participate in the market to accept SNAP benefits through a ‘scrip system.’ Scrips are paper vouchers or tokens that can be redeemed at eligible booths within the farmers market. EBT cards are swiped at a central location at the farmers’ market and the SNAP beneficiary is given paper scrips or tokens to buy eligible food within the market. Farmers can then redeem the scrips with the farmers’ market sponsor for payment. For farmers’ markets looking for financing, it is critical to understand the equipment needs, the employee capacity, and accounting knowledge/systems needed for effectively administering the scrip program. The farmers’ market also should be aware of the responsibilities (and associated costs) that come with the scrip system. For example, farmers’ markets are responsible for the design or purchase of tokens or paper scrips which must be hard to counterfeit. They are also responsible for training farmers who participate in

QUESTION:
Has the alternative retailer taken into account the additional capacity, systems, and costs required to administer a scrip system, if applicable?

⁷ United States Department of Agriculture. (2011). What is a Farmers’ Market?. Retrieved from http://www.fns.usda.gov/snap/ebt/fm-scrip-what_is_fm.htm.



this program. More details about market responsibilities can be found at the following link: http://www.fns.usda.gov/snap/ebt/fm-scrip-market_responsibilities.htm.

Timing Challenges – Community Supported Agriculture

For purposes of SNAP authorization, Community Supported Agriculture (CSAs) is a manner in which farmers and nonprofit food buying cooperatives do business and is not a business type. A fuller description of this definition of a CSA may be found here: <http://www.fns.usda.gov/snap/ebt/pdfs/CSA.pdf>. CSAs use a shareholder model. A farmer offers a certain number of "shares" to the public at the beginning of a growing season. Typically the share consists of a box of vegetables, but other farm products may be included. Interested consumers purchase a share (also called a "membership" or a "subscription") and in return receive a box of seasonal produce each week throughout the farming season. CSAs typically require an up-front payment for the entire season.

QUESTION:
Does a potential borrower utilizing a CSA model of business understand the restrictions associated with how SNAP funds can be used?
Are there financing products that can be employed or developed to overcome some of these challenges?

Due to this unique method of payment, CSAs must take into consideration specific payment rules for SNAP.

With the exception of SNAP authorized nonprofit food buying cooperatives, SNAP authorized retailer venues may not accept SNAP in advance of product delivery; nonprofit food buying cooperatives may accept benefits up to 14 days in advance of delivery.⁸ Additionally, payment cannot be used to pay for membership or administrative fees at the CSA. These restrictions make participation in CSAs difficult for individuals who receive SNAP benefits. CDFIs must be sure that borrowers who utilize CSAs as a mode of business understand these restrictions on the use of SNAP funds. Also, by understanding these restrictions, CDFIs can then potentially develop products that creatively allow CSAs to overcome this payment challenge. For example, Greensgrow in Philadelphia operates a thriving CSA which sells 500 shares of food from 80 Pennsylvania farms to urban Philadelphia residents, including 40 shares to low income residents who may purchase specially sized and priced shares using their SNAP benefits through its *Local Initiative for Food Education* (LIFE) program. The LIFE program was initiated in 2010 in partnership with The Reinvestment Fund (TRF), a CDFI headquartered in Philadelphia, which provided Greensgrow with a revolving loan fund. The loan fund pays the farmer up-front for LIFE shares, and then low income consumers pay a total of \$15 per week to the farmer, which is payable bi-weekly with a SNAP card.

Conclusion

While the government has increased its focus on alternative retailers as sources of healthy, affordable food for low income communities, there are still unique opportunities, requirements, and challenges to participating in the SNAP program. CDFIs that are working with farmers’ markets, individual farmers, CSAs and other forms of alternative retailers must understand the rules and restrictions placed on SNAP funds. Awareness of these topics can allow CDFIs to create innovative solutions that promote alternative retailers as sources of healthy food. Also, CDFIs should be aware of organizations that exist to help farmers and farmers’ markets to navigate these barriers to accepting SNAP. A select number of these organizations are listed at the end of this report.

⁸ United States Department of Agriculture. (n.d.). Operating a CSA and SNAP Participation. Retrieved from <http://www.fns.usda.gov/snap/ebt/pdfs/CSA.pdf>.



Additional Federal Nutrition Benefit Programs

In addition to SNAP, there are many smaller federal nutrition benefit programs that are important sources of healthy foods for low income communities. It is beneficial for CDFIs to also understand these smaller programs and their unique opportunities and challenges to assess and assist potential borrowers. This TA Memo will provide a brief overview and some resource listings that can act as a guide for CDFIs.

The Special Supplemental Nutrition Program for Women, Infants & Children - WIC

The Special Supplemental Nutrition Program for Women, Infants & Children – known as WIC – is a preventive program providing low income pregnant women, new mothers, infants and children under the age of five with nutritious foods, nutrition education, and improved access to health care in order to prevent nutrition-related health problems in pregnancy, infancy and early childhood. In Fiscal Year 2010, WIC served 9.17 million people, of which 4.86 million were children, 2.17 million were infants, and 2.14 million were women.⁹ The fiscal year 2011 appropriations for WIC was \$6.7 billion, significantly smaller than SNAP, but still a sizable amount of funding to support access to healthy, nutritious foods.¹¹

Eligible Foods

There are very specific food packages for each population targeted through WIC with detailed product requirements and specific monthly maximum limits on quantity. Snapshots of the food packages and regulatory requirements can be found on the USDA's FNS website:

<http://www.fns.usda.gov/wic/benefitsandservices/foodpkgregs.HTM>;

<http://www.fns.usda.gov/wic/benefitsandservices/foodpkgallowances.HTM>.

Broad categories of eligible foods include: breakfast cereal, infant cereal, infant food fruits and vegetables, infant food meat, infant formula, exempt infant formula, milk, cheese, tofu, soy-based beverages, mature legumes, peanut butter, fruits and vegetables, canned fish, whole wheat based and other whole grains, juice, eggs, and medical foods.¹⁰ As this list indicates, the eligibility requirements for WIC are much more restrictive than SNAP with very specific monthly maximum allowances. These restrictions should be taken into consideration if potential borrowers are considering participation in the WIC program.

Particularly relevant to the healthy foods movement is the recent addition in the WIC program of a cash value voucher to purchase fruits and vegetables. This cash value voucher provides women with \$10 per month for eligible fruits and vegetables and \$6 per month for children. It should be noted that borrowers should understand their State's rules regarding issues such as eligible foods, if vouchers can be used with other types of tender to purchase items that go over the voucher limit, and how farmers and farmers' markets can become eligible to accept these vouchers even if they do not meet the stocking requirement of providing two varieties of fruits and two varieties of vegetables.¹¹

⁹ United States Department of Agriculture (2011). WIC – The Special Supplemental Nutrition Program for Women, Infants, and Children. Retrieved from <http://www.fns.usda.gov/wic/WIC-Fact-Sheet.pdf>.

¹⁰ United States Department of Agriculture (2011). WIC Food Packages – Regulatory Requirements for WIC-Eligible Foods. Retrieved from <http://www.fns.usda.gov/wic/benefitsandservices/foodpkgregs.HTM>.

¹¹ United States Department of Agriculture. (2011). Questions and Answers about the WIC Food Packages. Retrieved from <http://www.fns.usda.gov/wic/benefitsandservices/foodpkgquestions.htm>



Benefit Distribution

While all WIC benefits will be distributed electronically by 2020, the majority of state agencies currently issue vouchers or checks for specific food items each month (i.e., a check for infant formula). Retailers need to understand the distribution system in their state and consider the associated costs and implications for cash flow, employee scheduling, and inventory. The use of paper vouchers or coupons may result in more lag time in receiving funds, may require specific employee training, and may be cumbersome to implement. Farmers and farmers’ markets may want to consider the extra administration that is required to submit these vouchers for timely reimbursement and the effect this may have on cash availability.

QUESTION:
What are the cash flow, scheduling, and inventory implications of participation in WIC?

Demand for WIC Participation

Due to the targeted nature of WIC to women, infants, and children, as well as the smaller expenditures associated with the program, borrowers who are including WIC as a potential revenue source also need to understand the usage rates of WIC in their immediate area. CDFIs should take into consideration the retailer’s proximity to WIC assistance offices as these locations are where vouchers or checks are distributed to participants monthly. Many participants utilize these vouchers in stores that are close to distribution points. Additionally, CDFIs should ask retailers about the community they serve and the number of individuals who are served by the WIC program to ensure that revenue projections are realistic.

QUESTION:
Is there sufficient usage of WIC in the retailer’s market to offset costs of participation in the program?

WIC Farmers’ Market Nutrition Program (FMNP)¹²

The Farmers’ Market Nutrition Program (FMNP) is associated with the WIC program. In FY 2010, 2.15 million WIC participants received FMNP benefits. For FY 2011, \$19.96 million was appropriated by Congress for the FMNP. The FMNP was established by Congress in 1992, to provide fresh, unprepared, locally grown fruits and vegetables to WIC participants, and to expand the awareness, use of, and sales at farmers’ markets. In Fiscal Year (FY) 2011, grants were awarded to 46 State agencies and federally recognized Indian Tribal Organizations.

Farmers’ markets must be authorized by the State agency to participate in the FMNP. Once authorized, the farmers’ market can receive FMNP coupons for the purchase of a variety of fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs. These checks or coupons are then submitted by the farmers to the state agency or a bank for reimbursement. This issue of timing is once again a critical consideration for potential borrowers when considering cash flow and inventory issues. It should also be noted that while state agencies may supplement the benefit level, currently the Federal FMNP benefit level is a minimum of \$10 and cannot exceed \$30 per recipient *per year*. With this small level of funding, if a potential borrower is considering the FMNP as a revenue source, a CDFI should inquire about demonstrated market demand among eligible populations.

¹² Program information was obtained from <http://www.fns.usda.gov/wic/WIC-FMNP-Fact-Sheet.pdf>



Senior Farmers' Market Nutrition Program

The Senior Farmers' Market Nutrition Program (SFMNP) was created to provide fresh, nutritious, unprepared, locally grown fruits, vegetables, herbs, and honey from farmers' markets, roadside stands and community supported agriculture programs to low income seniors. In fiscal year 2010, almost one million seniors were served by this program.¹³ About \$20.6 million per year was authorized by the 2008 Farm Bill in support of the SFMNP. The benefit level provided by the federal government for this program is not less than \$20 per year per household and not more than \$50 per year per household. Some states supplement these benefits as well.

Other Nutrition Assistance Programs

There are many other nutrition assistance programs that operate at an institutional level, most notably the child and adult care feeding programs, which include school meals, summer meals programs, and the Fruit and Vegetable Program. You can read about them at the following link: <http://frac.org/federal-foodnutrition-programs/>.

Conclusions and Selected Resources

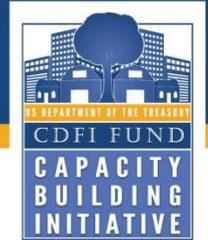
SNAP and other federal nutrition benefit program play a critical role in increasing access to healthy food by low income consumers. These programs are also important to the economic viability of food retailers in low income areas. There is great opportunity for potential borrowers who are currently participating in SNAP or who are considering involvement in this and other federal nutrition benefit programs, but these potential borrowers need to have nuts and bolts knowledge of how their enterprises can access SNAP, WIC and FMNP funds, as well as an understanding of their importance in providing healthy food to low income consumers.

As CDFIs work with traditional and alternative retailers focused on increasing access to healthy, affordable food in these communities it is essential that these financing organizations understand the requirements and challenges associated with participation in these programs. This will allow CDFIs to ask potential borrowers key questions to make sure they fully understand these federal benefit programs. It will also allow CDFIs to direct potential borrowers to specific technical assistance to ensure they can utilize this important revenue stream to meet their mission of supplying healthy foods to communities.

Selected Resources

1. USDA Food and Nutrition Service: <http://www.fns.usda.gov/fns/>
2. Food Research and Action Center: <http://frac.org/>
3. Geographic Coordinates Spreadsheet for U.S. Farmers' Markets (XLS). Download at: <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateJ&page=WFMPublications>
4. Supplemental Nutrition Assistance Program (SNAP) at Farmers' Markets: A How-To Handbook (A joint publication by: USDA Agricultural Marketing Service, USDA Food and Nutrition Service, Project for Public Spaces, Inc.) (PDF) at:

¹³ United States Department of Agriculture (2011). Senior Farmers' Market Nutrition Program. Retrieved from <http://www.fns.usda.gov/wic/SFMNP-Fact-Sheet.pdf>.



<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5085298&acct=wdmgeninfo>

5. Connecting Local Farmers with USDA Farmers' Market Nutrition Program Participants (PDF) at <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5083319&acct=wdmgeninfo>

Organizations that assist direct-to-consumer retail venues in accessing the federal nutrition benefit program market include:

1. Wholesome Wave: <http://www.wholesomewave.com/>
2. Market Umbrella: <http://www.marketumbrella.org/>
3. Fair Food Network: <http://www.fairfoodnetwork.org/>

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