

Food and
Nutrition
Service

AUG 09 2016

Park Office
Center

SNAP State Agency
Director

3101 Park
Center Drive
Alexandria
VA 22302

Dear Director:

On March 21, 2014, the U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS) issued a memorandum implementing SNAP provisions of the Agricultural Act of 2014. In the memorandum, we indicated that farmers markets (markets) and direct-marketing farmers (farmers) continue to be eligible to receive Electronic Benefits Transfer (EBT) equipment, at no cost.

Since markets/farmers often lack access to electrical outlets and telephone lines, wireless EBT equipment is the most practical point-of-sale option. Although FNS makes wireless equipment available to markets/farmers at no cost, through an FNS contract, markets/farmers must pay SNAP transaction fees with the current arrangements. For some, these fees are a significant barrier to increasing the participation of markets/farmers in SNAP.

For that reason, FNS strongly encourages States to provide markets/farmers with an EBT equipment option that is wireless, processes **only** SNAP transactions, and imposes no SNAP transaction or service fees on markets/farmers. States that choose to make this option available can work with their contracted EBT providers or other vendors to identify the best equipment and service option. Several States, including California, Oklahoma, and Arkansas, currently provide wireless SNAP-only/no-cost equipment to their authorized farmers markets. We urge you to contact these States as a resource in exploring such options. Note that States that provide such EBT equipment to markets/farmers receive reimbursement for allowable administrative expenses at the normal 50 percent rate.

In addition, FNS reminds States that they should make the utmost effort to use the remainder of the SNAP EBT equipment funds distributed in fiscal year (FY) 2012. Those funds remain available through the end of FY16, under the same terms and conditions which they were provided.

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Supporting local food systems and expanding access to healthy foods for low-income families remains a high priority for FNS. We commend States for their continued efforts in this area and are committed to assisting State agencies in meeting the shared goal of successfully serving those in need of food assistance through access to healthy food choices.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Shahin', with a long horizontal stroke extending to the right.

Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program