



AGEC-967

Basic information for accepting SNAP benefits as a small farm producer

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Introduction

The Supplemental Nutrition Assistance Program (SNAP) is a government-based program which provides food benefits to low-income households. Food is purchased through an electronic benefits transfer (EBT). A small farm producer may be interested in becoming a SNAP retailer for several reasons, including supporting their local community, increasing their sales, grant incentives and having stronger market presence.

SNAP retailer requirements

To become a SNAP retailer, producers must meet one of two requirements. The first requirement is the Staple Food Inventory. The retailer must have 36 staple food items that fit into the following four staple food categories – fruits and vegetables, dairy products, meat, and bread and cereals (USDA, n.d.). Prepared and preheated foods, as well as accessory foods, are not considered staple foods (USDA, n.d.).

- Must have three of the four staple food categories.
- Must have three stocking units for each of the three varieties. A stocking unit is the package that a product is typically sold in, such as a can, bunch, box, or bag (USDA, n.d.).
- Must have a perishable variety in two of the staple food categories.

The second requirement is the Staple Food Sales. The retailer's store must have at least 50% of its total gross retail sales be staple foods. Fruit and vegetable stands, as well as butcher shops will often qualify under this category.

Exceptions

If a producer doesn't meet either of these requirements, they are not automatically ineligible to provide SNAP. There are several special circumstance exceptions. If an area has a high number of SNAP recipients but a low number of SNAP retailers, producers may still be considered if they don't meet the base requirements. Restaurants can also participate as a SNAP retailer, but only if they are in a state that operates the Restaurant Meals Program (RMP). As of 2025, states that have restaurant meal programs include: Arizona, California, Illinois, Maryland, Massachusetts, Michigan, New York, Rhode Island and Virginia. Oklahoma currently does not participate in the SNAP Restaurant Meal Program. Another possible qualification is if multiple firms operate in the same location and meet certain conditions, they may be considered as a single firm to provide SNAP (USDA, n.d.). There are four elements that must be met to be treated as a single firm (USDA, n.d.).

- Operating under one roof
- Share ownership
- Sell similar foods
- Share inventory

Examples of colocation would be grocery stores and a deli, a restaurant and a café or a supermarket and an in-store café.

Becoming a SNAP retailer

To become a SNAP retailer, an account needs to be made at <https://login.gov>. After creating an account, producers need to fill out the SNAP Retailer Application. The Food and Nutrition Service (FNS) will review the application and decide whether to approve or reject the application. A list of documents needed for the application can be found at <https://fns-prod.azureedge.us/SNAP-Farmers-Market-FAQs.pdf> (USDA, n.d.). If the application is approved, then retailers will need to acquire their Point-of-Sale (POS) Equipment. SNAP retailers are required to use EBT. The POS equipment must be able to process EBT. If a producer already has POS equipment, they will need to have it programmed to accept EBT and obtain cost information (USDA, n.d.). Most retailers are required to purchase the equipment needed on their own. However, a full list of exceptions can be found at <https://www.fns.usda.gov>.

SNAP retailer training

When retailers apply to accept SNAP benefits, they agree to fulfilling training requirements. Retailers assume legal responsibility for their actions and their employees' activities, and must follow regulations set in place by the federal government. These regulations can be found at <https://www.fns.usda.gov>. There is a SNAP Retailer Training Guide online at <https://www.fns.usda.gov>. There are also online videos available to further help with the training. These can be found at <https://www.fns.usda.gov>.

SNAP in farmer's market setting

If, instead of a single vendor, an entire market of vendors is looking to apply, then the market will need an Employer Identification Number (EIN). One can be obtained at <https://www.eauth.usda.gov>.

There are two different ways a market can accept SNAP. It can operate through a market-operated system or a vendor-operated system. Both systems must go through the same process of applying and obtaining the equipment for EBT payments, however, the technology of the POS is different between the two systems. (Center for Agriculture and Food System, n.d.).

Market-operated system: most commonly, markets operate under one POS for the entire market.

- POS device is in a central location and accepts SNAP for all vendors.
- The market pays for all the equipment necessary but can require vendors to pay fees to help with this expense.
- Customers will receive market currency, which may be tokens or paper scripts, that they will use to make purchases from the vendors. Vendors will take the market currency or receipts to the person heading the market for reimbursement.
- In a market-operated system, the market must set up a schedule where vendors will receive their reimbursement.

Vendor-operated system: individual vendors operate their own pos device.

- The vendor must pay for the equipment themselves.
- Payments are made directly to the vendor, so no special market currency is needed and there are no delayed reimbursements.

Conclusion

Producers interested in participating in SNAP should anticipate gathering documents such as tax records, bank information and business licenses. The review process may take several weeks and delays can be common if paperwork is not in the proper order. After being approved, training must be completed before SNAP benefits can be accepted. However, with the help of the USDA and ONIE, becoming a SNAP retailer helps expand market opportunities as well as increases access to healthy, fresh, local produce for Oklahoma families.

Citations

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