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Improving Access and Reach of Online EBT in California

Executive Summary

For the rollout of online EBT in California to be successful, state and federal authorities must prioritize expanding the delivery service areas by Walmart Groceries, Amazon Fresh as well as focus on adding new vendors to increase overall capacity of the program to meet client needs. Currently, Walmart Groceries and Amazon Fresh are the only two vendors authorized to accept EBT online in the State of California¹, leaving significant gaps in service statewide. Walmart does not service San Francisco (SF), and Marin County (MC), nor a large portion of California.² Amazon Fresh has more substantial service coverage, but still faces challenges in Marin County, where they do not offer delivery at all³. This inconsistency in delivery areas raises concerns among CalFresh recipients and advocates of perpetuating years of systemic and systematic racism that historically exclude communities of color from securing vital resources.

Problem Summary

I. Limited Authorized Online EBT Vendors Excludes Many Historically Disadvantaged Communities

Based on a previous pilot run in New York, Walmart and Amazon were the only vendors chosen by the USDA due to their ability to integrate the secure online PIN-entry system via the Third Party Processor (TPP) Application Programming Interface (API) and by having a contract in place with the only approved processing company to facilitate purchases with their online pin pad, Acculynk Solutions. However, the limited number of vendors will not only affect our most marginalized communities, but will also affect a large percentage of communities throughout California who typically don't experience these disadvantages. Furthermore, due to the lack of area Walmart and Amazon covers, this too will have devastating effects. This is a food equity issue, as all people should have the ability and opportunity to consume healthy, affordable, and culturally appropriate foods⁴. All CalFresh clients should be able to purchase these foods online just like any other consumer.

II. Limited Geographic Coverage by Approved EBT Vendors

The results of a May analysis by the San Francisco-Marín Food Bank of the Walmart and Amazon Fresh databases revealed that there are significant barriers for EBT purchasing online for clients in San Francisco and Marin Counties. Data also showed impacts on large portions of other major California cities as well. Ordering online with in-store pick-up came back inconclusive.

Walmart

Walmart Grocery presents significant challenges in both SF and Marin County. Initial research found that Walmart only delivers to 62 cities in California, and only five counties in the Bay Area; San Francisco and Marin County is not one of them.



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The closest Walmart to SF is in San Leandro, nearly 19 miles away from SF City Center, while the nearest Walmart to Marin County Civic Center is at least 18 miles away in Richmond.

Amazon Fresh

Results found Amazon Fresh EBT Online delivers to most zip codes in SF. Out of the 51 zip codes in San Francisco, 39 can receive deliveries⁵. Of the 12 that can't, 6 are PO boxes; and three are defined as Unique (corporations and governmental agencies such as City Hall, PG&E, Wells Fargo, etc.) The remaining three are Non-Unique/industrial. Amazon Fresh does not service any zip code in Marin County.

Additional Restrictions/ Findings

- Some areas are limited to only one delivery every seven days.
- Neither vendor will deliver to college dorms, group living, nor dining facilities
- There is no information on SNAP/EBT payment on the main website unless you search for it.
- Results on searching to use online EBT to do curbside store pick-up were inconclusive.

Background on the Origins of EBT Online

To launch the original pilot project, Federal Nutrition Service (FNS) decided to limit the pilot to only certain types of SNAP retailers and initially only approved the state of New York. Furthermore, group living, college dorms, dining facilities, meal delivery services, and restaurants were excluded. Still, FNS left the door open for other retailers to be considered in the future if authorization of Internet Retailers were implemented nationwide. Additionally, FNS will consider such factors as online sales expertise and track record of the applicant. FNS will also consider past customer satisfaction, product delivery in food deserts, or other vulnerable populations. The cost of the original pilot was unable to be found.

Approach and Method

The approach used to determine what service area Walmart Groceries and Amazon Fresh deliver to were their online databases. The method used to explore what areas Amazon Fresh delivers to was a zip-code database to plug in zip-codes from each county on Amazon Fresh website, manually. Walmart Grocery website listed the cities they service.

Recommendations

- I. Establish a Framework for Equitable Online EBT Expansion
- II. Update existing policies that restrict smaller, more local vendors from participating in online EBT
- III. Add new processing companies to list of approved processors



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I. Framework for Equitable Online EBT Expansion

California has the opportunity to distinguish itself as a nationwide leader in establishing a state-run program to create a pipeline of vendors while adhering to USDA requirements. California Legislators (CL) need to work with the California Department of Social Services (CDSS), County Health and Human Services (HHS), and Counties Board of Supervisors (BOS). CL also need to work with County Social Services Agencies (SSA), and the USDA to ensure collaboration and input at all levels throughout California government and agencies. CDSS should begin direct communication with USDA regarding scaling up EBT online capacity in California. County Administrators in San Francisco, Marin, and throughout California should partner with local vendors to ensure that USDA guidelines are in place for either approval or future pilots.

This effort includes, but is not limited to, working with the EBT pin pad company Acculynk Solutions directly for contract talks to meet FNS requirements⁶. This company is the sole company chosen by FNS to facilitate these transactions because its technology allows the required pin pads to be displayed on the potential vendor's websites. Furthermore, Walmart Grocery and Amazon Fresh need to scale up and increase their delivery capabilities.

II. Update Existing Policies

California legislators should pass SB 33 (Skinner), proposed legislation that would create a task force to focus on EBT online related issues. The bill would create a stakeholder workgroup to develop recommendations on how to expand the online EBT system. Thus, taking into account the role that online purchasing can have in reducing barriers to healthy food for people who live in communities without grocery access⁷. The group would also examine the impact that online EBT purchases would have on the current economy, grocery, retail, and restaurant industry revenue and jobs.

Additionally, current policy barriers such as having an established online presence and history, need to be updated. Updated policy would ensure the playing field is leveled and equitable so more local vendors such as smaller supermarkets and farmers' markets could participate in the program, bringing increased economic stimulus to local communities.

III. Add New EBT Processing Companies

FNS should consider opening up the allowable processing companies to include the MarketLink program. This program is at the early stages of building online EBT purchase power. Initial research shows an ability to integrate the online pin pad through an app, which includes putting in your protected pin code virtually.

This project is thanks to a cooperative agreement with FNS and will continue through September 2022. Through MarketLink, National Association of Farmers Market Nutrition Programs (NAFMNP), together with Nova Dia Group (NDG), are using TotilPay Go (formerly Mobile Market+) to connect farmers and farmers markets with free app-based SNAP Electronic Benefit Transfer (SNAP/EBT) processing equipment.



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MarketLink also offers farmers and farmers markets options for integrated credit/debit payment processing through a new partnership with Square⁸. By incorporating both, you can then use the free app to handle the EBT portion of the transaction and Square to process the debit/credit cards part of the purchase. In combination, you could then have the ability to charge a delivery fee or for non-food items if applicable.

Conclusion

Having only two authorized vendors to deliver online EBT to a caseload 4,487,411⁹ persons using EBT for CalFresh in California will present many challenges. In the end, these limitations will impact our most vulnerable community the most, further exacerbating existing inequities. Adding more vendors and pushing existing vendors to scale up their capabilities will have a lasting impact on food access via online EBT. The current inconsistency in delivery areas will only perpetuate and highlight years of systematic racism that historically effect and leave out communities of color in receiving vital resources. Every CalFresh client should have equal access to the online service, regardless of their zip code. The recommendations made above should be a focus for USDA, the State of California, CDSS, county administrators, and vendors so everyone can have access to the food they need to thrive.

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Endnotes

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- 2 Walmart Grocery (2020). Same-Day Grocery Delivery. <https://grocery.walmart.com/locations/delivery/#-California>
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- 4 University of Buffalo- Global Health Equity (2020). Cultivating Food Equity. <http://www.buffalo.edu/globalhealthequity/global-projects/foodequity.html>
- 5 Zip-codes (2020). Zip Codes database listings. <https://www.zip-codes.com/m/city/ca-san-francisco.asp>
- 6 USDA (2015). Electronic Benefits Transfer Online Purchasing Pilot Request for Volunteers. <https://fns-prod.azureedge.net/sites/default/files/snap/onlinepurchasing-rfv.pdf>
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- 8 TOTILPAY (2020). NAFMNP Partners with Nova Dia Group and Square to Offer Farmers and Farmers Markets a Free App for SNAP-Processing. <https://totalpay.com/news-updates/nafmnp-partners-with-nova-dia-group-and-square-to-offer-farmers-and-farmers-markets-free-snap-processing-equipment-and-discounted-rates-through-its-m/>
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