

Key Success Factors for SNAP Online in Arizona

Spotlight on Healthy Affordable Internet Grocery Today

SNAP mission-aligned retailers in Arizona made a dramatic conversion to eCommerce sales to ensure healthy food access throughout the pandemic. Farmers, food hubs, farmers markets, food banks, and independent grocers invested in new eCommerce technology, cold storage, and transportation infrastructure. They impressively shifted staff resources to conduct research on eCommerce models while rapidly developing and testing new multi-vendor online sales, aggregation, as well as pick-up and delivery systems. Unfortunately, SNAP customers are still required to pay in-person, and oftentimes must use a separate system to utilize most online shopping options.

Independent Grocers

Moving into the online grocery market is a heavy lift for most independent grocers, requiring significant start-up costs, adequate staff, and new fulfillment systems. Some of Arizona's independent grocers partner with a third-party delivery service like Instacart to run the internet side of the grocery business for them. Instacart has partnered with Aldi in Arizona to make SNAP EBT online payments available and is expected to expand that service to other independent grocers soon. However, third party grocery services are not always available or ideal for small community grocers, which means that many independent grocers in Arizona are on their own to expand into the internet grocery market while remaining competitive with large online retailers like Amazon and Walmart. Since Instacart, Amazon, and Walmart remain limited for rural Arizonans, community grocers play a crucial role in ensuring access to affordable healthy foods through online shopping options.



Norm's IGA

Myra Warren operates Norm's IGA in Kearny, Arizona with her husband, Norm. Their online supermarket, shop.normsiga.com, took the better part of a year to develop and refine. Norm's IGA uses Local Express for their eCommerce platform and noted that they have been very pleased with how Local Express has "walked them through every step of the process" and remains committed to their success. "It was a no brainer for us to make this service available to our community," says Myra, "and it is a no brainer for me to make sure our SNAP customers can also pay online". Fortunately for Norm's IGA, Local Express is one of the few grocery eCommerce providers that has worked with the USDA to integrate SNAP online purchasing, and they look forward to walking Norm's IGA through the SNAP online integration and authorization process in the coming months.



Rosebird Farms

Rosebird Farms offers a CSA-style subscription and delivery service that supplements their farm produce with products sourced from a collective of growers located in and around Mohave County, Arizona. Partnering with other growers provides customers with a greater diversity of local product options in their CSA box than single grower models can provide. Rosebird allows SNAP customers to sign-up for free as members of the CSA's "community of buyers", granting them access to a personal online account and offering a 50% discount on fresh produce through the Double Up Food Bucks incentive program. Rosebird's eCommerce platform, Local Food Marketplace, allows debit and credit paying customers to choose subscription payment models, while also offering one-time purchase options for SNAP customers.

SNAP online payment capabilities would allow Rosebird to bring their affordable, healthy food boxes to SNAP customers in Golden Valley and Yucca, Arizona. These two communities are home to high concentrations of low-income residents, many of whom must travel over 20 minutes to the nearest supermarket. Online SNAP payment capabilities would make it significantly easier for all of Rosebird's SNAP customers to secure their healthy food boxes in advance for convenient, contactless pick-up or delivery, while ensuring a consistent and predictable market for Rosebird and their grower collective.

Pre-Order Produce Boxes

Many farmers and grower cooperatives in Arizona offered online ordering and community delivery before the pandemic through pre-order and pre-assembled fruit and vegetable boxes. These existing online market channels helped insulate many growers from pandemic-related supply chain shocks while also bringing a steady stream of convenient, safe, and affordable foods to communities. Pre-assembled food boxes also proved to be a good pandemic response strategy for many Arizona farmers markets and wholesale fresh produce distributors.

Pre-order food boxes are inspired by the Community Supported Agriculture (CSA) approach to selling farm fresh local food. In CSA models, a community of individuals pledge support to a farm operation or collective of growers by pre-purchasing a portion of the harvest, thus sharing the risks and benefits of food production with the farmer. Cash, credit, or debit card paying customers secure their weekly or bi-weekly boxes at the beginning of the season by paying for all of their boxes up front, or by subscribing for weekly auto-payments. Pre-order food box models ensure a steady stream of capital for growers and offer the best value for customers. Current USDA policy does not allow SNAP recipients to purchase a season of shares up front or enter into a subscription service with auto-payments. Instead, retailers currently offer an alternative pre-order model for their SNAP customers where in-person payments can be made up to 14 days prior to delivery, or on the day of delivery.

Farmers Markets

When Arizona Governor Ducey declared farmers markets as essential businesses, many markets made an impressive shift to virtual sales and contactless delivery to keep vendors and customers safe. Online farmers markets dramatically expanded the role of market operators, requiring them to create complex inventory, order packing, and fulfillment systems. Pre-assembled produce boxes have been one cost-effective strategy to pre-sell and aggregate fresh produce. Since SNAP customers must pay for their orders in-person at pick-up, these online farmers markets have had to ensure that their eCommerce platforms communicate this to SNAP customers and embed “manual” payment options at check-out or require customers to send an email to the market operators letting them know they will be paying with SNAP EBT.

Uptown Farmers Market

Uptown Farmers Market is one of Phoenix's most robust community markets, offering customers a large variety of fresh and value-added food vendors once or twice each week. The online farmers market, Uptown Market AZ, launched in 2020 and now has over 900 products online including customizable produce bags. The convenient curbside pick-up or \$5 home delivery service has allowed senior and at-risk customers to continue shopping at the market throughout the pandemic. Busy customers credit the flexible shopping times for enabling them to take advantage of the local products they love.

Uptown Market AZ's “personal touch” approach to coordinating inventory and orders, while also providing stellar customer service, is what sets them apart from larger online retailers. “We are always asking for feedback”, says Market Manager Rachel Manley. In addition to regular check-ins with vendors and customers, Uptown Market AZ seeks feedback through emails and their Shopify-powered eCommerce platform. Customers have taken advantage of these opportunities to negotiate affordable delivery and request weekly order reminders.

For other farmers markets thinking about moving into online sales, Uptown Market AZ notes the importance of considering the amount of time needed to run an online market. “It takes a great deal of technical manpower, as well as patience when coordinating vendors and providing good customer service,” says Rachel. Uptown Market AZ knows that SNAP online purchasing would make shopping even more convenient and time saving for SNAP customers and market staff. Online SNAP payments also opens up the option for SNAP customers to take advantage of refrigerated home delivery through DiLandry Family Foods, Uptown Market AZ's delivery partner.



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