



Consistent, Accessible Technology Needed to Better Serve Nutrition Incentive Recipients

Since the passage of the 2014 Farm Bill, federal nutrition incentive programs have been gaining in popularity across the U.S. In recent years, the [Gus Schumacher Nutrition Incentive Program](#) (GusNIP) has allowed for the expansion of nutrition incentives and there has been an increased focus on programs for retailers.

Nutrition incentives are grant-funded programs that allow food retailers to provide free or discounted produce items to those in need. Additionally, there are likely to be new forms of nutrition incentive programs (for non-produce items) in the future. By partnering with a GusNIP grantee (a non-profit or government agency), a retailer can provide free or discounted produce to SNAP clients or low-income individuals with certain diagnosed health conditions. Retailers are fully reimbursed by the grantee for the value of all produce distributed via the program.

[Applications](#) are currently being accepted for new grantees, which means that even more stores will be eligible to participate in nutrition incentives in the near future. However, methodologies to conduct nutrition incentive transactions have often proved difficult and expensive to implement at the point of sale (POS), thus inhibiting expansion of programs in more retail food stores. In some cases, retailers are unable to launch nutrition incentive programs due to a [lack of POS system capabilities](#) to electronically process incentive transactions.

The primary technical hurdle preventing some retailers from participating in this program is the inability of POS systems to “trigger” discounts or promotions within a current transaction based on the type of payment tender, in this case SNAP EBT. Current and emerging nutrition incentives now require the ability for all POS systems to efficiently and accurately provide discounts and promotions based on the way a customer pays. The convenience and motor fuels retail channel has long used the ability to provide a cents-off fuel discount to customers paying with cash, yet until the launch of nutrition incentives, food retailers had not generally found a need for automatic discounts or promotions based on payment tender type.

Specific new POS transaction capabilities are needed for nutrition incentives. Developing nutrition incentive POS solutions is not a competitive issue at the individual POS system manufacturer level. It is

about efficiently developing common solutions for a new food retailing transaction type with a broad stroke rather than thousands of inefficient one-off individual solutions.

The federally funded [National Grocers Association Foundation Technical Assistance Center](#) (NGAF TA Center) in collaboration with the [Nutrition Incentive Hub](#), wish to facilitate meetings whereby POS system developers, food retailers, associations and nutrition incentive program stakeholders collaborate to develop comprehensive nutrition incentive POS transaction solutions. Retailers need the ability to conduct efficient and accurate nutrition incentive transactions on all existing POS systems, old and new. The NGAF TA Center offers the ability for industry competitors to work collaboratively, yet under the guidance of antitrust rules, to develop solutions using a consensus-based decision-making process.

The National Grocers Association and FMI are asking food retailers, grocery wholesalers, national and state associations, and nutrition incentive program providers to join together in supporting this new initiative to collaborate with POS system developers in creating retail transaction and reporting solutions for nutrition incentive programs. We encourage all industry leaders to consider:

- Signing on to this [call to action](#) expressing your interest in the creation of industry-wide POS solutions for nutrition incentive transactions.
- Educating fellow retailers, wholesalers and POS developers about nutrition incentives and the need for industry-wide POS solutions for nutrition incentive transactions.
- Participating in the development of POS transaction solutions when NGAF TA Center begins facilitating meetings.

POS system manufacturers, food retailers and nutrition incentive program stakeholders are encouraged to contact the NGAF TA Center at incentives@nationalgrocers.org to learn more.

** The NGAF TA Center is a proud partner of the [Nutrition Incentive Hub](#), created by the Nutrition Incentive Program Training, Technical Assistance, Evaluation, and Information Center (NTAE). The Nutrition Incentive Hub is a coalition of partners that supports nutrition incentive and produce prescription projects. This work is supported by Gus Schumacher Nutrition Incentive Program grant no. 2019-70030-30415/project accession no. 1020863 from the USDA National Institute of Food and Agriculture.*