

September 8, 2025

The Honorable Brad Finstad  
Chairman  
Committee on Agriculture  
Subcommittee on Nutrition and  
Foreign Agriculture  
1301 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Jahana Hayes  
Ranking Member  
Committee on Agriculture  
Subcommittee on Nutrition and  
Foreign Agriculture  
1301 Longworth House Office Building  
Washington, D.C. 20515

**RE: Subcommittee on Nutrition & Foreign Agriculture Hearing: “Exploring State Options in SNAP”**

Dear Chairman Finstad and Ranking Member Hayes,

On behalf of the National Association of Convenience Stores (NACS), thank you for hosting a hearing to explore state options available within the Supplemental Nutrition Assistance Program (SNAP). We write to express our interest in the ongoing discussion around state-led SNAP food restriction waivers and to raise several considerations about their potential impact on access, implementation, and effectiveness.

The convenience and fuel retailing industry is inherently close to its communities, with over 152,000 locations across the country in every neighborhood, town, and Congressional district, representing more than one third of the total brick-and-mortar retail universe.<sup>1</sup> Convenience and fuel retailers conduct 160 million transactions per day, the equivalent of about half of the U.S. population. Of the 152,000 convenience stores within the United States, about 60 percent of those are owned by single-store operators, and over 118,000 of them participate in SNAP.<sup>2</sup>

Our members pride themselves on being community stores and essential partners in SNAP, especially in rural, remote and urban areas with few other grocery options. They provide their SNAP customers with convenient locations and extended hours, enabling them to purchase a wide variety of food and beverage items at any time of day or night. Our locations are often the only establishments easily accessible by walking or public transportation, or the only food retail locations open for business after a late work shift ends or before an early one begins. In fact, 93 percent of Americans live within 10 minutes of a convenience store, including 86 percent of rural Americans.

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<sup>1</sup> 2025 NACS/NIQ TDLinx Convenience Industry Store Count.

<sup>2</sup> Food and Nutrition Service, SNAP Retailer Management Year End Summary FY 2024, *available at* <https://www.fns.usda.gov/data-research/data-visualization/snap-retailer-management-dashboard-fy24>.

State waivers on what SNAP recipients can purchase, however, risk upending this system because of their unintended consequences. While these proposals banning products such as candy or soft drinks are intended to promote better health, they will unintentionally reduce access to food, increase operational burdens, and risk pushing some retailers out of the program entirely. If retailers are forced to leave the program due to compliance costs and the complexity of these state-by-state waivers, the consequences will fall hardest on the people SNAP is meant to serve. Communities that already struggle with limited food access will be left with even fewer places to redeem their benefits. The very families these waivers are intended to help could find themselves with reduced options or no nearby participating retailer at all.

### **Compliance and Operational Challenges Posed by State SNAP Waivers**

NACS is concerned about the adoption of the state food restriction waivers due to the significant compliance challenges and operational burdens they create. Not only do the more than 650,000 food and beverage products on the market today need to be categorized as “in” or “out” (along with thousands more products that are introduced each year), but SNAP retailers will have to make significantly costly and time-consuming updates to their point-of-sale systems for each of the thousands of items they stock.<sup>3</sup> The technology required to implement these ongoing changes is frequently cost-prohibitive to small format retailers, especially to those in our industry. They will instead be forced to manually review each product and its ingredient list, one by one. Such a system is unsustainable in practice and places an undue burden on small retailers who already operate with limited staff and technology.

How the lines are drawn between SNAP-eligible and -ineligible items adds significant complexity. In many instances, food items typically categorized as protein bars, snack bars, or granola bars appear to be barred from purchase with SNAP funds because they may be considered candy under some state definitions; meanwhile, many other products that are categorized as candy may still be eligible for purchase with SNAP. For example, according to some state definitions (but not others), foods such as KitKat bars will not meet the definition of candy and still be eligible for SNAP purchase, while products like RXBAR protein bars may be defined as candy because they’re sweetened naturally. Similar complexities exist in defining soft drinks – some drinks containing over 50 percent juice and very high sugar content will be eligible for SNAP purchase, while flavored seltzer waters with natural fruit flavorings and very little sugar will be ineligible.

Implementation challenges will hinder store operations as well. For example, most convenience stores have beverage fountain drinks that are eligible for SNAP purchase today. These self-serve drink stations dispense a variety of beverages, including water, lemonade, iced tea, various juice drinks, and sodas. It appears that stores will now need to develop a protocol to specifically check

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<sup>3</sup> Food Research & Action Center, “Research Brief: SNAP Consumer Choice” (May 2024), *available at* <https://frac.org/wp-content/uploads/SNAP-Consumer-Choice-Research-Brief.pdf>.

which beverage a customer dispenses into their cup in order to determine SNAP eligibility. Administering such a protocol will be extremely difficult in practice.

Additional store-level changes will be necessary in order to make these new state restrictions work. For example, clear signage may be required in stores that accept SNAP, along with new labels on products and shelves denoting whether each product is no longer eligible for SNAP purchase. These labels and signage will need to be continuously updated and changed as states modify their lists and as products enter or exit the market. For a multi-state operator, this means having to modify these labels and signage for every state in which they operate.

Training employees on new requirements presents yet another major challenge, especially when products that have never previously been restricted suddenly become off-limits. Store associates will be expected to quickly and accurately navigate which products are SNAP-eligible, all while keeping lines moving at checkout. In reality, these waivers will lead to confusion at checkout, slow down transactions, and increase the likelihood of disputes between customers and employees.

The distinctions between state-specific rules also raise the risk of errors and compliance violations, especially for retailers operating in multiple states. A product deemed ineligible in one state may remain eligible in another, forcing regional and national operators to run multiple compliance systems that will disrupt their operations. Even retailers that only operate in one state will face similar ongoing costs for technology, training, and compliance monitoring. The more complicated and nuanced the rules, the more likely retailers are to make inadvertent errors. These mistakes could expose them to penalties or even disqualification from SNAP, despite their best efforts to comply.

This patchwork of rules will inevitably lead to an uneven playing field, particularly in border areas where stores in one state are forced to restrict SNAP purchases, while stores just across the state line may not have any restrictions in place at all. When SNAP customers are faced with inconsistent rules depending on which side of the state border they shop, many will simply take their business to the state with no restrictions, putting stores in waiver states at a competitive disadvantage. For retailers, especially those who rely on consistent SNAP sales, this loss of business can be devastating.

### **Recommendations to Mitigate Retailer Burdens from State SNAP Waivers**

In light of the U.S. Department of Agriculture's (USDA) decision to continue approving these waivers, we urge you to ensure they do not impose undue burdens on SNAP retailers or unintentionally harm access to food for SNAP beneficiaries by forcing small format retailers out of the program. To that end, NACS offers the following recommendations to make approved pilot programs more feasible and less disruptive for SNAP retailers and beneficiaries:

### 1. Provide a Comprehensive, Usable List of Ineligible Products

NACS has heard from our members that in order to adequately implement restrictions at the store level, they must have access to a full, accurate, and regularly updated list of all food and beverage products that are no longer SNAP-eligible under any given state's pilot project. This list should be provided in a usable format that can be easily integrated into existing point-of-sale systems to minimize confusion and ensure compliance. Regularly updating this list will give retailers clarity on the status of new products coming to the market and allow them more time to make the appropriate changes to their point-of-sale systems.

### 2. Establish Clear, Uniform Product Definitions

NACS members are deeply concerned about the confusion created by the patchwork of definitions of restricted products in existing state waivers. What counts as a soft drink, soda, or candy varies widely from state to state. There is also significant confusion around how products such as candy are defined. As just one of many examples, some states rely on the Streamlined Sales Tax definition of candy, which excludes items containing flour (such as Twix or KitKat bars) from being categorized as candy.<sup>4</sup> As a result, these items would still be eligible for purchase with SNAP benefits, while other products, like certain granola or protein bars, may be considered candy and therefore ineligible. This ambiguity will lead to inconsistencies and misunderstandings at the point-of-sale for both retailers and customers.

Any state seeking to implement restrictions should use a clear, standardized product definition that has been published by USDA and subject to a public comment period that provides retailers with certainty regarding which products can and cannot be sold. Without that, retailers will face significant confusion, compliance risk, and friction at the checkout counter.

### 3. Provide Retailers with Adequate Lead Time

NACS has learned from many of our members that the intended implementation date of January 1, 2026 (less than 4 months away), for eight of the twelve state pilots does not provide enough lead time to comply with new requirements. This is particularly true because some state definitions of restricted products are not yet clear or finalized. All retailers, but particularly small businesses, need time to update systems, train staff, and adjust inventory, and they cannot do that until they receive final guidance from each state agency on how they plan to implement and track restrictions. These operational challenges may not only burden SNAP retailers but also compromise the integrity and accuracy of any pilot program evaluations. To ensure that pilots are implemented effectively, USDA should mandate that implementation dates be at least 12 months after approval of each waiver.

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<sup>4</sup> Streamlined Sales Tax Governing Board, Inc., "Rule 327.8 - Food and Food Ingredients Definitions - Candy", available at [https://www.streamlinedsalestax.org/docs/default-source/comm-slac-documents/slac-2021/rule-327-8-candy-sl21001.pdf?sfvrsn=46807e18\\_4](https://www.streamlinedsalestax.org/docs/default-source/comm-slac-documents/slac-2021/rule-327-8-candy-sl21001.pdf?sfvrsn=46807e18_4).

Additionally, USDA should recommend to the states seeking to implement restrictions on January 1 to extend their timelines until at least six months after USDA publishes a final list of restricted products and standard definitions.

#### 4. Require a Robust Public Education Campaign

USDA and participating states must implement a broad public education campaign to clearly inform SNAP beneficiaries about any new restrictions and how they will affect purchasing decisions. Without consistent and widely disseminated communication to customers, confusion at the checkout counter is inevitable. This confusion will not fall on USDA or state agencies but on frontline retail employees, who will be forced to explain and enforce restrictions in real time.

Our industry's employees, like other retail employees, already face heightened safety risks due to the rise in retail crime, and NACS survey data shows that concern for employee safety is at an all-time high.<sup>5</sup> It would be unfair to place the burden of explaining the new federal and state policy on retail staff without a comprehensive education effort led by USDA and each state. By proactively ensuring beneficiaries understand changes before they arrive at the checkout, USDA can minimize conflict and help protect the safety of store employees.

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The SNAP program has never before allowed state-by-state waivers of this kind. This represents a monumental change, yet the basic logistical steps necessary to carry it out successfully have not been put in place. Until those problems are resolved, these waivers should not go into effect. Otherwise, SNAP beneficiaries will face reduced access to food, and front-line employees will be left to manage the anger and frustration that follows. That outcome is unacceptable, and entirely preventable.

The convenience industry remains committed to supporting robust food and nutrition access goals while ensuring that the SNAP program remains functional and accessible. American consumers who participate in the SNAP program deserve nothing less.

We would welcome the opportunity to discuss these proposals further. Thank you for your consideration.

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<sup>5</sup> See 2023 NACS Crime & Loss Prevention Survey; *see also*: National Retail Federation & Loss Prevention Research Council, *The Impact of Retail Theft & Violence* (2024)