



Concerns about the USDA SNAP Online Pilot

In 2016 the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) launched the first phase of an **online purchasing pilot** for its Supplemental Nutrition Assistance Program (SNAP), as stipulated by the 2014 Farm Bill. Based on an evaluation of the pilot, FNS will make a recommendation to the Secretary of Agriculture, most likely by the end of 2018, about whether allowing online purchases with SNAP benefits is "in the best interest of the Program." There are now 10 retailers (Amazon, Dash's Market, Fresh Direct, Hart's Local Grocers, Hy-Vee, Inc., Safeway, ShopRite, Thrive Market, Wal-Mart Stores, Inc., and Wright's Markets, Inc.) participating in seven states (Alabama, Iowa, Maryland, Nebraska, New Jersey, New York, Oregon, and Washington).

On its face, this could be a very good development for SNAP recipients, particularly for families who live in food deserts without easy access to groceries or for families who have other reasons for shopping from home. However, the limits of the data privacy requirements in the pilot's **Request for Volunteers** (RFV), combined with the sophisticated e-commerce marketing strategies deployed by participating retailers and brands, may have unintended consequences that can cause harm to the communities that SNAP hopes to serve. The online program may:

- Expose low income families to new forms of powerful target online marketing of foods and drinks that are low in nutrition and high in sugars, salt and fats;
- Undermine SNAP recipients' economic stability due to a highly sophisticated e-commerce infrastructure that drives personalized digital marketing and product promotions, aiming to increase spending ("basket size") and revenues for retailers; and
- Weaken the ability of SNAP recipients to protect their privacy online, by having to agree to corporate policies that enable new forms of data collection, tracking and use.

For example, if an online grocery store identifies a SNAP customer as someone who can be sold a higher priced item or an additional service, such as a payday-type loan, they will be continually reminded about those "deals" whenever they go online, whether shopping for groceries or not. SNAP participants may be sent discount coupons—really digital paid ads—to buy certain products which would likely be delivered to their mobile phones when they are in the store or at times when they may be most vulnerable.

Our concerns about the USDA Pilot were heightened after our close review of the practices deployed by the companies participating in the USDA pilot during which we identified what seem to be several violations of USDA's privacy requirements as set out in the RFV.

We believe USDA needs to institute safeguards to ensure SNAP recipients enjoy the benefits envisioned by the pilot program and to ensure that they are not harmed in unanticipated ways. As USDA is still working on system enhancements as part of the pilot, now is the time to encourage USDA to establish those safeguards.

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