



Ms. Marga Ortiz
Branch Chief, Retailer Policy Branch, Retailer Policy Division
Supplemental Nutrition Assistance Program
Food and Nutrition Service
1320 Braddock Place, Fifth Floor
Alexandria, Virginia 22314

RE: Docket ID FNS-2023-008 “Agency Information Collection Activities: SNAP Retailer Applications”

Dear Ms. Ortiz,

Thank you for the opportunity to submit comments to inform the collection of information regarding SNAP Retailer Applications and better ensure that retailers who continuously meet SNAP eligibility requirements are able to effectuate the purposes of the program SNAP provides food security to millions of low-income families, and food cooperatives serve as SNAP retailers and are a key part of the food supply chain to ensure food security for all families. However, the currently approved collection requires updates to ensure that eligible retailers do not have their ability to accept SNAP benefits incorrectly revoked threatening critical access to food for families, particularly those living in food deserts, and loss of revenue that contributes to local economies. Thank you for considering our recommendations to enhance the utility, clarity, and quality of information to be collected while minimizing the burden of collecting that information.

About the National Cooperative Business Association CLUSA International (NCBA CLUSA)

The National Cooperative Business Association CLUSA International (NCBA CLUSA) is the 107-year old association for cooperative businesses across all sectors of the U.S. economy. Cooperatives are businesses that are owned, controlled, and governed based on one-member, one vote. One in three Americans is a member-owner of at least one cooperative business; there are about 65,000 cooperative establishments in the United States. People establish cooperatives to: help smaller players gain parity with larger companies, increase consumer choice, and/or address market failure.

Cooperatives are an integral business entity at nearly every point within the food supply chain. They have been critical to our nation, and rural America especially, for more than a century, helping farmers gain access to markets and electrifying rural homes. These co-ops have helped more Americans capture economic opportunity and enjoy a high quality of life. Because cooperatives are businesses owned and controlled by the people who use them, they keep more dollars in rural communities instead of profits flowing to outside investors. Co-ops are also one of the main strategies for farmers and others in the food system to band together to access and compete in consolidated markets.

Response to specific invitation for comments

NCBA CLUSA wishes to comment on the provisions below and recommends that the agency revise form FNS-252, FNS 252-E, and the corresponding fields on FNS-252R, to ensure that all SNAP retailers including food co-ops are able to accurately complete the information requested through the authorization/reauthorization process.

Upon revision, the agency should ensure that food cooperatives authorized through previous versions of the forms are provided with adequate technical assistance to update the requested information without resulting in the need to reapply, suffer delays in reauthorization, or receive punitive fines.

To help facilitate the agency's consideration of the following recommendations NCBA CLUSA has detailed the corresponding FNS-252 form fields and instructions beginning on page 4.

- (A) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information provided by food co-ops shall have practical utility;
- (B) the accuracy of the agency's estimate of the burden of the proposed collection of information as food co-ops have reported providing and seeking information for days, weeks, and even months when utilizing the current 252 form;
- (C) ways to enhance the quality, utility, and clarity of the information to be collected by ensuring questions on form 252 and 252-R accurately reflect the unique structure of SNAP retailers that are cooperatively owned businesses, and;
- (D) ways to minimize the burden of the collection of information on those who are to respond by ensuring that co-ops which are often owned by hundreds or thousands of members have viable alternatives to information requested that recognizes the transitive nature of cooperative business.

The Cooperative Business Model Has a Distinct Structure That Serves a Public Purpose

As full-service grocers, food co-ops meet the eligibility criteria to become SNAP retailers. Moreover, these businesses represent over \$2 billion of the grocery market and 1.3 million Americans are a member-owners of a food cooperative where the co-op creates more good-paying jobs, offers more local products, and re-invests more back into the community than traditional grocery stores.

NCBA CLUSA's membership includes individual food cooperatives and business services cooperatives like the National Co-op Grocers which represents 154 consumer-owned retail food co-ops. As businesses created based on principles including "Concern for Community", food Co-ops are more likely to accept SNAP benefits with 97 percent of NCG food co-ops serving as authorized SNAP retailers. They also participate in programs like the Gus Schumacher Nutrition Incentive Program (GusNIP) and the Healthy Food Financing Initiative (HFFI).

Despite these distinct advantages, food co-ops report barriers within the SNAP authorization and reauthorization application process due to significant challenges in having the cooperative business model clearly reflected in questions included in SNAP retailer applications. This disrupts co-ops' ability to serve their SNAP shoppers and participate in USDA programs that require SNAP participation like GusNIP and HFFI.

The cooperative business model is a distinct business structure with both state and federal recognition. USDA recognizes the legitimacy and benefits of the cooperative business model, fosters cooperative development, provides resources about co-ops and convenes an Interagency Working Group on Cooperative Development. Additionally, many state laws provide a legal structure for businesses to incorporate as cooperatives.

Collecting personal information for all member-owners of cooperatives is burdensome and the information requested, when provided by food co-ops, does not have practical utility

Food co-ops are often owned by thousands of their local community members. A defining feature of the cooperative business model is democratic governance by an elected board of directors. Each co-op member purchases an equity share, which makes them a member-owner of the business with one vote in equal proportion to all other member-owners of the co-op. This one-time equity share purchase is a relatively modest amount, typically in the range of \$100 - \$200, and many co-ops create programs to support the purchase of equity shares by low-income individuals. Any member-owner can run for the co-op's Board of Directors and each member-owner has the right to vote for Board Directors to govern their co-op, with elections typically taking place annually. A member-owner can also resign their membership and have their equity share refunded at any time, for example if the member-owner moves to another community.

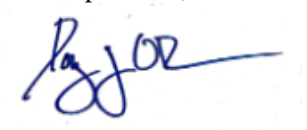
The democratically elected Board of Directors provides oversight of the business, typically through the policy governance model, which means the Board has the authority to hire and fire the general manager (GM) or CEO of the food co-op and holds the GM/CEO accountable to Articles, Bylaws and other policy documents established by the co-op. According to this model, Board Directors do not involve themselves with the operations of the business and are not considered owners any more so than a co-op's other members. A general manager or CEO (or any consumer co-op employee) may or may not be a member-owner, depending on whether they have purchased an equity share, at their own discretion.

Food Co-ops should have the following considerations from FNS within the SNAP authorization and reauthorization process to minimize the burden on respondents:

- Food co-ops are typically owned by thousands of their community members.
- Board or management turnover is not a change in ownership of the business.
- If a board director or GM/CEO leaves the co-op, FNS's contact of record may no longer be associated with the co-op.
- Although some food co-ops may be incorporated as non-profits, most food co-ops are not non-profits.

On behalf of the National Cooperative Business Association CLUSA International and our members, I thank you for the opportunity to comment on this important issue and look forward to working with the USDA team as this process continues. For any questions or additional information, please contact Aaliyah Nedd, NCBA CLUSA's Director of Government Relations, at anedd@ncba.coop.

In cooperation,



Doug O'Brien
President and CEO
National Cooperative Business Association
CLUSA International

Recommended Revisions Proposed in Italics

Form Field #1

Proposed revision to question #1

When did or when will the store open for business under ~~your current~~ ownership (MM/DD/YYYY)?

Proposed addition to instructions for Question #1

If you are an authorized representative but not the owner of the store, enter the date the store opened for business or will open for business under the current ownership. Food co-ops should enter the date the store opened at this location.

Form Field #10

Proposed revisions to question #10

Is your business any one of the following: a delivery route; food ~~buying~~ cooperative; farmers' market; farm stand/stall/u-pick; military commissary/exchange; or a specialty food store that primarily sells one food type such as meat/poultry, seafood, bread, or fruits/vegetables?

☐ Meat/Poultry Market

☐ Bakery

☐ Military Commissary/Exchange

☐ Farmers' Market

☐ Food ~~Buying~~ Cooperative Co-op

☐ Seafood Market

☐ Produce Market

☐ Delivery Route

☐ Direct Marketing Farmer (Farm Stand/Stall/U-Pick)

Proposed revisions to instructions for Question #10

Question 10 - Special Store Type: Check Produce Market if you primarily sell fruit/vegetable items purchased from others, rather than raised yourself. Check Farmers Market if you represent a multi-stall market, where farmers sell their own agricultural products (fruits/vegetables/meats/bread, etc.) directly to the public. Check Direct Marketing Farmer (Farm Stand/Stall/U-Pick) if you produce and sell your own agricultural products at a road side stand, a stall at a market, and/or have a "pick-your- own" operation on your farm. *Check Food ~~Buying Cooperative~~ Cooperative if you are a cooperative or are an ~~private nonprofit~~ association of consumers, producers and/or workers whose members pool their resources to buy food as a retail store ~~or buying club~~.*

Form Field #11

Proposed revision to Question #11

Type of Ownership (check only one box):

- ☐ Privately-Held Corporation
- ☐ Publicly-Owned Corporation
- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Government-Owned
- ☐ Nonprofit Organization
- ☐ Cooperative

Form Field #12

Proposed revision to question #12

Corporation or Government Agency Information: If privately held corporation, nonprofit organization, *cooperative* or limited liability company, enter the name and address of your corporation as on record with the state. If government-owned, enter the name and address of the responsible government agency. If publicly-owned corporation, enter the name and address of the parent corporate office. All others, skip question 13.

12c If publicly-owned, *cooperatively-owned* or government-owned, enter a contact person
Contact Person Name: Telephone Number: Email Address:

Proposed revision to instructions for Question #12

Question 12 - Corporation or Government Agency Information: For privately-held corporations, nonprofit organizations, *cooperatives* and limited liability companies, enter the name and address that is on record with the state. For publicly-owned corporations (also referred to as publicly traded corporations), enter the parent corporation name and address. For government-owned stores, enter the name and address of the responsible government agency. For publicly-owned corporations, *cooperatives* or government-owned stores enter the name, telephone number and email address of the contact person or the person responsible for the Supplemental Nutrition Assistance Program license.

Form Field #14

Proposed revision to question #14

Owner/Officer Information: Enter the name and home address of all officers, owners, partners, and members. *If this is a publicly-owned corporation, cooperative or government-owned store, skip to question 15.* See instructions for more information about this question.

Proposed revision to instruction #14

Question 14 - Owner/Officer Information: Do not complete this question if you indicated the ownership type is publicly owned corporation (i.e., publicly traded corporation), *cooperative* or government owned store in question 11. For all other ownership types, you must provide information for

all owners, members, partners, primary shareholders and officers of corporations, including entities with Nonprofit status. For each Owner, Partner, Officer, Member, Shareholder: Enter the first name, middle name, and last name of each person exactly as it appears on their social security card. Enter the home address, social security number (or ITIN as an alternative to SSNs), and date of birth for each person. Email Address: Enter the email address for all owners/officers here (optional). If there are more than four primary owners, make a copy of page 2 and enter the additional person(s) information.

Form Field 15

Proposed revision to question #15

Answer the questions for **all** officers, owners, partners, members, and/or managers. *Cooperatives need not answer on behalf of the general membership.*

Instructions: Reminders (Page 7)

Reminders You must answer all of the questions on the application form, with the following exceptions:

- Question 3.
- If the store is owned by a sole proprietorship or partnership, skip question 12.
- If the store is owned by a privately held corporation or LLC skip question 12c.
- If the store is owned by a public corporation, *cooperative* or government agency skip question 14.

Instructions: Apply by Mail (Page 7)

Apply by Mail: Complete Form FNS-252, attach the required documents, sign and date the application, and mail it to the SNAP Retailer Service Center. **If there are multiple owners, then each owner must individually sign a certification and signature statement (page 6 of the application) and these documents must be submitted with the application, unless the store is a cooperative as defined in question 10.** *Food co-ops should submit documentation demonstrating that the co-op's general manager or CEO (without naming a specific individual) is an authorized representative by the co-op's Board of Directors to be the contact person, sign the certification and signature statement.* The SNAP Retailer Service Center address is listed on the cover letter that was mailed to you with the application. You can also find the SNAP Retailer Service Center address at: <https://www.fns.usda.gov/snap/RSC>.

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Agency Information Collection Activities: SNAP Retailer Applications

Comment On: FNS-2023-0054-0001

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Document: FNS-2023-0054-0003

Comment on FR Doc # 2023-21415

Submitter Information

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Organization: National Cooperative Business Association CLUSA International

General Comment

Comments from the National Cooperative Business Association CLUSA International recommending the inclusion of the Cooperative Business Model ad Food Co-ops within all FNS-252 forms

Attachments

NCBA CLUSA FNS Comment SNAP Retailer Applications_11.28.2023