United States
Department of
Agriculture

Food and
Consumer
Service

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Reply to
Attn. of: SF-113

Subject: FMNP Policy Memorandum: #96-1
Farmer and Market Identifiers on FMNP Coupons

To: Regional Directors
Supplemental Food Programs
All Regions

This is to provide you with clarification concerning the use of farmer and market identifiers on FMNP coupons. FMNP regulations (§248.10(b)(1)(v)) require that each coupon be marked with a farmer identifier. The regulations go on to state that in those cases where agreements are between State agencies and farmers, each transacted FMNP coupon shall contain a farmer identifier and shall be batched for reimbursement under that identifier. In those cases where agreements are between State agencies and farmers' markets, each transacted FMNP coupon shall contain a farmer identifier and be batched for reimbursement under a farmers' market identifier.

The regulatory requirement was intended to be a safeguard against redemption of coupons by unauthorized farmers and markets, and to allow State agencies to specifically identify high risk or abusive farmers within markets. It was also intended to enable States to efficiently reconcile individual coupons. The FMNP regulations (§248.10(h)) require that the FMNP State agency be able to identify the disposition of all FMNP coupons as validly redeemed, lost or stolen, expired, or not matching issuance records. Validly redeemed FMNP coupons are those that are issued to a valid recipient and redeemed by an authorized farmer/farmers' market within valid dates.

A farmer identifier on each coupon within a batch for reimbursement will not be a requirement for those State agencies that can reconcile individual coupons, including tracking a coupon to an authorized FMNP farmer and recipient. For example, if the State agency can reconcile an individual FMNP coupon back to an authorized farmer through an invoice received from the farmer, a farmer identifier on each coupon within the batch is not required. We continue to encourage State agencies to use farmer identifiers on coupons for efficient identification and reconciliation purposes. Ad

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cumbersome without individual identifiers, requiring research in the event a coupon becomes separated from a batched market identifier. Furthermore, in the event a farmer is sanctioned by the State agency, an individual identifier on the coupon strengthens the State agency position in legal proceedings.

The display of a unique serial number on each coupon remains a requirement. Additionally, for those States that do not have a system such as that mentioned above, a farmer identifier on each coupon within a batch for reimbursement is still a requirement.

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