



Food and
Nutrition
Service

Retailer Policy and Management Division, SNAP
RPMD Policy Memorandum 2020-04

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Alexandria
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- Subject:** Retailer Eligibility- Clarification of criterion A and Criterion B Requirements
- Legislation:** Food and Nutrition Act of 2008, Sections 3 and 9
Consolidated Appropriations Act of 2017, Section 76
- Regulations:** 7 CFR 271.2 (definition of “retail food store”) and
278.1(b)(1)(ii)(A)
- Rule:** *Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)*
Proposed - [81 FR 8015](#) (17 February 2016)
Final - [81 FR 90675](#) (15 December 2016)
- Supersedes:** Policy Memorandum 2018-04, “Retailer Eligibility – Clarification of Criterion A and Criterion B Requirements”

Implementation: Upon Publication

OVERVIEW: To be SNAP-authorized, a store generally must meet one of two eligibility standards: Criterion A (staple food stock) or Criterion B (staple food sales). Staple foods are the basic food items that make up a significant portion of an individual’s diet and are usually prepared at home and consumed as a major component of a meal.

The final rule titled “Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)” (the 2016 final rule), published on December 15, 2016, made changes to Criteria A and B requirements. Those changes were included in the “Breadth of Stock,” “Definition of Variety,” “Depth of Stock,” “Accessory Food,” and “Need for Access” provisions of the 2016 final rule. Thereafter, Sec. 765 of the Consolidated Appropriations Act of 2017, enacted on May 5, 2017, prevented implementation of the “Breadth of Stock” and “Definition of Variety” provisions of the 2016 final rule, and directed FNS to continue to utilize the breadth of stock and definition of variety requirements that were in place prior to the 2014 Farm Bill, until FNS promulgates future rulemaking to provide more

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flexibility in the definition of variety. As of the publication of this memorandum, the Code of Federal Regulations (CFR) has not been updated to reflect the changes required by the Consolidated Appropriations Act of 2017. Thus, the purpose of this memorandum is to clarify the requirements for Criterion A and Criterion B in effect on January 17, 2018.

For applicant stores that fail to meet Criterion A or B, but which are located in areas with significantly limited access to food, FNS must consider their eligibility for authorization based on need for access, per the terms of RPMD Policy Memorandum 2020-10. In addition, Criteria A and B do not apply to certain SNAP-authorized stores, including meal services. This memorandum is not intended for retailers that are not required to meet Criterion A or B.

Staple foods do not include accessory foods, heated foods, or prepared foods. Accessory foods are snacks, desserts, or other items that complement or supplement a meal, such as beverages or spices. Please see RPMD Policy Memorandum 2020-05 for additional information on accessory foods. For more information on heated foods (that are heated on-site before or after purchase) or prepared foods (hot or cold), please see RPMD Policy Memorandum 2020-06.

CLARIFICATION: Generally, to be SNAP-authorized, a store's inventory must meet one of two eligibility standards: Criterion A or Criterion B. Certain changes have been made to Criteria A and B requirements, effective January 17, 2018. The current Criteria A and B requirements are:

Criterion A

To be eligible under Criterion A (staple food stock), a store must offer for sale on a continuous basis, a minimum of three staple food varieties in each of the four staple food categories (breadth of stock), with a minimum depth of stock of three stocking units per staple food variety. Additionally, stores must offer at least three stocking units of at least one perishable variety in at least two staple food categories. The perishable requirement is not in addition to the breadth of stock and depth of stock requirements; instead, it makes up part of the breadth of stock requirement. Thus, in total, a store must stock 36 staple food units (including at least six perishable staple food units) to meet the Criterion A requirements.

Staple Food Categories: There are four staple food categories: (1) vegetables or fruits; (2) meat, poultry, or fish; (3) dairy products; and (4) breads or cereals.

Staple Food Varieties: Staple food varieties are different types of food within a staple food category.

- For example, oranges, bananas, and apples are three distinct staple food varieties in the fruits or vegetables staple food category; and tuna, beef, and chicken eggs are three distinct staple food varieties in the meat, poultry, or fish staple food category.
- Multiple ingredient foods (products consisting of foods from more than one staple food category) are counted as staple foods in the category of their main ingredient.

So, canned cream of mushroom soup would be considered a staple food in the vegetables or fruits category if it had a main ingredient of “mushrooms.”

- If a multiple ingredient food has a first ingredient of “water,” “broth,” or “stock,” then it should be counted in the staple food category of its second listed ingredient, so long as that ingredient is a staple food.
- Accessory foods, and foods which are heated or prepared (hot or cold), are not considered staple foods.

Stocking units: Stocking units are a can, bunch, box, bag, or package that a product is usually sold in. In order to meet the depth of stock requirement as a staple food variety, there must be a minimum depth of stock of three stocking units of the staple food.

- For example, three apples meet the depth of stock requirement for an “apple” variety in the vegetables or fruits staple food category; and three cans of tuna meet the minimum depth of stock requirement for a “tuna” variety in the meat, poultry, or fish staple food category.
- A store can meet the depth of stock requirement for a staple food variety with different kinds of stocking units of the same staple food variety. For example, if a store has a can of stewed tomatoes, a can of diced tomatoes, and a fresh tomato, it meets the minimum depth of stock requirement for a “tomato” staple food variety in the vegetables or fruits staple food category.

Perishable: Perishable foods are either frozen staple food items or fresh, un-refrigerated, or refrigerated staple food items that would spoil or suffer significant deterioration in quality within 2 to 3 weeks at room temperature. A shelf stable food item that does not require refrigeration until after it is opened is not a perishable food.

Continuous basis: Continuous basis means that on any given day of operation, a store must offer for sale and normally display in a public area, the required staple foods.

Taken together, then, Criterion A stores must stock at least 36 staple food items, of which six must be perishable. Additionally, these 36 staple food items must meet the depth and breadth of stock requirements, as shown in the chart below:

CHART: CRITERION A

3 Stocking Units of 3 Staple Food Varieties in <i>each</i> of the 4 Staple Food Categories	<u>including</u>	3 Stocking Units of 1 Perishable Staple Food Variety in <i>at least</i> 2 Staple Food Categories
36 total stocking units satisfy Criterion A		

Criterion B

Firms that do not meet Criterion A must be considered under Criterion B. To be eligible under Criterion B, stores must have more than 50% of their total gross retail sales from items in one or more of the four staple food categories. Often, Criterion B stores specialize in selling items from one staple food category (e.g., butcher shops, bakeries, fruit and vegetable specialty stores). Some Criterion B stores may sell food from multiple staple food categories, but do not meet the breadth or depth of stock requirements of Criterion A.

Total gross retail sales means all of a store’s retail sales, including food and non-food merchandise, as well as services, such as rental fees and professional fees. In calculating total gross retail sales, fees charged by a service provider specifically for the processing of staple foods in the meat, poultry, and fish category (i.e., fees charged by a meat processor to butcher and prepare meat products for customers) are counted as part of total gross retail sales and as part of staple food sales for determining Criterion B eligibility. Sales of foods cooked or heated by the retailer on site before or after purchase, are not included in the store’s staple food sales; neither are sales of accessory foods.

The chart below demonstrates the Criterion B sales requirement:

CHART: CRITERION B

Total Gross Retail Sales	-	Non-food Sales Gasoline, Lottery, Tobacco, Alcohol, Other Nonfood)	-	Prepared/ Heated Foods Sales	-	Accessory Foods Sales	=	Staple Food Sales
<p>If Staple Food Sales are more than 50 percent of Total Gross Retail Sales, then the store meets Criterion B eligibility requirements.</p>								

Any questions regarding this policy should be directed to: SM.FN.RPMDHQ-WEB@usda.gov.

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