

**REQUEST FOR WAIVER TO MODIFY ALLOWABLE PURCHASES UNDER THE
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

DATE: APRIL 15, 2025

1. **Type of Request:** To modify allowable purchases under the Supplemental Nutrition Assistance Program (SNAP).
2. **Statutory Citation:** 7 U.S. Code § 2026
3. **Primary Regulation Citation:** 7 CFR § 282.1
4. **State:** Indiana
5. **Statutory and Regulatory Requirements to be Waived:** 7 U.S.C. § 2012 and 7 C.F.R. § 271.2
6. **Proposed Alternative Procedure:** The State of Indiana (*Family and Social Services Administration*) is requesting to exercise Section 17 of the Food and Nutrition Act of 2008 to modify allowable purchases under the Supplemental Nutrition Assistance Program (SNAP). The State of Indiana will exclude candy and soft drinks from the definition of “eligible food” under the program. This request abides by the provisions outlined in Section 17, 7 U.S.C. § 2026, permitting States to experiment, particularly to align the goals of Indiana to the goal of SNAP—to provide low-income American households with a more nutritious diet.
7. **Justification for Request:** The Declaration of Policy which prefaces the Food and Nutrition Act of 2008 (P.L. 88-525, as amended via P.L. 118-5) emphasizes the health and well-being of the Nation, as well as a nutritious diet. The statutory purpose of SNAP is to help “low-income households to obtain a more nutritious diet.”¹ However, data shows Indiana, along with the rest of the nation, is experiencing a health epidemic, further induced by diet-related chronic disease.

The Midwest has a higher prevalence of obesity than any other U.S. region.² Yet Indiana still exceeds the adult obesity rates of the neighboring states of Michigan, Illinois, and Ohio. Nearly 38 percent of Indiana adults are obese.³ 70 percent of adults are either overweight or obese.⁴ Obesity is not a standalone issue. It

¹ 7 U.S.C. § 2011.

² Centers for Disease Control and Prevention. (2024). *Adult Obesity Prevalence Maps | Overweight & Obesity | CDC*. Retrieved from https://www.cdc.gov/obesity/data-and-statistics/adult-obesity-prevalence-maps.html#cdc_data_surveillance_section_5-map-overall-obesity

³ Centers for Disease Control and Prevention. (2024, January 17). *Adult Obesity Prevalence Maps | Overweight & Obesity | CDC*. Retrieved from https://www.cdc.gov/obesity/data-and-statistics/adult-obesity-prevalence-maps.html#cdc_data_surveillance_section_5-map-overall-obesity

⁴ Indiana Department of Health (2023). *Appendix 2: HEA 1007 food insecurity & obesity guidance*. Indiana State Government. Retrieved from www.in.gov/health/hipp/files/Appendix-2-HEA-1007-Food-Insecurity-Obesity-Guidance.pdf.

increases the risk of certain cancers, heart disease, stroke, and type 2 diabetes.⁵ Moreover, obesity leads to nearly double the health care costs for an individual.⁶

Health is a concern for the entire state. But for those on SNAP, dietary quality scores are even worse.⁷ And adults on SNAP have a higher rate of obesity than nonparticipants with similar incomes.⁸ Notably, the diet quality of SNAP families has worsened over the past decade, regardless of incentive programs and nutrition education.

Soft drinks are the number one commodity purchased with SNAP and participants are more likely than nonparticipants, even among those with similar incomes, to consume soft drinks regularly.⁹⁻¹⁰ Children on SNAP consume 43 percent more sugar-sweetened beverages than children not on SNAP with similar incomes.¹¹ Women on SNAP consume 61 percent more sugar-sweetened beverages than nonparticipants.¹²

Studies have found that a ban on sugar-sweetened beverages in SNAP would reduce obesity prevalence and type 2 diabetes.¹³

⁵ National Institutes of Health. (2013). *Managing overweight and obesity in adults: Systematic evidence review from the obesity expert panel, 2013*. U.S. Department of Health and Human Services. <https://www.nhlbi.nih.gov/sites/default/files/media/docs/obesity-evidence-review.pdf>

⁶ Cawley, J., Biener, A., Meyerhoefer, C., Ding, Y., Zvenyach, T., Smolarz, B. G., & Ramasamy, A. (2021). Direct medical costs of obesity in the United States and the most populous states. In *Journal of Managed Care & Specialty Pharmacy* (Vol. 27, Issue 3, pp. 354–366). Academy of Managed Care Pharmacy. <https://doi.org/10.18553/jmcp.2021.20410/>.

⁷ Mande, J., & Flaherty, G. (2022). Supplemental Nutrition Assistance Program as a health intervention. In *Current Opinion in Pediatrics* (Vol. 35, Issue 1, pp. 33–38). Ovid Technologies (Wolters Kluwer Health). <https://doi.org/10.1097/mop.0000000000001192/>.

⁸ Mande, J., & Flaherty, G. (2022). Supplemental Nutrition Assistance Program as a health intervention. In *Current Opinion in Pediatrics* (Vol. 35, Issue 1, pp. 33–38). Ovid Technologies (Wolters Kluwer Health). <https://doi.org/10.1097/mop.0000000000001192/>.

⁹ Garasky, S., Mbwana, K., Romualdo, A., Tenaglio, A., & Roy, M. (2016, November). *Foods typically purchased by Supplemental Nutrition Assistance Program (SNAP) households: Appendices*. IMPAQ International, LLC. Prepared for the U.S. Department of Agriculture, Food and Nutrition Service.

¹⁰ Condon, E., et al. (2015). Diet Quality of Americans by SNAP Participation Status: Data from the National Health and Nutrition Survey 2007-2010. USDA, Food and Nutrition Service. Retrieved from <https://fns-prod.azureedge.net/sites/default/files/ops/NHANES-SNAP07-10.pdf>.

¹¹ Mande, J., & Flaherty, G. (2022). Supplemental Nutrition Assistance Program as a health intervention. In *Current Opinion in Pediatrics* (Vol. 35, Issue 1, pp. 33–38). Ovid Technologies (Wolters Kluwer Health). <https://doi.org/10.1097/mop.0000000000001192/>.

¹² Leung, C. W., Ding, E. L., Catalano, P. J., Villamor, E., Rimm, E. B., & Willett, W. C. (2012). Dietary intake and dietary quality of low-income adults in the Supplemental Nutrition Assistance Program. In *The American Journal of Clinical Nutrition* (Vol. 96, Issue 5, pp. 977–988). Elsevier BV. <https://doi.org/10.3945/ajcn.112.040014/>.

¹³ Basu, S., Seligman, H. K., Gardner, C., & Bhattacharya, J. (2014). Ending SNAP Subsidies For Sugar-Sweetened Beverages Could Reduce Obesity And Type 2 Diabetes. In *Health Affairs* (Vol. 33, Issue 6, pp. 1032–1039). Health Affairs (Project Hope). <https://doi.org/10.1377/hlthaff.2013.1246/>.

More than 610,000 Hoosiers are enrolled in SNAP.¹⁴ The state should ensure that taxpayers are not funding the growing health crisis for these individuals in Indiana. The primary goals of SNAP are to alleviate hunger and to provide a more nutritious diet for program participants. The proposed waiver helps bring the program back in line with these statutory goals.

The waiver meets the definition of permissible projects under 7 U.S.C. § 2026 to “increase the efficiency” of SNAP, “raise levels of nutrition among low-income individuals,” “test innovative welfare reform strategies,” and “allow greater conformity with the rules of other programs,” including other nutrition assistance programs.

Allowing the purchase of candy and soft drinks with minimal nutritional value with federal dollars is harmful to low-income families in Indiana, and it enables unhealthy nutritional habits. It also creates irresponsible spending of federal tax dollars and increased health care costs. Because of the significant overlap of welfare programs, most SNAP recipients are also covered by government health insurance. Unless this waiver is approved, taxpayers are paying to fund both the health crisis and the expensive medical cost.

8. **Implementation of Request:** The implementation of this project focuses on bringing the SNAP program into line with Congress's stated policy objective of the program declared in 7 U.S.C. § 2011, to help low-income households obtain a “more nutritious diet.” It also aligns with Indiana’s own SNAP/TANF program policy manual, which defines the program’s purpose as supplementing the food budget of low-income households to help them “purchase healthy food and move towards self-sufficiency.”¹⁵

Waiver complexity.

To better capture the products that are intuitively understood by Hoosiers to be candies and soft drinks, the State proposes to use the following amended sales tax definitions.

Candy: A preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. The term does not include any preparation requiring refrigeration.

¹⁴ Food and Nutrition Service. (2025). *SNAP data tables*. U.S. Department of Agriculture. Retrieved from <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>

¹⁵ Division of Family Resources. (n.d.). *ICES Program Policy Manual*. Indiana Family and Social Services Administration. Retrieved from https://www.in.gov/fssa/dfr/files/ICES_Program_Policy_Manual.pdf/.

Soft Drinks: Nonalcoholic beverages that contain natural or artificial sweeteners. The term does not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or are exclusively naturally sweetened using natural vegetable and / or fruit juice.

The State acknowledges that, by departing from the codified sales tax definitions of “candy” and “soft drinks,” it imposes an additional implementation burden on SNAP retailers. This is unavoidable for any waiver that seeks to capture products that are commonly understood to be candies and soft drinks. To mitigate this burden, the State proposes that it work directly with retailers to facilitate the “translation” of these definitions to be more readily compatible with retailers’ point of sale and inventory management systems.

Minimizing confusion and ensuring a smooth implementation for participants.

To ensure SNAP participants are informed and prepared for the implementation of the waiver restricting candy and soft drink purchases, the State of Indiana will implement a multi-faceted outreach strategy. The outreach strategy will include direct outreach to all SNAP households, detailing the restricted items and the implementation date, and educating SNAP participants on the health benefits of limiting the consumption of candy and soft drinks. In addition, posters explaining the new restrictions to participants will be sent to all SNAP retailers, who will be able to display them in prominent areas of their establishments. Finally, the State of Indiana will provide resources online explaining the new restrictions and links to existing nutrition resources provided through SNAP-Ed programming.

Communicating with and supporting retailers through the implementation.

For retailers, the State of Indiana will prioritize clear communication and support to facilitate compliance and implementation with the waiver, ensuring retailer buy-in is a critical component of success. The State of Indiana is prepared to help USDA with implementation.

Before the date on which the waiver goes into effect, and in conjunction with USDA, the State of Indiana will meet with representatives from supermarket chains and trade associations that represent the full spectrum of the grocery industry to discuss the changes and implementation. Information will be shared with food industry representatives to highlight the State's comprehensive efforts to promote the purchase of healthier foods and beverages, which should lead to increased sales of such products and relieve concerns about lost revenue from the sale of foods with little to no nutritional value. Indiana will also provide retailers with user-friendly pamphlets, posters, and decals for in-store display, outlining the restrictions and their health benefits for staff and customers. The State of Indiana will provide ongoing support to retailers and continuous collaboration to ease implementation.

Monitoring retailer compliance.

Monitoring retailer compliance in restricting candy and soft drinks from SNAP purchases would not be complicated. As previously stated, this waiver aligns with Indiana state law, which subjects candy and soft drinks to the state's gross retail tax, unlike most food items purchased for household consumption. This distinction allows the State of Indiana and USDA to easily identify candy and soft drinks as additional products prohibited for SNAP purchases when conducting existing transaction monitoring practices to ensure retailer compliance. This established framework would minimize the administrative burden of monitoring compliance when implementing the waiver.

Maintaining interoperability.

This waiver request, prohibiting the purchase of candy and soft drinks with SNAP benefits, remains fully interoperable under federal law because it does not alter the functionality of Electronic Benefit Transfer (EBT) cards, affect out-of-state purchases, or impose new technical burdens on retailers. Interoperability, as defined in 7 U.S.C. § 2016(j), ensures that EBT cards issued in one state can be used in any other state, and this waiver does not change that as it only applies a restriction on the purchase of candy and soft drinks with SNAP benefits at Indiana retailers. Because this waiver removes specific items from eligibility rather than, for example, adding new ones, it requires no updates to the underlying EBT system that could disrupt its operation. The restriction is enforced at Indiana retailers' POS systems, leaving transaction processing, such as switching and settling, unaffected for all EBT cards, regardless of their state of origin.

Additionally, given the approval of the Healthy Incentive Pilot, conducted more than a decade ago, which maintained interoperability despite its greater complexity, concerns related to interoperability should no longer be an obstacle in implementing a simpler purchase restriction pilot. The waiver targets items already uniquely flagged for sales tax purposes in POS systems at every Indiana retailer. This approach requires no modifications to the state's EBT system to ensure interoperability.

9. **Anticipated Impact on Households:** Plainly, the benefit allotment does not change, nor do the eligibility parameters for individuals and households. Eligible households will continue to receive the full allotment under which they are statutorily entitled. While previous Department responses have indicated this type of demonstration could increase the cost of administering SNAP for both the State and retail community, or could impose significant burdens on retailers, those concerns are unfounded. Moreover, authorized retailers opt to accept SNAP; there exists no federal mandate for a retail food store to accept SNAP benefits.

10. **Proposed Implementation Date:** January 1, 2026.

11. Time Period of Request: 5 years

12. Proposed Evaluation of Request: Pursuant to 7 U.S.C. § 2026, this waiver will include an evaluation of the project's impact upon the nutritional and economic status of participating households, the project's impact upon the agricultural economy and retail food stores, and the project's relative fairness to households of different income levels, different age composition, different size, and different regions of residence. The evaluation will consist of accessible data, participant and retailer surveys, and retailer compliance.

Household impact and fairness will be assessed through aggregated EBT data available to the State of Indiana and its vendors, which will measure spending patterns before and after the implementation of the waiver. To supplement EBT transaction data analysis, multiple short surveys will be sent to SNAP recipients to gather information on purchasing habits, awareness and understanding of restrictions, and perceived impacts on food access and budget. These surveys will also gather data on household income levels, age composition, size, and region of residence to assess the evaluate the impacts of the waiver across different household demographics.

Evaluation of the waiver's effects on the agricultural economy and retail food stores will involve targeted, USDA approved surveys of SNAP-authorized retailers, focusing on sales and product-specific revenue trends and operational observations. The State of Indiana will also encourage retailers to provide sales data to the state so that it can evaluate how spending patterns change more generally following the waiver's implementation.

To evaluate retailer compliance, Indiana, in conjunction with USDA, will conduct unannounced "secret shopper" visits to a random selection of both large and small retailers. During these visits, evaluators will attempt to purchase candy, soft drinks, and other non-eligible products with benefits. The level of compliance will be documented, and the State of Indiana will work to provide additional training and support to non-compliant retailers. Follow-up visits will then be conducted to evaluate the effectiveness of the training provided by the state. The results of the initial and follow-up visits, including the number of retailers included in the sample and the selection methods, will be detailed in the final evaluation report.