

“The Past, Present, and Future of SNAP: The Retailer Perspective”

Testimony of

Jimmy Wright

Owner, Wright’s Market

Opelika, Alabama

On Behalf of

The National Grocers Association

Before

U.S. House of Representatives

Committee on Agriculture

Washington, D.C.

May 12, 2016

Good morning Mr. Chairman, Ranking Member Peterson, and Members of the Committee. My name is Jimmy Wright, and I am the owner of Wright's Market in Opelika, Alabama. It is an honor and a privilege to be here with you today.

I have been asked to testify today by the National Grocers Association on behalf of the independent supermarket community. The National Grocers Association is the national trade association representing the retailers and wholesalers that comprise the independent sector of the supermarket industry, including single full service supermarkets such as Wright's Market, and multi-state regional chains. The independent supermarket industry is accountable for close to one percent of the nation's overall economy and responsible for generating \$131 billion in sales, 944,000 jobs, \$30 billion in wages, and \$27 billion in taxes. Defined as a privately held, family owned, or employee owned business, independent supermarket operators run businesses of all formats and sizes, serving a wide range of customers in their local communities. Having often been in business for generations, independent grocers are dedicated to their customers, associates and communities.

I have served as a member of the NGA Board of Directors since 2012. I also serve as the President of the Opelika Community Development Corporation, and have previously served on the Board of Directors for the Opelika Chamber of Commerce, East Alabama Services for the Elderly, and the Miracle League. My wife Susan, daughter Emily, and I are members of the First Baptist Church of Opelika.

Wright's Market is a family owned business. My store originally opened as a small 2100 sq. ft. convenience store in 1973. I worked there as a student in high school, and purchased the

store from my previous employer in 1997. My store has expanded over the years to its current size of 22,000 sq. ft. We are a full service supermarket and have accepted SNAP as a form of tender essentially since the store opened. We have 32 employees, 18 of which are full time. Six of our employees have worked at the store for over 20 years. We are very proud of our employees and feel grateful that many chose to start and grow their careers at Wright's Market. Our employees and our connection with the community make me proud to run this business. We regularly donate to community causes, not only financially, but also with time spent working with various organizations in our community to make Opelika a better city for all. Independent grocers are uniquely positioned to serve their communities, and I am grateful to have the opportunity to give back in many different ways to my hometown.

Two years ago, in an effort to better serve our customers, we began a shuttle service we called "Wright 2 U" for those customers who were unable to get to the store due to lack of transportation. In addition, as we speak, we are launching an online ordering and home delivery service for our customers. We hope to use this program to reach those who are physically homebound. We want to help those where coming to the grocery store is no longer an option.

In 2012, I formed a relationship with Focused Community Strategies (FCS), an Atlanta based non-profit ministry that is working to revitalize a neighborhood in south Atlanta. In 2015, I worked with them to open the Carver Neighborhood Market in an area that was previously a food desert. FCS wanted to convert an old thrift store into a small grocery store. Prior to the opening of Carver Neighborhood Market, the nearest supermarket was three miles away. This

short distance was often a 3 hour round trip bus ride for many residents of the neighborhood. From the beginning, we knew we would struggle with supplying the store. Contracting with a traditional wholesaler wasn't going to be an option available to Carver since the projected sale volume of the store would be fairly low in comparison to a larger store, so I offered to serve as their supplier. I have one truck that travels between Opelika and Atlanta to deliver to Carver Market. With Wright's Market's buying volume, it allows Carver Market to offer products to the residents of the neighborhood at affordable prices. This helps solve the two biggest issues in the food deserts of America -- accessibility and affordability.

37.1% of retail sales at Wright's Market and 25% of the retail sales at Carver Neighborhood Market are generated by customers using SNAP benefits. I believe it is an important program that helps families. From my perspective, for the most part, SNAP recipients are very efficient shoppers. They try to use the benefits allocated to them to purchase as much food as possible for their families. While we do hear stories about some who may take advantage of the program, that is, in our view, a very small portion of those who receive the benefits. Many SNAP customers in my store, especially the elderly, struggle with the realization that they need help and must enroll in the program. I believe that, overall, the program serves a great purpose for families, especially children and the elderly who are in need. At Wright's Market, we work to serve the SNAP customer with the same level of service and respect as we do anyone else. I know they do the same at Carver Neighborhood Market.

Carver Neighborhood Market had a difficult time getting their SNAP license. To me, this represents a problem with how retailer applications are processed. This is a store that is

servicing an economically depressed area in a food desert. Participation in the program was and is essential to Carver's success. Representatives from Carver had their SNAP application pending for two months without response from the USDA. NGA got involved in the process and was able to help get the application approved after about three additional weeks of processing time.

I understand and appreciate that the USDA does not and should not grant SNAP licenses to all businesses that request them. But I do believe that an almost three month wait time for approval, especially for a store opening in a food desert, is too long. Carver was unable to open prior to receiving their license since so many members of the community they serve are SNAP recipients. I would encourage the USDA to consider having a different application process for applicants moving into a food desert in order to expedite that process. These business owners are working against many obstacles in order to open supermarkets in these underserved areas. I would like to see the USDA be a better partner in this regard.

It is also important for the USDA to become more efficient in processing applications for supermarket owners in good standing with the program who are opening additional store locations. It seems inefficient to force those retailers who are in good standing to go through the same application process as those stores that are coming on the program for the first time. NGA has worked with stores that have been SNAP retailers for over 30 years without incident and still have to go through the same long application process when opening an additional location. NGA appreciates the work the USDA is currently undertaking to make this process more efficient for those operators with over ten stores, but would ask them to also prioritize

streamlining this process for those operators in good standing who own less than 10 stores. We would appreciate any improvements the USDA can make to ease this process in the future.

With regards to the administration of the SNAP program, in 2013 Alabama moved to a staggered SNAP benefit schedule. Benefits are staggered over 20 days of the month rather than the previous 14 day period. The first day benefits are issued is the 4<sup>th</sup> of each month and the last day is the 23<sup>rd</sup>. This has been a tremendously helpful change in policy for retailers. Since these benefits are staggered, we can expect steady customer traffic throughout the month. Prior to this change, it was a challenge to keep items in stock when all recipients received their benefits on a shorter cycle. I am appreciative that the Alabama Department of Human Resources has made this change.

In addition, I can say that we did notice a decrease in participant's stories about people committing fraud in the program when it changed from paper stamps to an EBT card. We also saw a huge increase in efficiencies at the store level. I no longer have to have a member of our team stamp the paper vouchers and physically take them to the bank to be reimbursed for those purchases. Having the system automated and integrated with our other electronic payments has made all the difference in helping improve the program for the participant and the retailer partner. With that said, I also believe strongly that any and all fraud in the program should not be tolerated, on either the retailer or participant level, and should be pursued aggressively by the USDA.

In the future, I hope to work to expand our online delivery service to the rural areas in the counties surrounding my store. Many of these areas are without access to fresh foods and I

believe we can solve that issue by making regular deliveries into those areas. I would appreciate the support of the USDA to help facilitate that work, especially in the area of technology. We need to be able to accept and process SNAP benefit cards on site at customers' homes or in a central delivery location.

In the future, I would also ask that there is a focus on the elderly as it relates to SNAP benefits. As the generation of Baby Boomers becomes a larger percentage of our nation's elderly population, I am concerned for many of them in regards to the increasing cost of medicine and having enough money for food. As I work in our community, I meet many elderly people who are struggling financially. My wife is a physician and she sees patients having to make a choice between food and medicine, as they cannot afford both. These citizens come from a generation where you did not ask for help. Many of them struggle with the fact that they are not able to care for themselves. These people have worked hard all their lives, paid their taxes, built our communities, served our country, and now find themselves struggling for the basic necessities of life. I would ask you all to look for a way to reach out to these people. Find a way to make the SNAP application process one that helps us take care of the people who have taken care of us.

The SNAP program, in my opinion, is one of the most important and efficient programs our nation offers. In our own business, it creates jobs. In our community, it helps those who are in need. I appreciate your oversight of the program and your service and leadership of our nation.