

SNAP Food Restriction Demonstration Waiver Request Montana



United States Department of Agriculture Food and Nutrition Service

SNAP FOOD RESTRICTION STATE DEMONSTRATION REQUEST

Section 17(b) of the Food and Nutrition Act of 2008, as amended (the Act), allows FNS to waive statutory requirements of the Act to conduct pilot projects designed to test program changes to increase the efficiency of the Supplemental Nutrition Assistance Program (SNAP) and improve the delivery of SNAP benefits to eligible households. The Act limits the provisions that may be waived. Projects may be approved for a period of 5 years and the Act requires that each project must include an evaluation component that demonstrates the effects of the project.

This template intends to guide and assist States in submitting a SNAP Food Restriction Demonstration Project Request. States should follow the guided prompts and questions and offer any additional detail, if applicable, under each section to ensure a complete understanding of the State's proposed project.

States should review the impermissible projects prohibited by Section 17 (b)(1)(B)(iv) of the Act and additional restrictions on demonstration projects in the appendix below before requesting a SNAP Food Restriction demonstration project. Additionally, to facilitate the demonstration review process, FNS strongly suggests States inform their Regional Office to discuss the project and provide any necessary technical assistance prior to submission of a request. The FNS National Office SNAP Food Restriction demonstration pilot team is also open to join Regional or State Agency calls to provide technical assistance.

SNAP Food Restriction demonstration projects are intended to test innovative ideas that develop and implement modernized programmatic systems, infuse SNAP with new programmatic energy and vision, and strengthen State strategies to encourage healthy choices, healthy outcomes, and healthy families. FNS looks forward to working with States on potential changes to program operations that align with the Secretary's vision for nutrition assistance programs.

FNS reserves the right to withdraw its waiver approval and terminate demonstration projects at any time if FNS determines that the project is inconsistent with SNAP goals to increase the efficiency of the program and to improve the delivery of SNAP benefits to raise levels of nutrition among low-income individuals. If the State is unable to provide the data required as part of the terms and conditions of waiver approval or if FNS determines that the project is associated with significant increases in payment errors or access concerns, **FNS may suspend or terminate the project at any time.**

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Type of Request: SNAP FOOD RESTRICTION

Date of Request: 3/26/2026

State: MT

Region: MPRO

Statutory Citations:

Provide the statutory citations from the [Act](#) the State seeks to waive. FNS will work with the State to identify any additional statutory waivers needed for the proposed demonstration project.
Section 3(k)(1)

Regulatory Citations:

Provide the regulatory citations from [7 CFR](#) the State seeks to waive. FNS will work with the State to identify any additional regulatory waivers needed for the proposed demonstration project.

7 CFR 271.2 Eligible Foods

Summary of Food Restriction Demonstration Project Request:

Explain in a few words the goal of the project and its intended outcomes. (250 words)

The goal of this project is to evaluate the impact of restricting nutrient-poor food items on SNAP households in Montana, where diet-related chronic conditions are a growing concern. Montana's State Health Improvement Plan ([Montana State Health Improvement Plan](#)) identifies Cardiovascular Health as Priority Area 2. This demonstration aims to reduce purchases of high-sugar drinks, energy drinks, candy, and prepared desserts by making them ineligible for SNAP purchases. These items are associated with increased risk of obesity, Type 2 diabetes, and cardiovascular disease. By implementing this restriction, Montana seeks to encourage healthier food choices and purchasing that more closely aligns with the Dietary Guidelines for Americans, as well as improve overall dietary quality among low-income households. The intended outcomes include:

- Reduction in SNAP recipient purchases of restricted items
- Increase in SNAP recipient purchases of fruits and vegetables
- Increased in non-restricted items available to consumers, including in rural areas

This project will provide critical evidence on whether targeted food restrictions can positively influence nutritious food purchasing behaviors across the state and specifically in rural and tribal communities, where access to healthcare and healthy food options may be limited.

Proposed Alternative Procedures to Operate Project:

Provide a detailed explanation of the proposed Food Restriction demonstration project, and how the State intends to operate the food restriction choice project that differs from how SNAP currently operates.

SNAP-Eligible Food and Food Products Amended by the Food Restriction Demonstration Waiver

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- Describe the food(s) of interest that will be restricted under this demonstration waiver. What are the desired outcomes of limiting these food(s)?

Montana's proposed alternative procedure is to modify the items that can be excepted from the definition of "Eligible foods". Items that are not defined as "Eligible foods" cannot be purchased with SNAP benefits at SNAP-authorized retailers in Montana. Montana specifically will include as an exception, and ineligible for purchase with SNAP, candy, high-sugar beverages, energy drinks, and prepared desserts.

- As stated above, the intended outcomes include:
 - Decrease in SNAP-funded purchases of high-sugar beverages, energy drinks candy, and prepared desserts within the first year
 - Increase in fruit and vegetable purchases
 - Improved health indicators over time, measured through participant surveys and redemption data analysis

Type	Excluded Foods	Exceptions
Candy	A shelf-stable preparation of sugar, honey, or other nutritive or non-nutritive sweeteners, in combination with chocolate, fruits, nuts, or other ingredients, or flavorings, in the form of bars, drops, or pieces. Includes gelatin-based confections (gummies), licorice, hard candies, and compressed sugar pieces.	Does not include baking ingredients, fruit snacks made with real fruit and no added sugar, granola, trail mix and similar products that are substantially nut and/or real fruit based, protein bars, or meal replacement bars.
High-Sugar Beverages	Nonalcoholic beverages that are made with carbonated water or flat water and sweetened with more than 10g of sugar per 8 fluid ounces.	Does not include carbonated or flat water that is plain or naturally flavored, artificially sweetened beverages, or any beverage that is greater than 50 percent vegetable or fruit juice by volume, meal replacement beverages, medical-grade electrolyte replacement beverages, milk, or milk substitute products.
Energy Drinks	Beverages that contain more than 6 mg of caffeine per fluid ounce, or more than 140mg total caffeine per container, plus one or more of the	Does not include coffee, tea, or any beverages that are substantially coffee- or tea-based (some may be restricted by High-Sugar Beverages).

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	<p>following ingredients: taurine, guarana, glucuronolactone, ginseng, yerba mate, or other stimulants, including herbal stimulants.</p>	
<p>Prepared Desserts (shelf-stable)</p>	<p>Prepared desserts mean processed, shelf-stable, ready-to-eat, pre-packaged sweet food intended for immediate consumption without any further preparation. This would include foods mostly made from “chemically” modified substances extracted from foods, along with additives to enhance taste, texture, appearance, and durability, with minimal whole foods.</p>	<p>Does not include store-made bakery items.</p>

- *If applicable, describe incentivization projects to entice SNAP-eligible households to increase purchasing of fruits and/or vegetables.*

NA

SNAP-Eligible Household Considerations:

Please complete the next section with possible impacts and considerations to SNAP-eligible households.

Participating households and individuals

- *Describe the target population included in this waiver.*
 - *Will the State limit the project to households that meet certain requirements? For example, targeting households of a certain size, households with individuals participating in SNAP-Ed, households with individuals participating in WIC, households receiving medical assistance, or households with pregnant women and/or young children?*

All SNAP recipients will be subject to this waiver.

- *Describe the pilot approach for households.*
 - *Will all households be participating at once?*
 - *Will there be a phased in approach based on certain household factors?*
 - *If yes, describe the household types and phase in approach below.*

All SNAP households will be subject to this waiver upon implementation.

SNAP-Authorized Retailers Considerations:

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Please complete the next section with possible impacts and considerations to SNAP-authorized retailers.

SNAP-Authorized Retailers Participating in the Food Restriction Demonstration Waiver

- *List the retailers participating in this pilot. Include brick-and-mortar stores, participating retailers' online platforms (e.g., Amazon.com, Walmart.com), and specialty retailer types (e.g., farmers' markets, direct marketing farmers, etc.). Write "all" if all retailers in the state will be subject to the pilot.*
- *Explain how the participating retailers were selected.*
- *Will retailer participation in the pilot be phased in? If yes, what does that plan look like?*

All SNAP retailers will be responsible for following the waiver guidelines.

Consideration of retailer size

- *Provide the State's plan to adjust implementation time based on retailer size and system capabilities, if applicable.*

All SNAP retailers will be required to comply within 90 days of implementation.

Retailer-Level System Changes

Describe any retailer-level system changes and/or updates the retailer(s) will incur in the operation of this demonstration project, for example:

- *Describe how the retailer systems will be able to support all alternative procedures required of the project, or will it require an upgrade or enhancements?*
- *Describe any exemptions for retailers that are unable to make the necessary system changes.*

Retailers will be required to update their POS devices to comply with the restrictions.

Impacts to the State Agency:

Please complete the next section with possible impacts to the State agency.

State-Level System Changes

Describe any State-level system changes and/or updates the State will incur in the operation of this demonstration project, for example:

- *If applicable, describe how the State system will be able to support all alternative procedures required of the project, or will it require any upgrade or enhancements?*
- *If your state operates Summer EBT, will it also be subject to these restrictions or will EBT system changes be required to ensure no impact to that program?*

The demonstration will not impact benefit amounts or benefits issuance. There are no necessary changes to the state-level system. Montana will request that the Summer EBT (SEBT) Program have the same restrictions as through an SEBT Waiver.

Food Restriction Pilot Compliance Plans

- *Describe the State's plans for enforcing compliance with the pilot among SNAP-authorized retailers in the targeted geographical location (e.g., county-wide, regional, statewide).*

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- *How will the State work with retailers to ensure compliance?*
- *Once implemented, how will the State confirm restrictions have been implemented at the retailer level?*
- *How will retailers be held responsible if their equipment is not updated and clients are able to make ineligible purchases?*
- *How will retailers authorized after project launch be notified of the pilot parameters?*

See attached Monitoring Plan.

Staff Capacity and Training

- *Describe the State's staffing capacity to administer the project and the policy training plan on the alternative procedures required by the project.*
 - *Will the State designate a specific team for the project? If so, please describe it.*

Staff will be trained in the allowable food changes. Eligibility is not affected by these changes; therefore, staff will receive informational training, and client materials will be updated to reflect these changes. The SNAP policy team will be responsible for understanding the restricted foods, definitions, timelines, and other demonstration factors. Questions from retailers will be managed by this team.

Existing SNAP staff will be identified and assigned to fill the following roles:

- **Communications Lead:** Coordinate retailer and participant communications; manage FAQs and website updates
- **SNAP Policy Lead:** Define restricted item criteria; approve letters and compliance standards, track attestations; deliver technical assistance; issue letters; and prepare FNS referral lists
- **Data/Evaluation Lead:** Monitor indicators (attestation completion rates, helpdesk volume, retailer complaints, client complaints); analyze trends

Communication Plan:

States must develop a strategic roll out plan for communicating this project to impacted populations for FNS approval. FNS expects ongoing and frequent outreach to SNAP-eligible individuals and retailers throughout the planning process and implementation phase of this project. We also encourage outreach to relevant stakeholder groups and local media to raise awareness of the impending program changes.

- *Describe the anticipated timeframe and details of the State's plan, including any training and communication, to reach the target SNAP population for the project.*
 - *Also describe how communication and training will be provided to SNAP households that become eligible after the project launch.*
- *If applicable, describe any nutrition education (ex- SNAP-ed) provided, or planned to be provided, to SNAP-eligible households.*
- *Describe the anticipated timeframe and details of the State's outreach plan, including any training and communication, to reach the participating retailers for the project.*

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- *Also describe how communication and training will be conducted with newly authorized retailers over the course of the demonstration project.*

See attached Communication Plans for Retailers and Participants.

Timeline:

- *Provide an overall timeline of expected timeframes and end dates for specific tasks required to achieve project outcomes. This may be presented as a chart or other format (e.g., Gant Chart, Visio). At a minimum, the timeline should include:*
 - *SNAP target population and household communication plans;*
 - *Retailer communication plans;*
 - *Retailer readiness target date(s);*
 - *Go-live implementation, including phases if applicable.*

Jan. 2026-Mar. 2026: Drafting of Waiver Application and initial communication with stakeholders.

Mar. 2026 – June 2026: Submit Waiver Application to FNS and refine based on federal feedback.

June 2026 - July 2026: Further communicate to Retailers and Stakeholder groups. Update website and outreach materials.

Aug. 2026: Communicate to SNAP households and provide staff training.

Sept. 15, 2026: Target date for Retailer readiness.

Sept. 30, 2026: Demonstration implementation/Go-Live.

Jan. 1, 2027: Retailer grace period ends.

Justification for Request:

Explain how the demonstration project will benefit the administration of SNAP in the State and improve the delivery of SNAP benefits to eligible households. Use the space below to describe how implementing this demonstration project will achieve the intended objectives, for example:

- *Describe how the project will impact administrative burden.*
- *Describe how the project will strengthen strategies to encourage healthy choices, healthy outcomes, and healthy SNAP families.*

Montana seeks this demonstration waiver to improve overall dietary quality among SNAP households by excluding high-sugar beverages, energy drinks, candy, and prepared desserts from SNAP-eligible purchases, thereby aligning the program with its statutory purpose “to safeguard the health and well-being of the Nation’s population by raising levels of nutrition among low-income households.”

Public health need in Montana: Adult obesity in Montana is approximately 31% (BRFSS 2024), placing the state in the top third nationally and reflecting a decade-long upward trend that threatens population health and Medicaid costs. The proposed restricted items are associated with increased risk of obesity, Type 2 diabetes, and cardiovascular disease.; restricting purchases

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with taxpayer-funded nutrition benefits is a targeted step to reduce consumption of low-nutrient, high-sugar products.

Montana's State Health Improvement Plan (SHIP) ([Montana State Health Improvement Plan](#)) identifies Cardiovascular Health as Priority Area 2. To address this priority area, objectives include reducing the proportion of adults, adolescents, and children with obesity. Participation in this Demonstration will complement established cross-cutting strategies outlined in the SHIP:

- Advance the conditions for making healthy choices;
- Share responsibility for the health of all Montanans, regardless of life circumstances;
- Help families transition from meeting basic needs to thriving in communities;
- Advance conditions that promote healthy parenting and caregiving; and
- Protect the current and future health of Montana's children.

Additionally, Montana believes that limiting SNAP purchasing to healthier options will incentivize retailers to provide more options to SNAP recipients, particularly in rural and tribal areas where current options may be limited.

Consistency with federal direction and peer states: USDA's Food and Nutrition Service (FNS) has approved state waivers under Section 17(b) to test food restrictions for two years, with many states implementing in 2026; approvals include Idaho (soda and candy implementing February 15, 2026) and North Dakota (soft drinks, energy drinks, and candy implementing September 1, 2026), which border Montana, creating a regional policy environment supportive of consistent retailer operations and evaluation. FNS has issued national guidance clarifying retailer compliance, 90-day grace periods, and enforcement expectations, ensuring a uniform federal approach that Montana will follow.

Program administration and efficiency: The waiver leverages established FNS retailer compliance protocols (self-attestation/readiness, grace period, investigative monitoring), minimizing state administrative burden while providing clear accountability for SNAP-authorized retailers both in-store and online. Montana's implementation will be statewide and synchronized with the September 30, 2026 go-live date already planned in the implementation timeline, aligning generally with neighboring states' schedules and reducing cross-border confusion for retailers and households.

Cost containment and alignment with SNAP's purpose: Restricting low-nutrient, high-sugar items supports SNAP's nutrition mission and may reduce downstream public expenditures on diet-related disease; moreover, industry analyses acknowledge that high sugar beverage purchasing patterns within SNAP are both material and contested. Therefore, in support of

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President Trump’s commitment to Make America Healthy Again, Montana believes there is a need for rigorous, state-led SNAP demonstration data to inform long-term federal nutrition and public assistance policy.

Equity and participant dignity: The waiver does not reduce benefit amounts, alter eligibility, or limit access to staple foods; it directs federal taxpayer nutrition dollars toward foods that align with the Thrifty Food Plan and with Montana’s public health goals, while maintaining participant choice among thousands of eligible products.

Proposed Evaluation Procedures:

Demonstration projects must include an evaluation component to determine the project’s effects. FNS will require quarterly evaluation reports during the first year of implementation. Thereafter, States will be required to report on an annual basis.

Use the space below to describe how the State plans to evaluate the demonstration project and measure the intended outcomes and benefits, for example:

- *Describe what data will be collected as part of this project.*
 - *FNS strongly encourages the State to collect data on food and beverage purchase consumption and health outcomes by interviewing recipients and collecting qualitative data on food purchasing habits and non-SNAP spending either through a collection of food purchase receipts or a 24-hour dietary recall.*

SNAP-Eligible Individuals

- *Describe how the State will evaluate the impact of this project on program administration and program access.*
- *Describe how the State will measure client satisfaction.*

SNAP-Authorized Retailers

- *Describe how the State will evaluate the impact of this project on program administration and program access as it relates to retailers.*
- *Describe how the State will measure retailer satisfaction.*

See attached Evaluation Plan.

Redemption and Transaction Data

- *Describe how the State will track and evaluate out-of-state transactions in bordering states.*

- *FNS will require the following additional data be provided:*
 - *Client complaints about the pilot project;*
 - *Retailer complaints about the pilot project;*

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- *Any additional feedback on the pilot project provided by key stakeholders (e.g., grocer associations or community-based organizations); and*
- *Out of state transaction data to determine cross-border shopping transactions.*

Montana borders four states (Idaho, Wyoming, North Dakota, and South Dakota) and one Canadian province (Alberta). Both Idaho and North Dakota are implementing food restriction waivers, and Wyoming is in the process of applying for a waiver. SNAP benefits are not accepted in Canada. Montana will:

- work with FNS to obtain the necessary data to identify any significant changes in purchase patterns for all border states;
- track client complaints through a complaint log; and
- create a log to track retailer complaints and feedback from other key stakeholders, including impacted industries.

Anticipated Implementation Date:

Provide the anticipated implementation date. FNS will provide technical assistance, as it relates to this waiver, to help the State reach the goal implementation date.

Note: States should submit a demonstration request at least six months before their anticipated implementation date.

September 30, 2026

Anticipated Program Costs:

Use the space below to describe what additional expenses will be incurred to implement this pilot project. This could reflect costs associated with notifying clients and retailers, EBT system changes, evaluation contract support, or other items not listed here.

Montana intends to use existing staffing to absorb the costs associated with this Demonstration. Expected staff costs (salary and benefits) and materials costs are included in the summary below.

Year	SNAP Admin	Rural Health Transformation	Total
FFY 2026 (Pre-Implementation)	\$48,776	\$125,000	\$173,776
FFY 2027 (Implementation Year 1)	\$36,611		\$36,611
FFY 2028	\$9,290		\$9,290

Anticipated Expiration Date:

October 1, 2028

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Data Sources

- Centers for Disease Control and Prevention (CDC).
- Behavioral Risk Factor Surveillance System (BRFSS) data on obesity and diabetes prevalence in Montana.
- Montana Department of Public Health and Human Services (DPHHS).
- Chronic Disease Prevention Program Reports.
- United States Department of Agriculture (USDA). SNAP-Ed Connection and SNAP Retailer Data on food purchasing patterns.
- USDA Economic Research Service (ERS). Expenditures on Sugar-Sweetened Beverages among SNAP Participants.
- USDA FNS—Clarifications on Food Restriction Waivers & Retailer Compliance (Dec. 30, 2025).

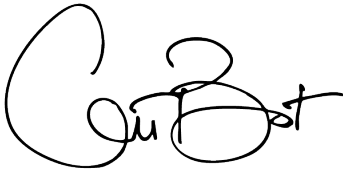
USDA FNS Waiver Approvals: Idaho and North Dakota.

Retailer Operations & POS: Grocery Dive (Jan. 5, 2026).

Evidence on SSB Restrictions: USDA ERS (2015); Nutrients (2024).

Context on SNAP spending patterns: STAT (May 2, 2025); American Beverage Association (May 22, 2024).

Signature of Requesting Official:



Charles T. Brereton, Director
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Appendix

Impermissible Projects

Section 17(b)(1)(B)(iv) of the Act explicitly prohibits waivers of certain provisions of the Act. FNS is unable to approve projects that involve a waiver of these provisions.

Impermissible eligibility criteria waivers

Food Restriction demonstration projects may not:

- Change the definition of household for those living in Federally subsidized housing for older adults, group living arrangements, domestic violence shelters, homeless shelters, and drug and alcohol treatment centers), institutions, or boarding houses (Sec. 3(m)(4) and (5));
- Change the gross income standards of eligibility for households that do not have an elderly or disabled member to a level other than 130 percent of the Federal Poverty Level (Sec. 5(c)(2));
- Change the work requirements exemption for parents or household members caring for with dependent children under the age of 6 or caring for an incapacitated person (Sec. 6(d)(2)(B));
- Increase the shelter deduction for households with low or no out-of-pocket housing costs; or
- Deny benefits to an otherwise eligible individual or household (last sentence of Sec. 5(a)).

Impermissible State operations waivers

Food Restriction demonstration projects may not:

- Waive the requirements (Sec. 11(e)(2)(B)) for States to:
 - Provide timely, accurate and fair service to SNAP applicants and participants;
 - Develop a SNAP application; and if the State has a website, make the application available on their website in every language a printed application is available;
 - Allow a household to apply on the same day they first contact a SNAP office during office hours;
 - Consider an application with only name, address, and signature to be filed on the date of application;
 - Require an adult representative to certify that the information on the application is true and that all members are citizens or eligible aliens;
 - Provide a method of certifying and issuing benefits to homeless households; or
 - Determine applicant eligibility within 30 days of the date of the filing of an application (time standard in Sec. 11(e)(3)).
- Change the provisions outlining which parts of the Act are not allowed to be waived;
- Absolve a State from acting with reasonable promptness on substantial reported changes in income or household size;

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- Prohibit States from operating a Workfare Program or change the 50/50 matching provisions for workfare activities, including reimbursements for participants in workfare activities;
- Waive provisions of the Simplified SNAP (an optional program for TANF households);
- Waive the State Option to issue benefits to individuals who are not compliant with the work requirements established by welfare reform. If the State issues benefits to these individuals, they must pay the Federal Government back and will not receive Federal match for those recipients.
- Change the 50/50 Federal reimbursement provisions;
- Change QC system requirements, payment error rate, and associated liability process for payment error rates; or
- Change 50/50 Federal reimbursement provisions for eligibility systems.

FNS is available to answer questions and provide technical assistance to States requesting demonstration projects. If you are unsure whether your State's request would require an impermissible waiver, please contact FNS.

Additional Restrictions on Demonstration Projects

- Demonstration projects may be approved for up to five years with extensions possible thereafter.
- If a demonstration project reduces benefits by more than 20 percent for more than 5 percent of households in the project area (excluding households whose benefits are reduced for failure to comply with work requirements), the demonstration project:
 - cannot affect more than 15% of households in the State AND
 - may not continue for more than 5 years unless the Secretary approves an extension request.
- Demonstration projects **may not**:
 - Provide benefits in the form of cash or a manner otherwise non-restricted to food (except for a project approved before August 22, 1996);
 - Allow SNAP funds to be used to fund other public assistance programs, or use the funds for any purpose other than the purchase of food, program administration, or employment and training activities; or
 - Count SNAP benefits as income or resources for tax purposes, welfare, public assistance programs or any other Federal, State, or local assistance program (Sec. 8(b)).