

February 2, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 23-18**

The purpose of this All County Letter is to inform County Welfare Departments of the healthy incentive program called the California Fruit and Vegetable Electronic Benefit Transfer Pilot Project.



KIM JOHNSON  
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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GAVIN NEWSOM  
GOVERNOR

February 2, 2023

ALL COUNTY LETTER NO. 23-18

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY CALFRESH PROGRAM SPECIALISTS  
ALL COUNTY CALWORKS PROGRAM SPECIALISTS  
ALL COUNTY EBT COORDINATORS  
ALL CONSORTIA PROJECT MANAGERS

SUBJECT: CALIFORNIA FRUIT & VEGETABLE ELECTRONIC BENEFIT  
TRANSFER PILOT PROJECT

REFERENCE: [ASSEMBLY BILL 1811, CHAPTER 35 \(2018\)](#)  
[WELFARE AND INSTITUTIONS CODE 10072.3](#)  
[CF&V EBT PILOT PROJECT REQUEST FOR APPLICATIONS](#)  
[AMENDED](#)

The purpose of this All County Letter (ACL) is to inform County Welfare Departments (CWD) of the California Fruit & Vegetable (CF&V) Electronic benefit Transfer (EBT) Pilot Project. The CF&V EBT Pilot Project is a healthy incentive program designed to provide supplemental food benefits to CalFresh households upon purchase of California-grown fruits and vegetables at retailers participating in the pilot. This pilot project will be implemented at select farmers' markets and grocery stores in the following counties: Alameda, Los Angeles, Mendocino, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, and Santa Clara. The goal of this pilot project is to develop and refine a scalable model in the EBT system for promoting healthier eating by delivering supplemental benefits to CalFresh participants in a way that can be easily adopted at a later date, during a statewide rollout project.

### **Background**

The CF&V EBT Pilot Project is mandated through the legislation of [Assembly Bill 1811, Chapter 35, \(2018\)](#), and [Welfare and Institutions Code 10072.3](#). The goal of the pilot project is to develop and refine a scalable model for increasing the purchase and consumption of California-grown fresh fruits and vegetables by delivering incentive

benefits to CalFresh participants in a way that can be easily adopted by retailers authorized by the United States Department of Agriculture, Food and Nutrition Service (FNS). The California Department of Social Services (CDSS) EBT Unit, in partnership, with the CalFresh and Nutrition Branch, Office of Systems Integration, and the California Department of Food and Agriculture will award three grants to non-profit organizations or government agencies to meet this goal.

On September 11, 2020 CDSS released the [CF&V EBT Pilot Project Request for Applications \(RFA\)](#) to inform prospective applicants of the instructions and requirements to participate in the grant project. On August 20, 2021 the CDSS issued grant award letters to the following organizations: Ecology Center, San Francisco Bay Area Planning and Urban Research (SPUR), and the University of California San Diego School of Medicine Center for Community Health (UCSD). The CDSS has executed contract agreements with Ecology Center and SPUR and is working on executing a third contract agreement with UCSD.

### **Incentive Benefit Mechanism**

The CF&V EBT pilot project incentive benefit mechanism provides a CalFresh benefit match ratio of at least 1:1, meaning dollar for dollar down to the penny to the CalFresh household, up to a \$60 limit per calendar month. Incentives can be earned when the CalFresh participant purchases California-grown fruits and vegetables using their CalFresh benefits from an authorized FNS retailer participating in the pilot project. While the incentive benefits shall be transferrable across any FNS authorized retailer, this pilot project is only available to CalFresh participants. Participants receiving cash benefits only and participants receiving Pandemic EBT (P-EBT) benefits are excluded from earning CF&V incentives. There is no expiration date for use of incentive benefits. However, the benefits may be expunged in accordance with federal Supplemental Nutrition Assistance Program regulations.

CalFresh participants will have the ability to earn incentive benefits at a participating retail grocery store, and/or farmers' market. Upon purchase of California-grown fruits and vegetables, the process for earning incentive benefits will differ according to the type of merchant where the transaction originated. At a participating retail grocery store, the merchant will enter the total amount of the transaction and then the eligible CF&V amount of the transaction. Based on the eligible CF&V amount, the cardholder will earn incentives that will be credited to their food account to be spent on their next food purchase. This is identified as a two-swipe (or Redeem Later) approach.

At a participating farmers' market, the market will have the ability to utilize a one-swipe (Redeem Now) in addition to the two-swipe (Redeem Later) approach described above. In a one-swipe (Redeem Now) approach, the cardholder will tell the market how much they plan to purchase in CF&V. The market will enter this information in the point-of-sale (POS) device, allowing the cardholder to choose Redeem Now or Redeem Later from the prompts on POS device, and then swipe their card accordingly to complete the transaction. The incentive credits will be applied and/or removed according to the Redeem method selected. (Redeem Now: The amount of CalFresh spent at the

farmers' market plus the incentive amount that has been credited, will be removed from the cardholder's account. / Redeem Later: Amount of CalFresh spent will be removed, and the incentive amount earned will be credited to the account for later use). The cardholder will receive both Fruit and Veggie scrip and CalFresh scrip to spend at the farmers' market respectively. CDSS nor the participating markets will be responsible for replacing lost or stolen Fruit and Veggie scrip or CalFresh scrip.

When food credit transaction (e.g., Food Return) occurs that includes incentive eligible items, after crediting the cardholder's account, incentive benefits will be removed, and the Month-to-Date (MTD) incentive issuance amount will be reduced.

### **County Impact**

Since the CF&V EBT project is a pilot, the scale will be limited to the following counties where Incentives can be earned: Alameda, Los Angeles, Mendocino, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, and Santa Clara. The benefit type that will be used for the duration of the project is "CGFV." This is also described as California Grown Fruit and Vegetable. CGFV benefits will always be drawn first when purchases are made regardless of the benefit month of other available food benefits. CDSS will be working with the project grantees to ensure CF&V marketing materials are secured for the 11 counties identified above for the client education purposes.

CalFresh participants from all counties will be able to earn incentives at participating retailers and farmers' markets. The CF&V EBT pilot project will not impact eligibility determination for those CWD's administering CalFresh benefits in all 58 counties. CF&V incentive funds will be exempt from the calculation and recovery of overissuances and therefore cannot be used for such purpose. Additionally, CF&V incentive benefits will be eligible for replacement if stolen electronically via skimming or scamming.

Food account balances returned by host-to-host inquiries will include unused incentive benefits. Host-to-host benefit inquiries will return incentive benefits with benefit type CGFV and have an authorization number that begins with "I". When an incentive is earned, host-to-host transaction history will return a benefit add transaction along with the food purchase transaction. When an incentive is earned in a one swipe transaction, the completed amount will be the transaction amount plus the incentives earned. When food credit transaction (e.g., Food Return) occurs that results in a reduction of incentive benefits, host-to-host transaction history will return a benefit repayment transaction along the credit transaction. Reports and files impacted by the CF&V pilot project are included as an enclosure to this ACL. WebADMIN will be configured to ensure that routine benefit authorizations will be clearly identified from CF&V incentive authorizations. The CF&V pilot project will be State-funded, and redemptions will be settled using the State Bank account. Incentive benefits will not be reported to FNS.

The incentive eligible, incentive earned, and MTD earned amounts for each transaction where an incentive was earned or returned can be viewed in Web Admin transaction history.

### **Cardholder Impact**

CalFresh EBT cardholders participating in the CF&V pilot project may continue to call the EBT Customer Service Helpline at (877) 328-9677 to request balance inquiries, including incentive benefit balances, and/or to dispute transactions that involve CF&V incentive benefits. Additionally, the [Cardholder Portal](#) will include transaction details pertaining to earning and redemption of CF&V incentive benefits. Cardholder Portal transaction history will show Benefit Add (Incentive) and Food Benefit Cancel (Incentive) transactions for incentive earned and incentive returned respectively. Additionally, the amount of incentive eligible items, the amount of incentives earned or returned, and a running balance of the MTD incentive benefits earned will be printed on the transaction receipt after purchase.

Cardholders can earn incentives on manual voucher purchases, but the incentives will not be calculated and applied until the voucher is cleared.

Error corrections requests and adjustments to cardholder accounts will function as follows:

- Cardholder Credit – If the original transaction earned an incentive, the cardholder's account will first be credited, then the cardholder's incentives will be debited for the incentive amount earned in the original transaction and the MTD earned amount will be reduced.
- Cardholder Debit – If the original transaction earned an incentive, the cardholder's account will first be debited, then a new incentive will be issued and the MTD earned amount will be increased.

### **Project Implementation & Reach**

The target implementation date for the CF&V pilot project is set for February 20, 2023 and will operate through December 31, 2023. The retail grocery stores participating in the pilot project include Arteaga's Food Center, Santa Fe Foods, Harvest Market, and Mother's Nutritional Center. Participating farmers' market locations include Downtown Napa Farmers' Market (Napa), Rialto Certified Farmers' Market (Rialto), Grand Lake Farmers' Market (Oakland), Adams Vermont Farmers' Market (Los Angeles), Country Club Plaza Farmers' Market (Sacramento), Sunrise Station Farmers' Market (Rancho Cordova), and Atwater Village Farmers' Market (Los Angeles). Geographic location and operating information of each market outlined above can be found on Ecology Center's [Farmers' Market Finder](#).

If you have any questions or need additional guidance regarding the information in this letter, contact the CDSS EBT Unit by email at [CFVEBTPilot@dss.ca.gov](mailto:CFVEBTPilot@dss.ca.gov).

Sincerely,

***Original Document Signed By***

RYAN GILLETTE, Deputy Director  
Research, Automation, and Data Division

Attachments:

*CF&V Frequently Asked Questions*  
*Reference Table for CF&V Files and Reports*

## **CF&V Frequently Asked Questions**

### **What is the California Fruit and Vegetable Pilot EBT Pilot Project?**

- *A healthy incentive program designed to provide supplemental benefits to CalFresh households upon purchase of California grown fruits and vegetables.*

### **How are incentive benefits earned?**

- *A CalFresh participant purchases CF&V eligible items at a participating retailer or farmers' market and earns incentive dollars based on how much they spent. For example, if a CalFresh participant spends \$3 on CF&V eligible items, then they will receive \$3 in incentive benefits.*

### **How much in incentive benefits can I earn a month?**

- *A CalFresh participant can earn up to a maximum of \$60 a month.*

### **How does redemption of incentive benefits work?**

- *A CalFresh participant can redeem their incentive benefits at any retail location that is authorized to accept EBT. The incentives are also transferrable across county lines. Incentive dollars can be used to purchase any CalFresh eligible item, and are not limited to purchasing fruits and vegetables.*

### **Can incentive benefits be redeemed in a county that is not participating in the pilot?**

- *Yes.*

### **Which counties are participating in the pilot?**

- *Alameda, Los Angeles, Monterey, Mendocino, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, Santa Clara.*

### **Which retailers will be participating in the pilot?**

- *Arteaga's Food Center, Santa Fe Foods, Harvest Market, Mother's Nutritional Center.*

### **Will incentive benefits be replaced if stolen electronically via skim or scam?**

- *Yes, Incentive benefits will be eligible for replacement.*

## **CF&V Frequently Asked Questions**

### **How will a CalFresh participant know that this program is available?**

- *The participating retailers' and farmers' markets will have marketing materials and signage posted onsite. Information about the CF&V pilot project will be posted on the CDSS website as well as the EBT Cardholder Portal.*

### **How will the CF&V pilot project be funded?**

- *The CF&V pilot project will be State-funded and redemptions will be settled using the State Bank account.*

### **Will CF&V incentive funds be subject to over-issuance calculation and processing?**

- *No, CF&V incentive funds will be exempt from over-issuance calculation and processing.*



## **Reference Table for CF&V Files and Reports**

<b>File/Report Names</b>	<b>CF&amp;V Incentive Impact?</b>
<b>New Files</b>	
Benefit Add Incentive file	Yes
<b>New Reports</b>	
Monthly Cardholder Approved Incentive Transaction Report	Yes
Monthly Merchant Approved Incentive Transaction Report	Yes
Monthly Incentive Program Statistical Report	Yes
Daily State Issuer Total Report – Incentive	Yes
Monthly State Issuer Total Report – Incentive	Yes
Daily Incentive Activity Report	Yes
<b>Existing Files</b>	
State Account Activity File	Yes
County Account Activity File	No
State Version of County IDE File (58)	Yes
County Version of County IDE File (58)	N/A
State Version of Grant Expungement File (58)	Yes
County Version of Grant Expungement File (58)	No
State Version of Error Correction File	N/A
County Version of Error Correction File	N/A
<b>Existing Reports</b>	
State Version of State Issuer Report	No
County Version of State Issuer Report	No
State Version of Benefit Drawdown Report	Yes
County Version of Benefit Drawdown Report	Yes
State Version of IDE Report	Yes
County Version of IDE Report	No
Daily Retailer ARU Hourly Call Volume Report	Yes
Monthly Retailer ARU Daily Call Volume Report	Yes
Monthly Retailer ARU Language Call Count Report	Yes
Daily Cardholder Manual Authorization Report	Yes
Daily Retailer Manual Authorization Report	Yes
<b>Note:</b> The Benefit Liability Screen – check or uncheck to display or not display the Incentive Column	
State Version of Benefit Liability Screen	Yes
County Version of Benefit Liability Screen	Yes