



**TESTIMONY BEFORE THE HOUSE AGRICULTURE COMMITTEE
Hearing on Food Waste from Field to Table**

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May 25, 2016

**1300 Longworth House Office Building
Washington, D.C.**

Chairman Conaway, Ranking Member Peterson, and Members of the Committee, thank you for giving me the opportunity to participate in this morning's hearing on this important issue. My name is Meghan Stasz, I am the Senior Director of Sustainability for the Grocery Manufacturers Association (GMA), which represents the food, beverage and consumer products industry. I am speaking today on behalf of the Food Waste Reduction Alliance (FWRA), an initiative of 30 leading companies formed in 2011 by the Grocery Manufacturers Association, the Food Marketing Institute (FMI) and the National Restaurant Association.

The Food Waste Reduction Alliance commends the Committee for holding this hearing and for your interest in finding solutions to this problem.

I would like to make four key points in my testimony today:

First, we know that food waste is a very real problem and the U.S. has announced a national goal of cutting food waste in half by 2030. Everyone has a role to play in reducing food waste and reaching this ambitious national goal.

Second, the food industry has already stepped forward and made considerable progress in reducing food waste. The founding of the Food Waste Reduction Alliance in 2011 brought together manufacturers, retailers, restaurants and food service companies. We work across sectors to identify sources of food waste, increase the amount of food sent to food banks and decrease what is sent to landfills, and help other food companies find ways they can make an impact.

GMA member companies have been working hard to minimize food waste by reducing the amount of waste being sent to landfills and donating food to those in need. In 2014, our companies recycled nearly 94 percent of the food waste

generated from manufacturing and in 2015 donated over 800 million pounds of food to food banks.

Third, we know that more needs to be done, and our industry is taking new steps. GMA and FMI are taking the lead on date labeling and reducing consumer confusion that can lead to food waste. Date labeling is important, and we're addressing it.

But context is important, and that's my fourth point: Date labeling is not THE solution to the food waste issue- in fact, it is estimated to account for some household food waste and therefore a small percentage of total food waste to landfill. There is no silver bullet solution for food waste. It needs to be tackled in a range of ways, and everyone has a role to play.

Industry cannot solve this problem alone. Consumers are responsible for 44% of food waste sent to landfills. If we're going to make a serious dent in food waste as a nation, we need to find ways to help consumers reduce waste.

About food waste

Food waste is the single largest category of material in U.S. landfills, according to the U.S. EPA. Experts estimate that as much as 30-40% of the food that's produced in this country is going to waste. This not only represents a waste of the natural resources used to grow and transport that food, but also a missed opportunity to address the challenge of food insecurity in America. Reducing food waste is good for the environment, businesses, and food insecure Americans.

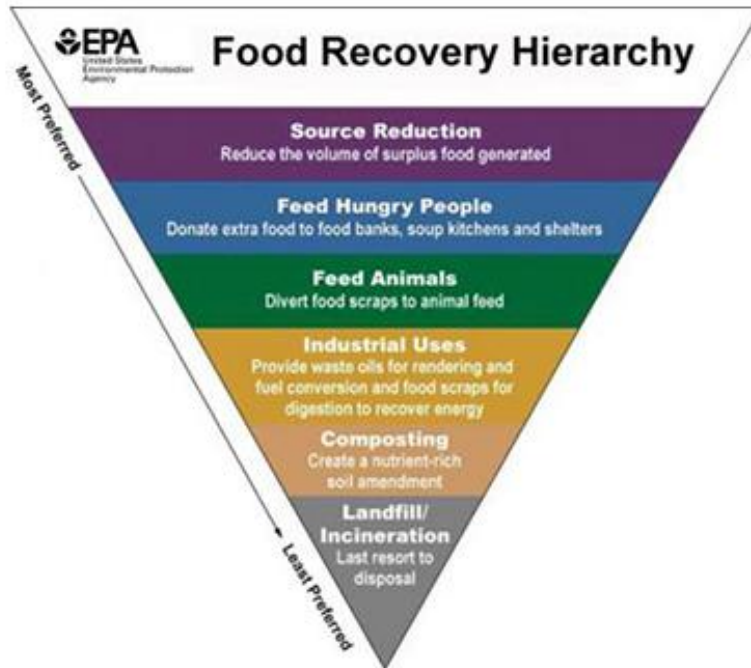
Food waste is a priority issue to the food industry. That's why we created the cross-industry Food Waste Reduction Alliance (FWRA) in 2011. FWRA is an initiative of GMA, the Food Marketing Institute (representing food retailers), and the National Restaurant Association (representing the foodservice industry) and brings together 30 leading companies from these sectors to address the challenge of food waste in the supply chain. Currently co-chaired by ConAgra Foods, Sodexo, and Wegman's Supermarkets, FWRA has three overall goals: reduce the amount of food waste being generated, recover food to donate to those in need, and recycle unavoidable food waste (such as plate waste or vegetable peels), keeping it out of landfills.

FWRA has four areas of focus: assessment, best practices, communications, and policy. Every other year the member companies of each association are surveyed to get a better understanding on food waste and food donation. The resulting data helps FWRA identify what is working for businesses, what companies are doing to reduce waste, and what barriers are impeding increased donation or diversion from landfill. These assessments help inform partnerships and innovations to reduce waste in this section of the supply chain.

To date, FWRA has released two best practices guides. The guides are written by companies for companies and identify clear methods to get started on a food waste or food donation program or take existing programs to the next level. The most

recent guide, released in the fall of 2015, includes over 30 case studies on companies' successes along EPA's food recovery hierarchy.

EPA Food Recovery Hierarchy



Source: U.S. EPA <https://www.epa.gov/sustainable-management-food/food-recovery-hierarchy>

Finally, FWRA looks at public policies that might help overcome existing barriers to the Alliance's goals. It works to understand where there are cost effective and environmentally feasible infrastructure options in the U.S. and what existing public policies are in place to have created such an environment. FWRA is also looking at the varying state and municipal regulations to understand the impact on business and to the overall goal of reducing the amount of material sent to landfill.

Let me take a moment to describe the work of each of the sectors in reducing food waste.

Manufacturers and Food Waste

The manufacturing sector is committed to reducing waste. Per the results of the most recent FWRA assessment, manufacturers already recycle nearly 94% of their food waste. Due to the volume and consistency of food waste from manufacturing operations, the vast majority of that waste goes to animal feed, a top-tier solution according to the food recovery hierarchy. For the waste that is left over, the most common barrier to keeping that material out of landfill was lack of infrastructure. Additionally, thanks to best practices and information sharing of the FWRA, manufacturers are partnering with other food businesses to share the cost and operation of solutions like anaerobic digestion (AD), which turns food waste into energy.

Manufacturers are a significant source of food donation. According to Feeding America, the largest network of food banks in the U.S., manufacturers donated 808 million pounds of food in 2015. Manufacturers and food banks are finding new and innovative ways to ensure safe, nutritious food gets to those in need, going beyond traditional donation strategies. For example, Campbell's Soup Company partnered with the Food Bank of South Jersey to turn excess peaches into peach salsa that was made available to food bank customers. ConAgra Foods found a way to rescue trimmed ends from their meat snacks, donating 3.1 million pounds of much needed protein to a local food bank since starting the program in June 2012. DelMonte Foods is partnering with Feeding America's Grocery Program to recover safe, edible and nutritious product. In just the past three years, the company converted 3.5 million pounds of what would have been unused food into a viable product for Feeding America. Additionally, food banks and manufacturers are working together to find ways to re-label mislabeled product or package bulk foods or ingredients into appropriate sizes, maintaining food safety and labeling protocols.

Retailers and Food Waste

The food retail industry has made enormous strides over the last decade in reducing the generation of food waste in stores and across the entire distribution chain. Using tools as high-tech as big data analytics and as low-tech as simply dumping out a garbage bin on a tarp and inventorying it, the industry has been able to develop and implement strategies that streamline the supply chain and significantly reduce the amount of waste being created.

Despite these improvements, the retail industry continues to take the issue of food waste very seriously. As it stands today, for every \$1,000 in revenue a store generates almost ten pounds of food waste is created. Faced with this kind of challenge, the food retail industry is continuing to adopt new strategies for reducing waste and prides itself on approaching the issue pragmatically, with a focus on feeding families. As a case in point, one of the primary food recovery programs for food retailers focuses on donations to food banks. In 2006, food retailers donated 140 million pounds of food to food banks. While impressive, through improved collaborations with our friends at Feeding America, this past year, grocers donated more than 1.4 billion pounds of food. That's a dramatic improvement, but there still remains room for growth.

The food retail industry has also taken a number of steps to address food waste at the consumer level. For example, FMI has partnered with USDA and Cornell University to create the [FoodKeeper](http://www.fmi.org/industry-topics/consumer-affairs/food-keeper-food-storage-database) (<http://www.fmi.org/industry-topics/consumer-affairs/food-keeper-food-storage-database>), an online database and app which began as a brief pamphlet in 1994. Today, FoodKeeper offers consumers guidance on how to safely store and handle thousands of food products to help maximize quality and freshness and minimize unnecessary waste.

Date Labeling

The GMA and FMI Boards of Directors resolved in January 2016 to work together and with other industry groups to reduce consumer confusion around date labeling, a commonly cited contributor to food waste.

I think everyone can agree that there is consumer confusion around date labels such as the “sell by,” “use by” and “best by” phrases associated with a date on food or consumer products packaging. These dates and phrases are a communication from the manufacturer to the retailer regarding stocking or rotating products or to the consumer to convey information about the quality of the product. However, research shows that consumers misinterpret these dates and, as a result, may be disposing of food unnecessarily. It can also result in donated food being thrown away due to unintended consequences of state laws or confusion by food bank employees.

GMA and FMI believe a national date labeling standard is crucial in providing consumers with the clarity they need. According to the Harvard Food Law and Policy Clinic, there are currently forty U.S. states with existing laws regulating food date labeling. This patchwork of regulations on some products in some parts of the country certainly contributes to consumer confusion. Codex, the international labeling standards organization, is also working to address this issue and GMA supports a harmonized approach. We are committed to giving consumers the information they need to make informed decisions regarding the safety and quality of the products they purchase and consume.

More will need to be done to solve the food waste challenge beyond date labeling, however. It's estimated that consumers account for 44% of U.S. food waste to landfill. Studies by groups like the Harvard Law and Policy Clinic show that date label confusion is cause for a percentage of that household food waste. This means that date labels can tackle only some consumer waste and so potentially have a small impact on the total overall amount of food waste to landfill in the U.S. Clearly more solutions are needed and there are opportunities for everyone to help us reach the national 50% reduction goal by 2030.

Restaurant Industry and Food Waste

As a founding member of the FWRA and the leading business association for the restaurant and foodservice industry, the National Restaurant Association works to educate its members about the opportunity to protect the environment and help the communities they serve by reducing food waste in their operations.

For example, the NRA's Conserve program is an educational resource that provides operators the tools and information needed to divert food waste from landfills. The Conserve website offers practical advice such as how to start a composting program or how to inventory and track waste, which can lead to cost savings and improve a restaurant's environmental footprint.

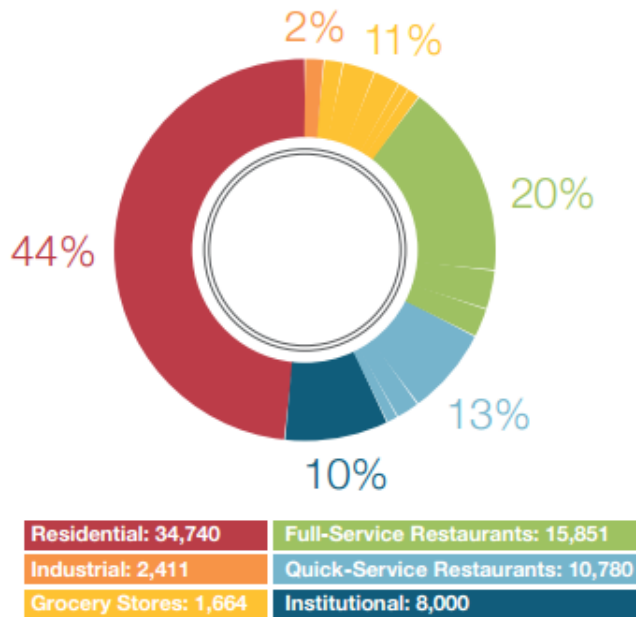
Restaurants are also the cornerstones of their communities and have donated nutritious, wholesome food to charities and food banks for decades. For example, Yum! Brands, the parent company of KFC, Pizza Hut, and Taco Bell, has been donating food since 1992. Since that time, they have donated over 184 million pounds of food, estimated to be enough to feed 42,000 families of four, three meals a day, for an entire year. Likewise, Darden Restaurants, which operates brands such as Olive Garden and Longhorn Steakhouse, has donated more than 91 million pounds of food, totaling more than 75 million meals. Starbucks also recently set a goal to rescue 100 percent of food available to donate, including breakfast sandwiches, Paninis, Bistro Boxes and salads from all of their U.S. company-operated stores.

Restaurants are unique in a number of ways that create specific challenges for waste reduction. For example, small businesses dominate the industry with more than seven out of ten eating and drinking establishments being single-unit operations. In addition, the restaurant business model produces relatively low pre-tax profit margins of only four to six percent which means that even small increases in costs for efforts like waste reduction can often be burdensome to these small businesses and independent operators.

Challenges Remain to Reduce Waste

Collecting data is challenging, but experts agree that food waste happens all along the supply chain and for different reasons. A study conducted by the nonprofit BSR for FWRA finds the following breakdown of food waste to landfill in the U.S.: Households account for 44% of the waste, industrial sources like manufacturers is 2%, grocery stores is 11%, full service restaurants is 20%, quick service restaurants is 13%, and institutions such as hospitals and schools accounts for the final 10% of food waste to landfill domestically.

Sources of food waste to landfill in the U.S.



Source: FWRA Tier 1 Assessment, 2012 www.foodwastealliance.org

In light of these figures, the FWRA works to raise awareness of this issue in the food industry and find solutions that are in-line with the EPA's food recovery hierarchy.

Lack of Infrastructure

Food waste happens all along the supply chain. So there is no silver-bullet solution to this problem. Everyone has a role to play if we are to meet the nation's goal of a 50% reduction of food waste to landfill by 2030. The food industry is addressing food waste in our section of the supply chain via FWRA, contributing new data, sharing best practices, partnering with stakeholders, and identifying effective public policy.

Supply chain challenges are preventing companies from donating food and diverting food waste. FWRA's 2014 Assessment of food manufacturers, retailers, and restaurants found that transportation constraints is a top barrier to donation for 63% of manufacturers and 78% of both small and large restaurant operations. Another barrier was storage and refrigeration at food banks, which was identified as a major barrier by 50% of manufacturers, 50% of retailers, 67% of small restaurants and 56% of large restaurants. Food safety is paramount and so if a local food bank does not have enough refrigeration space or properly equipped trucks for transporting donated food, that food often ends up discarded.

Similarly, successfully diverting unavoidable waste away from landfill requires infrastructure options that are geographically and operationally feasible. FWRA's 2014 Assessment found that 70% of manufacturers, 92% of retailers, 83% of small restaurants and 100% of large restaurants surveyed listed "insufficient recycling

options” as their number one barrier to diverting food waste from landfill. Currently the lack of infrastructure options is a significant hurdle to keeping food waste out of landfill for businesses around the country.

The nearest composting facility or anaerobic digester may be several hundreds of miles away and/or charging significantly more per ton than landfills. Anaerobic digesters can cost millions of dollars to build and operate and composting facilities can face permitting challenges from municipal or state regulators. Also, securing a reliable waste hauler to transport the material, which is very heavy and wet, and pick up that waste can frequently be either cost prohibitive or simply unavailable. Even in places where commercial generators of waste are required by law to divert their food waste away from landfill, sufficient infrastructure options may not exist.

Finally, companies face challenges to food waste reduction that are specific to the type of food business operation. For example, restaurants are unique in a number of ways that create specific challenges for waste reduction. Management and building constraints often exist for restaurants. A restaurant might not own the building in which their restaurant is located and therefore, might not have control over their waste management options. Finally, waste management decisions are often local in nature and the franchisee model of many restaurant companies means that the parent company does not have control over their franchisees’ local waste decisions.

Regulatory Challenges

Strengthening understanding of and support for existing regulations that facilitate donation, such as the Bill Emerson Good Samaritan Act, is critical to increasing donation from food businesses. The 2014 FWRA Assessment found that 50% of manufacturers and 67% of retailers and small and large restaurants cited liability concerns as a top reason for not donating more food. The Good Samaritan Act provides those liability protections, but more can be done to educate businesses and state and local stakeholders as to those protections.

Tax incentives for donation help increase donations further and more can be done here as well. We were pleased that Congress recently signed into law the PATH Act, which expands the food donation tax deduction that allows companies to take an enhanced deduction when donating food. This expanded provision will also encourage more businesses, especially small businesses, to donate to those in need by making the tax deduction permanently available for non-C corporations.

Conflicting regulations at the federal, state, and municipal level hinders successful food waste reduction and donation. In the FWRA 2014 Assessment, 50% of manufacturers and 56% of small and large restaurant companies identified regulation as a top barrier to donating more food. These regulations can often have unintended consequences. For example, some U.S. states restrict the sale or donation of food after its quality date, which can result in safe, nutritious food being sent to landfill. In other states, food waste is banned from landfill, yet existing

permitting at the county or municipal level for compost or anaerobic digestion facilities is so onerous that infrastructure does not exist.

Role of Consumers

Per the FWRA study by the nonprofit BSR, consumers account for 44% of the food waste sent to landfill in the U.S., making this group the single largest contributor. The food industry is dedicated to reducing waste in our operations and finding new opportunities for donation, but the challenge of in-home food waste remains. This is not a challenge industry can solve on its own. Efforts such as streamlining date labeling will help, but much more will need to be done to really address this category of waste. One of the challenges is lack of consumer data. What makes up consumer's food waste and what drives that group to dispose of food or how those behaviors might differ by household size, age, or geographic location (urban, suburban, rural) is unknown. More information is needed to identify the causes of household food waste and therefore the most effective solutions.

Questions to Consider

The food industry is a leader in reducing food waste sent to landfill and we take our role in working toward meeting the U.S.'s 50% reduction goal seriously. Based on this expertise, some common questions arise for the Committee to consider:

How do we better coordinate relevant agencies of jurisdiction?

The food supply chain is a complex system. The U.S. is a global leader in food safety and supply chain management, providing consumers with affordable, nutritious products at an incredible scale. This complex and successful system, however, means that many agencies and stakeholders are involved or have jurisdiction over the myriad parts of the supply chain where food waste or food donation occur. Better coordinating these agencies at the federal, state, and local level will help develop even stronger donation programs and infrastructure options.

What policies are working?

FWRA is working to understand where in the U.S. there is a range of infrastructure options for commercial generators of food waste and the reasons for that infrastructure. Identifying what public policies are working at all levels of government will help all those involved in this effort support and replicate those policies in other parts of the country. As mentioned previously, there is no silver bullet and effective solutions vary even from business to business, but identifying what policies levers can be pulled to encourage innovation and find value in what was considered waste is a win for the environment, society, and business.

How do we improve infrastructure options?

For businesses, food waste often winds up in a landfill because there is no alternative or existing alternatives are environmentally or financially prohibitive. Encouraging entrepreneurs to find solutions to food waste or expand successful businesses addressing this challenge will benefit all actors in the food supply chain. At the FMI-GMA Global Sustainability Summit in 2015, the associations partnered

with USDA to host a Food Waste Start Up Challenge. That event showcased six entrepreneurs, selected by a panel of experts, with businesses addressing waste via methods ranging from apps that suggest recipes for leftovers to new ways to sell “ugly” produce to composting innovations. As interest in and awareness of this issue grows, so will the power of innovation. We can work together to support these innovative solutions as well as traditional methods of diversion like composting and AD.

How do we educate consumers?

As referenced earlier, consumers are the single largest contributor of food waste to landfill in the U.S. Educating consumers about the issue of food waste, their role, and what they can do at home to reduce waste and save money will take cooperative and sustained efforts from a range of partners. The Natural Resource Defense Council’s Save the Food campaign is an excellent example of an existing effort that can make a difference in consumer awareness and behavior. More efforts like these are needed to truly move the needle on household food waste.

While challenges do exist, the opportunity presented by food waste reduction to lessen our environmental footprint and help address hunger is enormous. We look forward to working with the Committee, our industry partners, and others to take advantage of that opportunity and work to reduce food waste throughout the food industry.