



a project of



*Commit. Act. Impact.*

# *Tackling Food Waste Amid Disruptions & Demand Shifts*



**SUSTAINABLE FOOD  
TRADE ASSOCIATION**

*organic leaders for sustainability  
since 2008*

**July 30, 2020**

# Partner Presenter



**SUSTAINABLE FOOD  
TRADE ASSOCIATION**

*organic leaders for sustainability  
since 2008*

# How many companies have committed?

Justin's



gaia  
HERBS

650+

Companies  
Committing to Action

2400+

Commitments



Community  
FOOD CO OP



seventh  
generation.



MegaFood  
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# THANK YOU TO OUR DONORS!

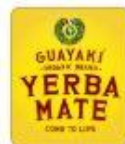
## CLIMATE COLLABORATIVE CATALYST



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Rogue Creamery  
Roplast Industries Inc  
Safe Sterilization USA West  
Sambazon  
Stonyfield  
Strategic Rise Partners  
Straus Family Creamery  
Studio Fab  
Sweet Additions  
Tiger Cool Express  
Traditional Medicinals  
UNFI  
White Leaf Provisions  
Whole Foods Market  
WishGarden Herbs  
Yellow Emperor






# KeHE Food Waste Project

## Food Waste Self-Assessment Tool



## 10-step Food Waste Reduction Toolkit



### CHECKING OUT WASTED FOOD

#### A Breakdown of Retailer Best Practices for Wasting Less Food


If the United States went shopping in your store, it would leave with five bags, drop two in the parking lot, and leave them there.

This may seem crazy, but as a country we leave a full 40 percent of our food uneaten. And it's not just food going in the trash: Up to about one-fifth of U.S. cropland, fertilizers, and agricultural water go towards growing food that's ultimately wasted. Food waste is responsible for at least 2.6 percent of all U.S. greenhouse gas emissions (equivalent to more than that of 37 million cars), and wasting less food was ranked third of 100 solutions to climate change by Project Drawdown.

As retailers, you have a tremendous opportunity to reduce your carbon footprint and save money through food waste reduction efforts. This toolkit aims to arm you with the basic information on steps to help you do just that. It's accompanied by a checklist so that you can do a quick self-audit. The good news is you're likely already doing many of the things listed here. The better news is there's even more you can do. Not everything will fit your store, so consider this a set of best practice recommendation that can be used as a tool to spark your own ideas on what you can do.

#### The Retailer's Food Recovery Hierarchy

The EPA created a hierarchy to frame priorities for addressing food waste. It essentially says that having less excess in the first place is best, followed by donating food, and then only after that, feeding it to animals or composting it. Here, we've interpreted that hierarchy with a little more specificity and in a way that applies more to retailers' operations.



Most Preferred

Least Preferred



### Waste Less, Save More! How as Retailers, You Can Take Steps to Save Food and Money

12 August 2019



In Partnership with  **Next Course**  
TOWARDS AN EFFICIENT FOOD FUTURE

## Webinar

- [Waste Less, Save More! How as Retailers, You Can Take Steps to Save Food and Money](#)



# Speakers



**Moderator: Erin Callahan**  
Director,  
Climate Collaborative



**Laura McCord**  
Ex. Director Sustainability & Corporate  
Responsibility,  
KeHE



**Dana Gunders**  
Executive Director,  
ReFED



**Caue Suplicy**  
Founder,  
Barnana



**Justin Kacer**  
Sustainability Manager,  
Sprouts Farmers Market





# ReFED

Rethink Food Waste  
through Economics  
and Data

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The ReFED Insights Engine



**ReFED**

Rethink Food Waste  
Through Economics and Data



# Who We Are

We're a national nonprofit working to end food loss and waste across the food system by advancing data-driven solutions to the problem.

## Our Vision

We envision a sustainable, resilient, and inclusive food system that optimizes environmental resources, minimizes climate impacts, and makes the best use of the food we grow.



### DATA AND INSIGHTS

Leveraging data and insights to highlight supply chain inefficiencies and economic opportunities



### CAPITAL & INNOVATION

Catalyzing capital to spur innovation and scale high-impact initiatives

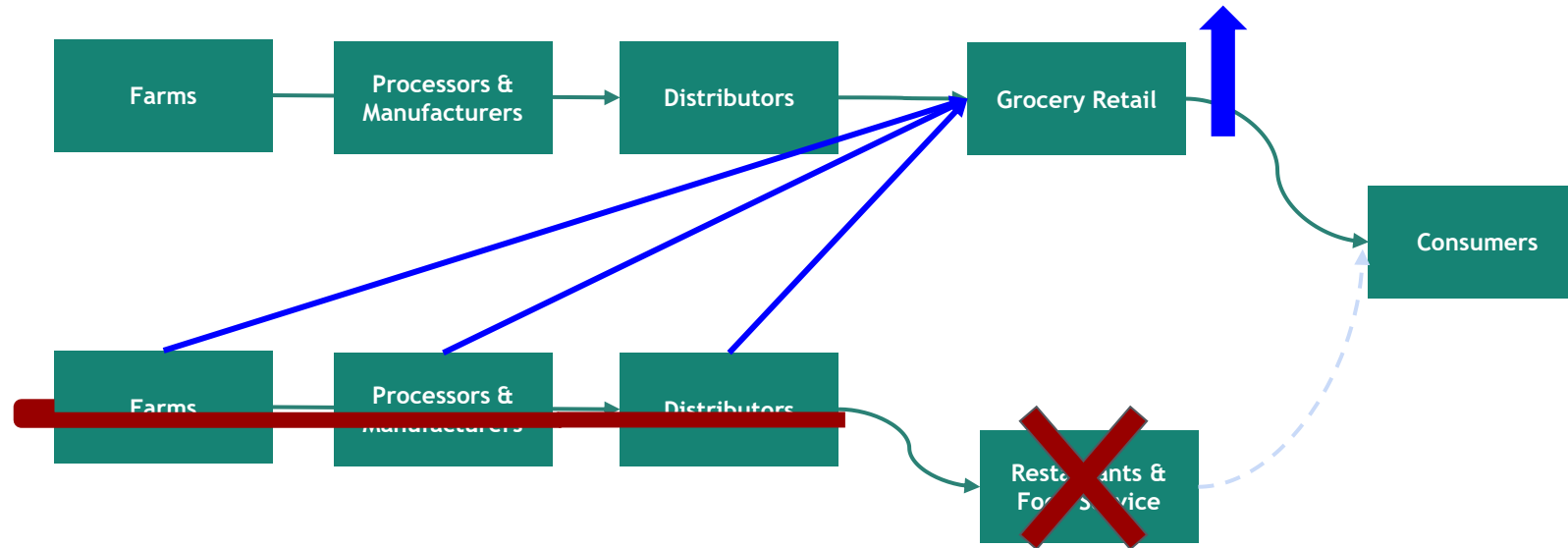


### STAKEHOLDER ENGAGEMENT

Mobilizing and connecting supporters to take targeted action



# COVID-19's Effect on the Food System



# COVID-19

## FARMS:

- **Waste increased** as foodservice demand dropped
- **Rise of e-commerce** as farmers and consumers look for alternative channels.
- **Supply risk** due to farm labor shortage from immigration restrictions or COVID-19
- **Closure of farmer's markets** difficult for smaller farmers.

## NOW

- Planting less
- Expectation of volatile markets
- Online marketplace platforms
- Preference for shorter supply chains







## COVID-19

### PROCESSORS & MANUFACTURERS

- **2-3 times normal demand** from grocery retailers.
- **Social distancing and employee illness** disrupted production.

### NOW

- Demand returned to new, elevated normal
- Still face risk of potential closures



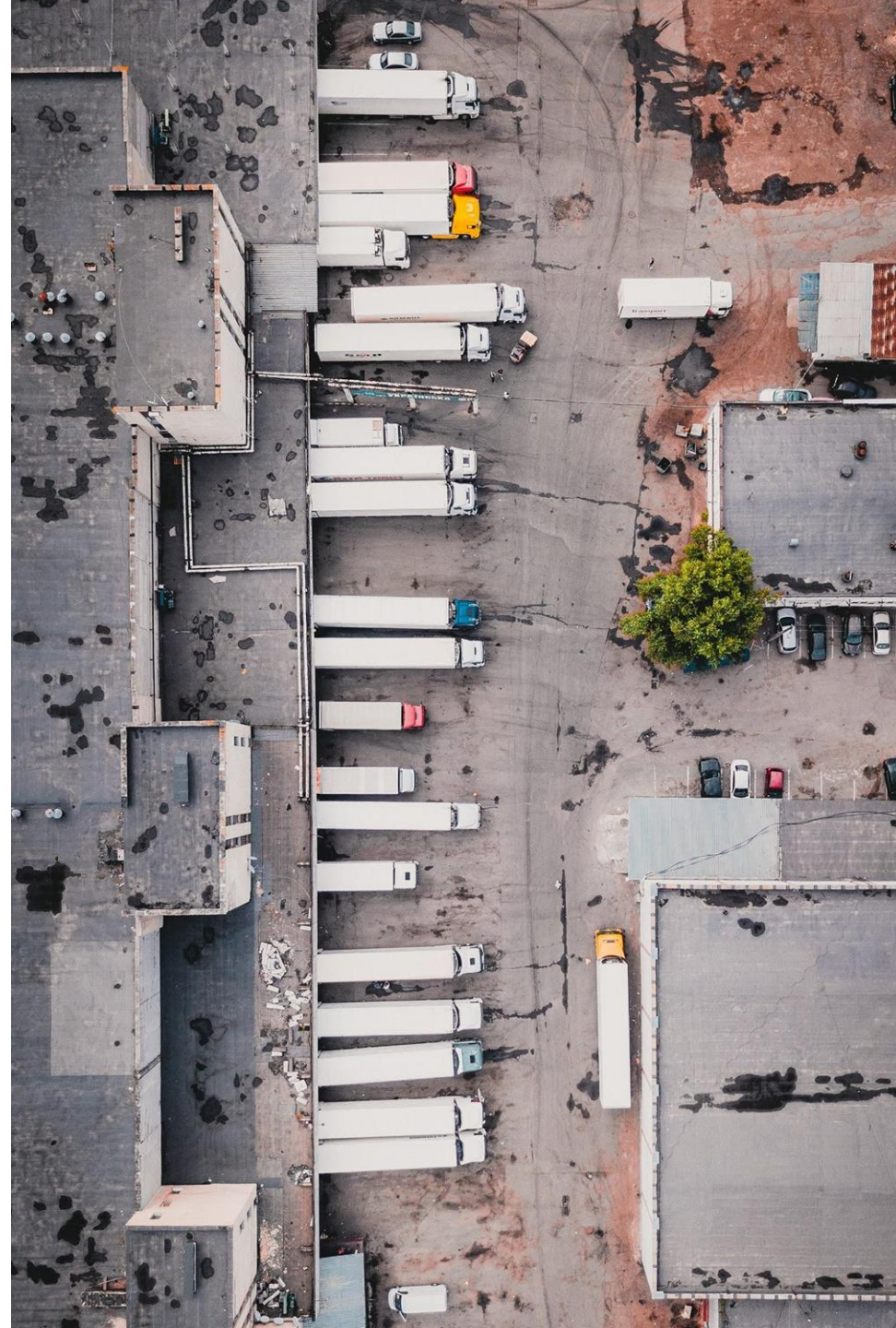
# COVID-19

## DISTRIBUTORS:

- Large amount of surplus food due to canceled orders.
- Distributors serving the food service industry tried to establish retail or consumer channels.

## NOW

- Some new models/relationships remain





## GROCERY RETAIL

- **Demand surge** meant fewer donations to food banks.
- **E-commerce spiked** as consumers stay home.
- **Long fulfillment times** for curbside pickup and delivery.

## NOW

- Potential long-term shift toward eating at home
- Volatility in sales likely as schools and work open and close
- Some portion of e-commerce shift will remain
- More dark stores; hybrid concepts



# COVID-19

## CONSUMERS:

- **Short-term, overall waste increases likely** due to bulk buying behaviors (e.g., spoilage, past date product) and in-home cooking (e.g., inedible parts, unconsumed leftovers).
- **More cooking**, including seeking out new recipes, more planning, and more use of leftovers

## NOW

- Improved food management habits and increase in home cooking could lead to less waste



# What Worked?

- Flexibility
- Direct relationships
- Direct to consumer
- Food preservation

# CHECKING OUT WASTED FOOD



## A Breakdown of Retailer Best Practices for Wasting Less Food

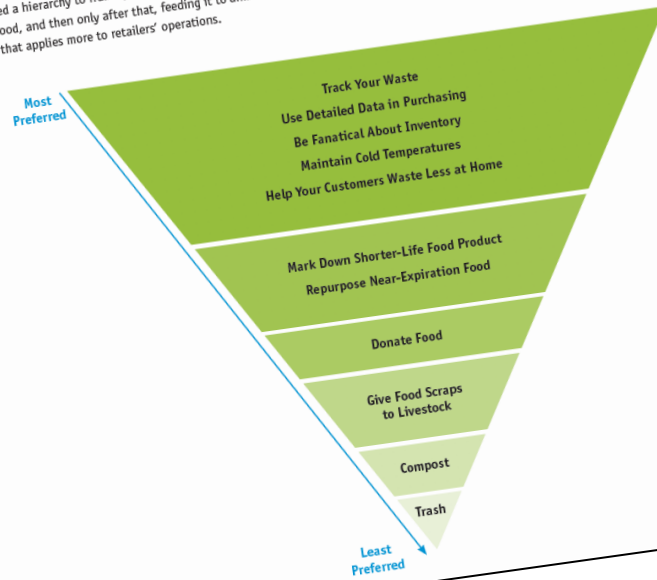
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## 2. Use detailed data in purchasing

Local events, weather patterns, and days of the week impact sales. The closer you can get to having information on how well each product sells on each day of the week, in each weather situation, etc., and then incorporating that into your forecast, the more accurate your purchases will be.

Questions	Answers	Notes of Explanation
When purchasing, do you factor in the following factors?		
Current on-hand inventory		
Forecasted weather information		
Actual sales from previous similar weather conditions		
Local events, spring break, etc..		
Actual sales from previous similar local events?		
Day of week differences (e.g., More Roasts sell on Fridays)		
Other product promotions that may affect sales (e.g., promotion on peaches means less plums purchased)		
Food stamp payment timing (if relevant)		
Does the software you use have artificial intelligence to help predict sales?		
Do you have automatic replenishment?		
Do you have standing orders?		
If yes, do you have the ability to alter your standing orders if you have too much inventory?		
Do you have a "Do Not Run Out" (DNRO) list by category for essential items that must not run out?		
For <u>Non-DNRO</u> items, do you lower pars to carry less inventory, even if you may run out occasionally?		

Thank you! Go to next section.



- 1.Track Your Waste
- 2.Use Detailed Data in Purchasing
- 3.Be Fanatical about Inventory
- 4.Maintain Cold Temperatures
- 5.Help Your Customers Waste Less at Home
- 6.Mark Down Shorter-Life Product
- 7.Repurpose Near-Expiration Food
- 8.Donate as Much Food as Possible
- 9.Recycle Food Scraps
- 10.Enlist your Staff



**THANK  
YOU**

**Dana Gunders**

Executive Director, ReFED  
[dana.gunders@refed.com](mailto:dana.gunders@refed.com)



**ReFED**

**Rethink Food Waste**  
*Through Economics and Data*

# Poll Questions





# SPROUTS ZERO WASTE

A Retailers Perspective

Justin Kacer, Sustainability Manager



# SPROUTS FARMERS MARKET

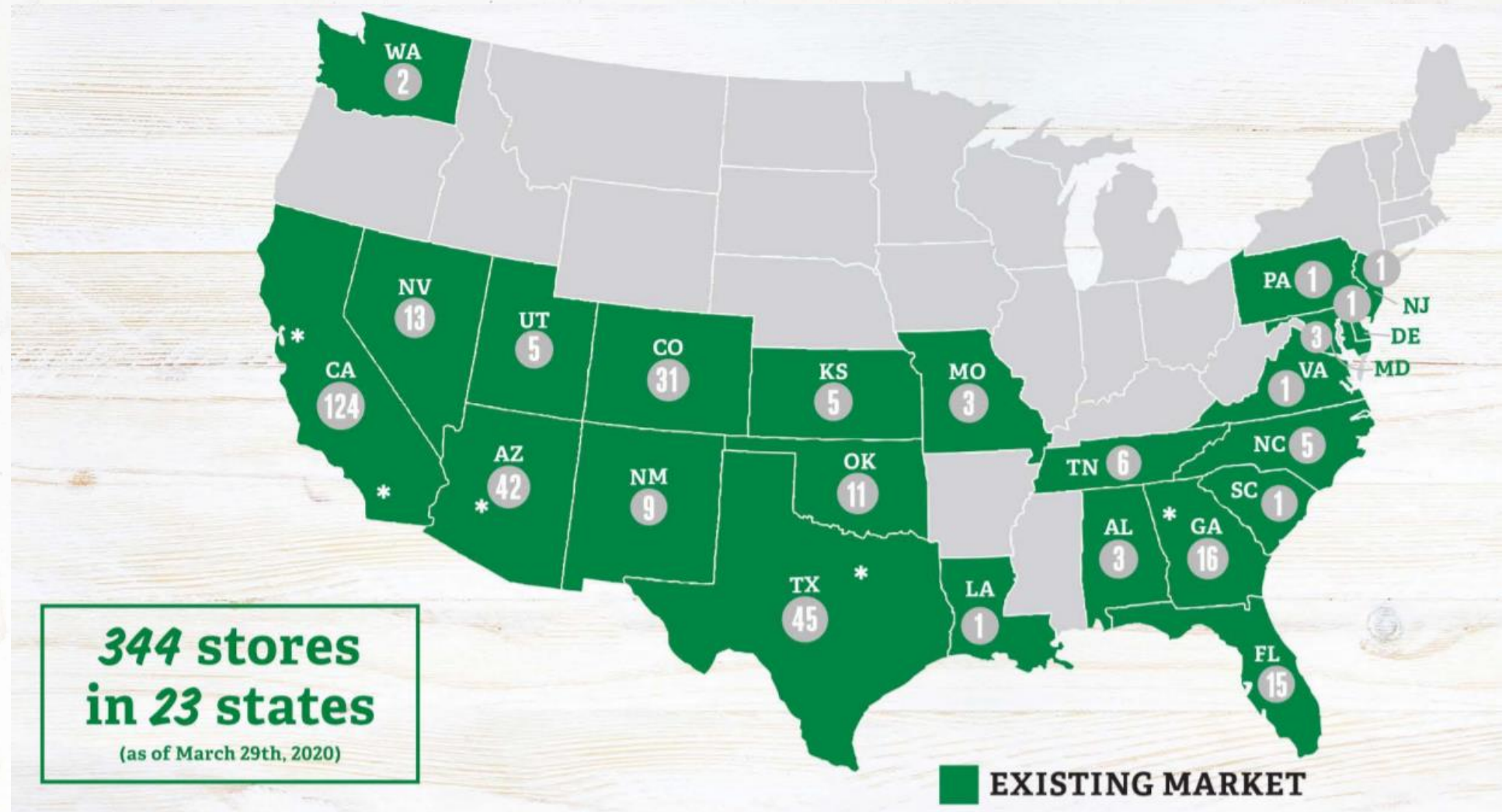
**“Healthy Living for Less”**

**Our purpose is to make healthy living affordable, accessible and sustainable**





# SPROUTS FARMERS MARKET





# RESCUING FOOD TO HELP THOSE IN NEED



# THE CASE ZERO WASTE

1. **Bridge the meal gap** - 1 in 7 people in the U.S. rely on food banks for their next meal, that number is even greater for children at 1 in 5!
2. **Reduce impact on climate and conserve resources** – Food waste represents 23% of total landfill waste in the country and is a major contributor of methane emissions
3. **Reduce cost** – Retailers can offset trash costs and increase rebates through recycling
4. **It's the right thing to do!** We believe that we have a responsibility to have a positive impact in our community and our environment





# FOOD WASTE RECOVERY

## SPROUTS FOLLOWS THE EPA'S FOOD RECOVERY HIERARCHY

### SOURCE REDUCTION

Minimize surplus food in stores



Implemented new systems to assist with production planning, order quantities and shrink reduction across the organization

### FEED OUR COMMUNITIES

Donate unmarketable food to hunger relief agencies



### FOOD RESCUE PROGRAM

27MM lbs. of food donated to local food banks, equivalent to 23MM meals

### FEED ANIMALS

Divert food scraps from waste to animal feed



### ANIMAL FEED

28MM lbs. of food diverted to local cattle farms

### INDUSTRIAL DIVERSION

Divert food scraps to digesters for resource recovery



### AEROBIC DIGESTERS

1MM lbs. of food diverted from landfills to waste water treatment facilities

### COMPOSTING

Divert food scraps to create nutrient-rich soil



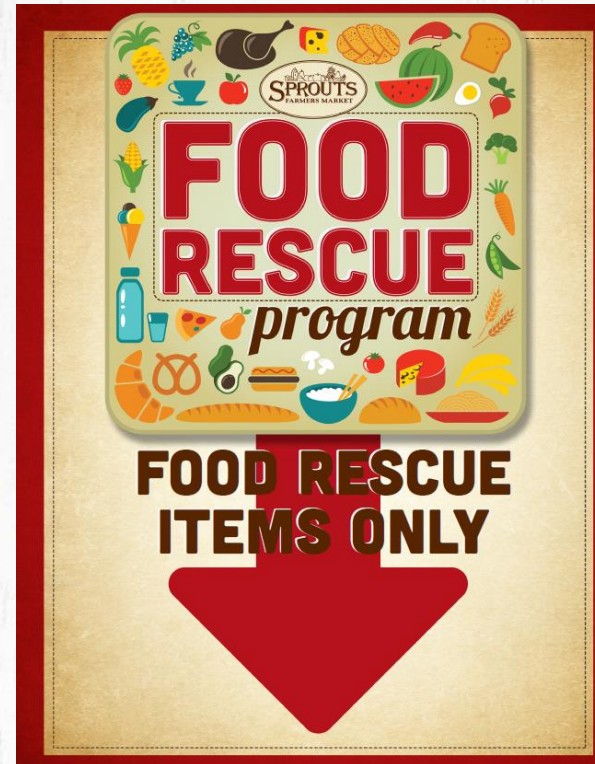
### COMPOSTING

7MM lbs. of food diverted to local composting facilities



# FOOD RESCUE PROGRAM

- Over 100M meals donated since 2013
- Developed with multi-stakeholder input
- Customized tracking system
- Formal training & signage



# FOOD WASTE TO FARMS

- Over 124M pounds of food recovered since 2014
- Partnered with a company that offered robust reporting, accessibility and cleaning capability
- Net cost savings





# ZERO WASTE SCORECARD



Los Angeles North

Store# 214



## AUG/SEPT LANDFILL DIVERSION RATE

**50%**



### TOTAL LANDFILL DIVERSION STATUS



#### DIVERSION STATUS BY PROGRAM

- ⚠️ CARDBOARD RECYCLING
- ❌ FOOD RESCUE NON - PRODUCE
- ❌ FOOD RESCUE PRODUCE
- ✅ FOOD WASTE RECYCLING
- OTHER RECYCLABLES

✅ ON TARGET

⚠️ NEEDS IMPROVEMENT

❌ UNDERPERFORMING

"Other Recyclables" include a combination of: Single-stream recycling, Meat Rendering and Soft-Plastics. Please note that not all stores have these programs active.



# ZERO WASTE “ACTION PLAN”

## Zero in On Waste Action Plan

Action plan to be completed by Assistant Perishable Manager and emailed to [sustainability@sprouts.com](mailto:sustainability@sprouts.com)

Date	
Store Number	123
Landfill Diversion Rate (% of recyclables recovered)	<b>38% (underperforming)</b>
Target Landfill Diversion Rate	<b>65% (Goal)</b>

PROGRAM	CURRENT DIVERSION RATE	TARGET DIVERSION RATE	DEPTS.	ACTION PLAN (Initial every action item after reviewing)	Goal Date for Completion
Cardboard Recycling (Cardboard Bales)	20%	35%	All	<p>___ Compactor has a lock placed on it</p> <p>___ Teams understand that all clean and dry cardboard must be baled</p> <p>___ Management has a process to monitor trash to ensure no cardboard is placed in compactor</p> <p>Additional actions: _____</p>	<p>Action items will be completed by:</p> <p>___/___/___</p>
Food Rescue (Food Donations)	4%	20%	Deli Dairy Bakery Grocery Produce	<p>___ Assign relevant TMs to complete Food Rescue training on Sprouts Academy</p> <p>___ Teams understand they can donate edible shrink up to 2 days past code date</p> <p>___ Teams understand how to scan out “Food Rescue Shrink” properly</p> <p>___ Setup Food Bank to <u>pickup</u> from store 5-6 days/week (if available)</p> <p>___ Invite Food Bank Partner to meet our team during a morning/afternoon huddle</p> <p>Additional actions: _____</p>	<p>Action items will be completed by:</p> <p>___/___/___</p>
Food Recycling (Compost or Cow Chow)	4%	20%	Deli Dairy Bakery Produce	<p>___ Understand your store’s food recycling program guidelines for cow chow, composting or digester (see Sustainability <del>Sharepoint</del> site for additional details if needed)</p> <p>___ Teams understand all twist ties, rubber bands, and packaging are to be removed prior to placing in bin</p> <p>___ Teams understand to keep outdoor bins locked to prevent outside contamination</p> <p>Additional actions: _____</p>	<p>Action items will be completed by:</p> <p>___/___/___</p>

I \_\_\_\_\_, Assistant Perishable Manager at store \_\_\_\_\_ agree to implement this action plan at my store.

\_\_\_\_\_  
Signature                      Date

(Scan signed copy and email to [sustainability@sprouts.com](mailto:sustainability@sprouts.com))

# RECOGNITION

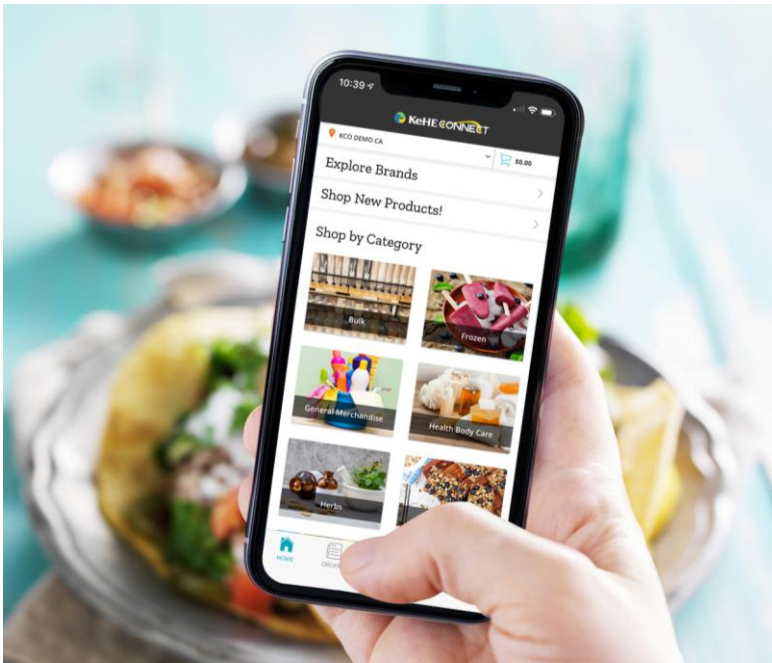
Share inspiring stories and celebrate wins



# Keys to Success

- Clearly communicate the Why of your material recovery programs and align it with your company purpose
- Build Partnerships (internally & externally)
- Setup tracking & reporting systems
- Incorporate performance into bonus structure
- Provide continuous feedback and support
- Focus on outliers
- Share inspiring stories and celebrate wins







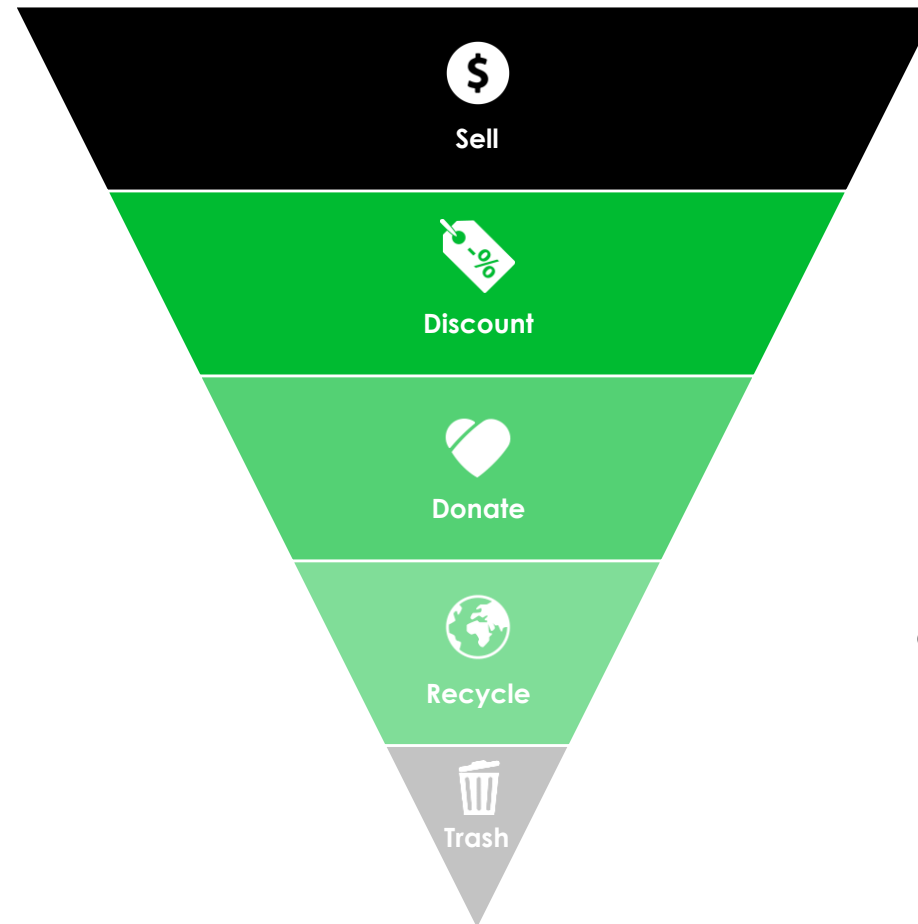
# KeHE®

## Food Waste Amid COVID

July 2020



# PRIOR TO COVID



## Technology

KeHE leverages data from Spoiler Alert's platform to analyze trends in excess inventory, increase sales velocity, and reduce waste.

## Impact

KeHE increases access to nutritious and affordable food through partnerships with value channel retailers and nonprofits in underserved communities.

# THE RESULTS

## The Plan

### Volume



**20%**

increase in liquidation  
volume sell through rate

### Productivity



**70%**

decrease in time to execute  
liquidation cycles

### Customers



**50%**

increase in new buyers  
introduced to network

## Results

19M lbs.  
diverted



1M meals  
donated





# INCREASING ACCESS TO AFFORDABLE NUTRITION



# COVID IMPACT

- KeHE
  - Donations varied
  - Sales increased with pantry loading
  - Retailers respond to consumer demand
  - Forecasting tool
- Suppliers
  - New item launches
  - Retailer category reviews
  - Shelf integrity
  - Inventory
  - Sourcing Ingredients

# WHAT WE HAVE LEARNED

- We found a way to lean into our excess and obsolete during COVID and reduced that amount by 28.35%.
- Vendors who trimmed their assortment fared better.
- Retailers who are willing to do sku substitution during the time that vendors are trying to recover are experiencing higher fill rates.



## Food Waste is Bananas!

Reducing food waste is the number one action we can all take to help solve the climate crisis.<sup>1</sup> Raise your Food Waste IQ and become a climate solutions shaper!

### HOW MUCH FOOD IS GOING IN THE TRASH?



The average American wastes

**290**

pounds of food per year.<sup>2</sup>

**40%** of all food in America is wasted.

That's like buying five full bags of groceries, only to throw two of them away!<sup>3</sup>



For a family of four, this is equal to

**\$1,500** worth of uneaten food per year.<sup>4</sup>



Not only does your wallet take a hit – so does the environment.

This results in

**25%**

of planet-heating methane gases.<sup>5</sup>



**96%**

of food that's thrown away ends up in landfills.<sup>6</sup>



### WHAT CAN WE DO ABOUT IT?

Here are four ways to reduce food waste.



#### 1 Choose brands that practice upcycling.

Brands like **banana** upcycle unused ingredients that are perfectly good and nutritious, just not the ideal appearance for consumer demand.



#### 2 Plan meals in advance.

Take stock of your pantry before going to the store, make a shopping list, and buy only what you can use.

**banana**

Get the Recipe >



#### 3 Get creative in the kitchen.

If you have food that is starting to turn, get cooking! Bake banana or zucchini bread or use up produce in soups or pasta sauces.

Go ahead, monkey around with your banana bread!



Level up your banana bread by adding:



Chopped Banana Bites >



Chocolate Chips and a Dash of Cinnamon



Toasted Coconut



Nuts



Peanut Butter

Make the most of your banana bunch with this recipe:  
[barnana.com/pages/banana-bread](https://barnana.com/pages/banana-bread)

**banana**

#### 4 Don't forget to compost your kitchen waste!

Most municipalities now collect kitchen compost.

**banana**

### SHOW GOOD TASTE – STOP FOOD WASTE!

To learn more, check out:

[upcycledfood.org](https://upcycledfood.org) | [drawdown.org](https://drawdown.org) | [barnana.com](https://barnana.com)

**banana**

1. Drawdown Review 2020. <https://www.drawdown.org/solutions>. 2. Americans Waste About A Pound Of Food A Day. USDA Study Finds. <https://www.faribers.com/sites/christophers/2018/04/23/americans-waste-about-a-pound-of-food-a-day-study-finds/>. 3. Food Waste. <https://www.reck.org/issues/food-waste#priority-experts-resources>. 4. US families waste \$1500 a year throwing out food—here's how to save more and eat better. <https://www.crb.com/2018/01/15/families-waste-1500-a-year-on-food-saved-by-making-meals-from-recipes.html>. 5. Reducing Wasted Food Recipe. <https://www.nel/induce-food-waste/>. 6. Reducing Food Waste – Infographic. <https://www.watright.org/homefoodwaste/multimedia/infographics/reducing-food-waste-infographic>.

# Discussion



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