



**Statement for the Record
Submitted by
Diana Aviv, CEO,
Feeding America**

**For The Hearing On
Food Waste from Field to Table**

Before The

**United States House of Representatives
Committee on Agriculture**

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Mr. Chairman, Ranking Member Peterson and members of the committee, it is an honor to be invited to testify before you today and submit testimony for the record on the issue of food waste. Food waste is a serious problem in America, with 70 billion pounds of food wasted each year across the food industry, a number that climbs to 133 billion pounds once consumer waste is included in that figure¹. I commend the committee for focusing on this important issue and am honored to discuss how the Feeding America network safely rescues over 2.6 billion pounds of food a year to feed those needing food assistance.

The amount of food wasted in America each year is staggering. At the same time 48 million Americans- 1 in 7 people in across our country- are food insecure². Recovering excess food that would otherwise be wasted for donation is a national imperative. It is also provides a triple benefit reducing hunger, protecting our environment and helping businesses meet sustainability goals. Feeding America works with our network of 198 food bank members, their 60,000 local food agencies, and 148 national corporate partners to provide 4.5 billion pounds of food, or 3.7 billion meals each year, and food recovery is an essential part of our work. More than half of the food we distribute, over 2.6 billion pounds in 2015, would otherwise have gone to waste streams or landfill.

The food our network distributes comes from a variety of sources, including federal nutrition programs like The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP), as well as from food rescued from manufacturing, retail, food service, and farmers and growers.

In Feeding America's Fiscal Year 2015, the 4.5 billion pounds of food distributed by our network came from:

- 17% Federal Commodities (TEFAP and CSFP)
- 33% Retail Food Donations
- 21% Manufacturing Donations
- 16% Fresh Produce Donations and Purchases
- 13% Other Purchased Food

¹ Buzby, Jean C, Wells, Hodan F and Hyman, Jeffrey. The Estimated Amount, Value, and Calories of Postharvest Food Losses at the Retail and Consumer Levels in the United States. USDA Economic Research Service, February 2014.

² Jensen, A., Rabbitt, M., Gregory, C., Singh, A. Household Food Insecurity in the United States in 2014. USDA Economic Research Service, September 2015.

Increasing the amount of excess food diverted from waste to donation must be a national priority. The stakes could not be higher. According to research conducted by Feeding America, there is a significant meal gap, or difference between the food low-income people need and the resources they have to buy that food. Map the Meal Gap 2016³ shows that there are over 8 billion meals missing from the tables of low income Americans per year. Juxtapose that need against the 70 billion pounds of food wasted each year from farm to consumer facing businesses like supermarkets and restaurants and it is clear that diverting food from waste to donation is both a national imperative and a critical resource in the fight against hunger that we need to fully utilize.

While one might assume that food insecurity is decreasing significantly as the economy continues to recover and national unemployment has decreased to about 5 percent, this is not the case and millions of families continue to struggle to get back on their feet in the wake of the recession. The Bureau of Labor Statistic's broader alternative measure of unemployment, the U-6, also includes people working part-time for economic reasons and those marginally attached to the workforce. It reflects a more comprehensive picture of the employment environment facing many low-income workers and remains at about 9.7 percent⁴. Many American workers are working part-time due to limited hours offered by employers, or due to health, dependent care, or other challenges that make full time employment difficult. Numerous others are working full-time but simply not earning a high enough wage to meet the needs of their family. As a result, for many people work does not provide protection from poverty and food insecurity. In fact, research shows⁵ that 40 percent of Americans will spend at least 1 year in poverty between the ages of 25 and 60. When those experiencing at least one year in near poverty, with incomes below 150 percent of the poverty line which is \$36, 450 for a family of four, are factored in, that number climbs to a shocking 54 percent. While conventional wisdom is that poverty impacts a small number of people who are impoverished for many years, the reality is that a majority of Americans experience poverty or near poverty over the course of their working lives, often due to circumstances such as job loss, inadequate hours, divorce or health issues⁶.

³ Map the Meal Gap looks at food insecurity by county across America and the amount of meals missing from food insecure Americans households.

⁴ Bureau of Labor Statistics Alternative Measures of Labor Underutilization;
<http://www.bls.gov/news.release/empsit.t15.htm>

⁵ Rank, Mark Robert, Hirschl, Thomas A. and Foster, Kirk A. Chasing the American Dream: Understanding What Shapes Our Fortunes. Oxford University Press, 2016.

⁶ Ibid.

The people Feeding America serves consistently identify a lack of funds to meet basic household needs, including adequate amounts of nutritious food, which underscores how important it is to recovery more of the 40 percent of food wasted each year. Feeding America's quadrennial study of the people utilizing charitable food assistance, *Hunger in America 2014*, reveals that about two-thirds of the people our food banks and their local agencies serve are making impossible trade-offs between paying for food and other necessities like rent, transportation, health care and utilities. According to the research, 69 percent of client households had to choose between food and utilities, 66 percent had to choose between food and medical care, and 57 percent had to choose between food and housing⁷. These dilemmas can put households in the position of choosing between competing necessities making it challenging to meet urgent needs, much less get back on their feet and achieve financial stability.

Feeding America is committed to increasing the amount of food we safely rescue so that we can provide additional healthy meals to help struggling Americans fill the meal gap. When Feeding America began 37 years ago, its focus was on rescuing excess, shelf stable food from food manufacturers and retailers. Over the years, our rescue programs have expanded to include perishable food donated from retailers, restaurants and food service as well as from farmers and growers. In fact, more than half- 52 percent- of the food we distribute is perishable. While perishable food, which includes items like milk, eggs, protein, fruits and vegetables is highly sought after by our food banks and the people they serve, it also entails more challenges than shelf-stable food and is more expensive to handle. Considerable investment in physical infrastructure such as refrigerated trucks, cold-storage capacity and sophisticated logistics is required to ensure that it can be distributed quickly and safely.

Much of the food that is wasted every year is highly perishable food, including fresh produce that does not get harvested or make it to market, as well as food at retail and food service establishments that cannot be connected with people in need before it expires. Distributing perishable food is essentially a race against the clock to get the food from the donor to the people who need it. Unlike with shelf-stable goods, perishable foods have a more limited shelf life. Ensuring that donors can connect quickly with food banks and agencies who can safely distribute that food to the people who need it before it expires requires both innovation in new technology and processes to increase efficiencies, as well as investments in physical infrastructure and transportation. Thanks to the generosity of our corporate partners, Feeding America has invested extensively in strengthening our food banks' ability to recover and

⁷ Weinfield, N.S., Mills, G., Borger, C., Geaing, M., Macaluso, T., Montaquila, J., Zedlewski, S. (2014) *Hunger In America 2014*.

distribute perishable food, but we know that additional investment is needed, especially at the agency level.

To overcome some of these barriers and capture excess perishable food, Feeding America has partnered with the food industry to develop and implement innovative technology platforms and pilot programs. The pilots reinforced the need for funding and infrastructure to store and transport fresh produce and how a lack of funding can limit rescue opportunities. Several years ago, we partnered with Seneca Foods to capture sweet corn from fields in Minnesota that is not harvested. Several large food processing companies also assisted by providing equipment to harvest and cool the corn. The opportunity was significant – over half a million pounds of sweet corn. With support from donors to cover the cost of harvesting the corn, the cooling shed systems, the packing equipment and materials, and the transportation, we were able to harvest 600,000 pounds of corn and 800,000 in 2013 from Seneca and Del Monte. We distributed all of it across Minnesota and to 15 additional states. There was additional sweet corn but we lacked the funds to harvest, cool and distribute the corn within its seven day shelf life. The operational challenges in the field and the cost of transportation to the food bank are only one set of hurdles; food banks and other charitable food providers also need additional cooling, storage and transportation capacity to take advantage of donation opportunities and be able to distribute perishable food to those in need before it expires.

In part from the lessons learned during this pilot, Feeding America designed and invested in innovative technology platforms to facilitate perishable donations.

Produce Matchmaker is an online portal and ordering system designed to help produce donors quickly connect with food banks when produce is available 24 hours a day. It allows food banks to review offers and accept donations in real time so that produce can be moved more quickly to hungry families and food banks can calculate their distribution costs and make cost-effective decisions.

The system also allows food banks to order produce donations by the pallet, rather than the truckload, to save transportation costs and rescue smaller amounts of produce. Currently in Phase One of two phases, Produce Matchmaker is already being used by more than 150 food banks and state associations.

Phase Two, which will be implemented this summer (2016), will add additional features such as enhanced data tracking, better long-term produce planning and collaboration between food

banks to share costs. Ultimately, we expect the system will help us source, handle and distribute more of the billions of produce that is wasted each year⁸.

We also have launched MealConnect, an online platform to facilitate the easy, safe and fast donation of fresh food from grocery stores, convenience stores and foodservice locations by matching donors to their local Feeding America food bank. At no cost, donors and prospective donors can engage online with Feeding America member food banks when they have extra product to donate to their neighbors facing hunger. It is the only donation matching software that fully vets both the donor and the recipient to ensure proper food safety protocols are followed throughout the donation process.

When a donor posts surplus food on MealConnect, the member food bank is instantly alerted and their vetted food pantry is dispatched to collect the product at a prearranged time. Using MealConnect on a smartphone, tablet or PC simplifies the logistics of matching excess food with a nearby pantry who can accept it. This is local food rescue in the sharing economy.

MealConnect is the technology platform enabling Starbucks to partner with Feeding America to launch Food Share, which will ensure the donation of an additional 50 million meals over the next five years as the program is rolled out across our 198 food banks and to 7600 Starbucks stores across the US. While MealConnect will help us capture an additional 50 million meals over the next five years from the Starbucks FoodShare program alone, it will not solve the entire problem. We need Congress to provide funding to invest in innovative platforms like this to enable additional meal recovery. Pilot programs take a significant amount of investment to identify what solutions work and can be scaled across multiple food banks, and a combined investment from the public and private sector would strengthen our ability to pursue additional innovative programs.

The expansions to the enhanced deduction for donated food, included in the Protecting Americans from Tax Hikes (PATH) Act enacted into law in December 2015, ensure that the enhanced deduction is available to businesses of all sizes who donate or wish to donate food to food banks and other qualified charities. According to estimates from the Joint Committee on

⁸ According to a study conducted for Feeding America by the Boston Consulting Group, 48 billion of the 70 billion pounds of food wasted each year is in the ag and agri-processing industry. Although Produce Matchmaker will help with accessing some of this, it is not the only solution.

Taxation, the changes are expected to result in nearly 1 billion additional meals over the next 10 years⁹.

Congress has long recognized the importance of tax incentives as a tool to facilitate donations of excess food. The Tax Reform Act of 1976 established an enhanced tax deduction for large companies donating food to a qualified 501c3 nonprofit. Although this tax incentive helped spur the growth of the Feeding America network's food rescue efforts, the tax incentives did not apply to a large number of potential food donors. Small businesses and farmers in particular were not able to take the enhanced tax deduction, meaning that in many cases it would cost a donor more to implement a food donation program than it would to send the food to the landfill or leave it in the field.

In 2015 thanks to the efforts of lawmakers on both sides of the aisle, the Protecting Americans from Tax Hikes (PATH) Act was enacted. It included an expansion of the food donation tax deduction to include all businesses, large and small, as well as farmers using cash basis accounting. The changes also make it easier for food industry donors to take the enhanced deduction for donated food that may not be intended for market. An example of that would be our partnership with a cereal manufacturer that is now donating cereal that does not have enough dried fruit added to it to meet their standards for retail sale. Before the passage of the PATH Act, it was more cost-effective for the donor to sell the cereal for animal feed than to donate the cereal to a food bank. With the PATH Act changes to allow the valuation of products that don't meet manufacturers' specifications, the donor can now take the enhanced tax deduction for donating the cereal to its local food bank. This incentive recognizes that donating excess food to struggling families should be the top priority for food waste reduction. The EPA hierarchy establishes a pyramid of landfill diversion strategies for food waste; those strategies, listed in importance, are source reduction, feed hungry people, feed animals, industrial uses, composting, and landfill/incineration.

Now that the legislation has become law, our focus is on educating our donors and potential donors across the food industry, particularly farmers and growers, about the expansion of the enhanced deduction for donated food and how they can leverage it. To do so, Feeding America has partnered with Deloitte Tax to produce specific information by food industry sector to detail the changes, how they impact that sector and how donors can utilize the enhanced tax deduction for donated food. We commend you and your colleagues in Congress for passing last year's PATH Act and taking this critical step in improving federal policy to support food rescue.

⁹ Joint Committee on Taxation, Estimated Revenue Budget Effects Of Division Q Of Amendment #2 To The Senate Amendment To H.R. 2029 (Rules Committee Print 114-40), The "Protecting Americans From Tax Hikes Act of 2015", December 15, 2016.

Moving forward, there is a significant opportunity to partner with Congress, the Administration and elected officials at the federal, state, and local level on policy and regulatory changes, as well as public education campaigns to reduce food waste and increase food donation. As you examine the scope of food rescue in America and begin preparing for the next farm bill, we urge you to make this issue a priority and look forward to working with you.

Standardizing date labels on food at the federal level is one policy change that would have a significant impact on food waste at the consumer level and throughout the supply chain. Many of the date labels used in the food industry right now are a baffling mixture of “sell by” “best by” or “use by” that is not science based and confuses consumers. In addition, providing a clear federal standard about when food can be donated if it is past a quality date would enable increased food donations in the twenty states that currently have arbitrary restrictions on food donations past the sell by date.

There are also other changes that would have a significant impact on food rescue, including a thorough review of USDA administered grant and incentive programs to identify opportunities to ensure that food rescue is specifically included. Many grant programs, such as Specialty Crop Block Grants, the Local Food Promotion Program Grants and the Farmers Market Promotion Program Grants support activities that mirror aspects of the work food banks are doing to rescue food, but do not specifically mention food rescue in the authorizing language for the grants. Expanding the grants to encompass food rescue would make it easier for food banks to apply for funding to support food rescue, build innovative partnerships and fill the infrastructure and transportation funding gaps that exist today.

As you continue to examine this critical issue, we stand ready to partner with you. I encourage you to visit your local food bank to learn about the challenges and opportunities they face, as well as their work to capture more food that would otherwise be wasted.

Thank you for the opportunity to testify and we look forward to discussing this further with you.