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Alternatives to Food Waste in Retail

Corporate and Store Management

**Executive Summary:**

Food waste along the supply chain is a major global problem with food waste in retail environments making up roughly one third in the United States (Ceryes et al., 2021). Walia and Sanders purport the recovery and redistribution of only 15% of the food waste in the country could go to meeting the caloric needs of 35% of Americans living in hunger (2019). The waste is good for nobody, draining potential dollars from the company and wasting resources put into the food. By ensuring proper inventory management systems are put in place to track expiry dates, partnering with local food banks and shelters to offload expiring food items that will not be bought, and donating acceptable products to be used in animal feed the company can reduce food waste. An inventory system that tracks and prioritizes expiring items can give insight into how and when to offload those items, while donating them to food banks, shelters, and animal feed provide useful alternatives to a landfill. If the efforts made by the company are successful and create a trend for the industry to follow, these actions could have a significant impact on global hunger and malnutrition.

**The Problem:**

The ever growing global population creates an ever growing demand for more food. This creates a crunch of the food supply chain that creates food waste that can be reduced. In the United States, 31% of post-harvest food is lost to waste and of that amount, one third is due to waste at the retail level (Ceryes et al., 2021). The cost of food waste globally annually is estimated at 2.6 trillion USD (Riesenegger & Hübner, 2022), and costs the United States 18.2 billion USD, making it quite costly to waste food unnecessarily. The cause of this waste is a convergence of multiple facets of retailing food.

Poor inventory management may lead to food waste. Over ordering a particular product or a product that does not sell well could lead to a surplus that should be monitored and redirected when it becomes clear that it will not sell. Without a proper inventory system tracking expiry dates and quantity in stock, the process becomes reliant on arbitrary decisions that create a situation that creates waste.

Another such issue is aesthetics of certain foods may lead to additional waste of otherwise edible food (deMoraes, 2020). Fruits and vegetables fall prey to this more than other foods (deMoraes, 2020). Consumers are likely to not choose the bruised apple off the shelf and that is in turn likely to become additional waste. Other foods such as fresh bakery items, which are used to attract customers with the incentive of ‘freshly made’, have a short shelf life that lead to an increase in waste.

Adding to all of that, lack of knowledge from employees at the store level on what to do with products that do not get sold off is also a contributing factor to food waste. When corporate leadership, store managers, and frontline workers are not on the same page with how to handle past peak merchandise, it is bound to create unintended waste.

**A Potential Solution:**

To begin to combat the problem of food waste, the company must first implement inventory tracking system that tracks when foods will be expired and when they should be offloaded to fulfil another need if the company cannot sell them. Preferably, the system will alert employees which items are near expiry so that those items can be discounted, allowing the most opportunity for the company to sell and profit from those items. The system should also categorize what the food item can be donated towards if they exceed their sell-by date. Once the system for tracking food items has been implemented, the next step is to have established processes to offload those items.

As shown in Figure 1, there are many secondary uses for food surpluses to prevent waste. The first suggested use is to feed the hungry, Walia and Sanders suggest that recovering and redirecting just 15% of the retail food waste could meet the caloric needs of 35% of Americans fighting hunger (2019). Partnering with local food banks and shelters to donate foods that have passed their sell-by dates will help to reduce waste. Notably, fresh bakery items generally last only one day, any unsold items should be packaged for donation by the end of business that day. This may even qualify the company for state and federal tax incentives and create good-will within the community (Ceryes et al., 2021).

**Figure 1:**

**A diagram of food recovery hierarchy

Description automatically generated**(Ceryes et al., 2021)

If the food cannot be donated to shelters to help feed the hungry, the next best solution would be to donate it to produce feed for animals. While food may become not fit for human consumption, it does not mean that it cannot be integrated into the process to feed animals. It is suggested that these foods can be safely converted into animal feed with modern technologies and that the growth performance of animals is uncompromised (Rajeh et al., 2021). This process will help to feed the growing number of animals needed to meet the ever growing food demand. Figure 2 shows how increasing food demand can be combatted with food waste prevention methods to help meet the needs of the world.

**Figure 2:**

A screenshot of a computer

Description automatically generated (Rajeh et al., 2021)

**Summary:**

With an ever growing global population, food demand grows accordingly as does the waste along the food supply chain. Food waste in the retail sector is a large problem that is complex and difficult to tackle. With roughly one third of the waste in the United States food chain being wasted at the retail level, it is challenge that must be met. Poor inventory systems leading to surplus products, a lack of knowledge of how and where to offload past peak products, and customer preference can all lead to this waste. However, there are measures that can be taken to reduce this waste. Namely, efficient inventory systems that track expiry dates and coordinate the next move, establishing relationships with local shelters and food banks to donate food that is past its peak, and recycling foods that can be used in animal feed can all reduce the impact the retail sector has on food waste. If these measures are successful and create a trend in the sector, these actions could have significant impact on food waste globally.

**References**

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