





# Recovery and Redistribution of Surplus Food

A practical guide for favourable policies and legal frameworks in Europe and Central Asia

## Objectives of the working paper "FOOD RECOVERY AND REDISTRIBUTION, A practical guide for favorable policies and legal frameworks in Europe and Central Asia"

- Examples of what is being done in EU countries in terms of policy measures and legislative adjustments.
- 2. Guidance on the collection of specific information and data, and the analysis of national legislation and policies related to FLW issues - to understand business practices, civil society actions, how and where food waste is regulated and whether there are gaps or inconsistencies.
- 3. Recommendations for decision-makers to take action and implement policies and

- legislation.
- Good practices/ lessons learned from EU to be applied to the target country.

FAO-REU has developed this document on the basis of ongoing work in the region. Civil society and policymakers are increasingly demanding and aware of the need to implement and support FLW prevention and reduction solutions, of which food recovery and redistribution has a central role to play.

## What is food recovery and redistribution

- Recovery of safe and nutritious food for direct human consumption is to receive, with or without payment, food (processed, semiprocessed or raw) which would otherwise be discarded or wasted from the agricultural, livestock, forestry and fisheries supply chains of the food system.
- Redistribution of safe and nutritious food for direct human consumption is to store and/or process and then distribute the received food pursuant to appropriate safety, quality and other relevant regulatory frameworks directly or

through intermediaries, and with or without payment, to those having access to it for direct food intake.



## What is food recovery and redistribution

**Different operational models** for food recovery and redistribution are possible:

- Food can be recovered at one, several, or all stages of the food supply chain.
- Food can be processed, cooked, provided as raw/fresh food or in initial packaging and distributed directly to those in need.
- It can be donated or sold at a reduced price.

Whether food is sourced for free or at low prices, the different operators will agree among themselves on the feasible model to be implemented in their specific context. Food donations should be encouraged, especially through tax incentives, as this would reduce the financial burden on charities that distribute food to people who are food insecure.

## What is food recovery and redistribution

The **main actors involved** in food recovery and redistribution operations are generally:

- The donor/supplier: producers, food processors and manufacturers, hotels, restaurants, caterers and retailers
- The redistribution organizations: food banks, food pantries, soup kitchens, school feeding programmes, NGOs and churches.
- The consumers/end-users (the people in need).

- 4. In some cases, **facilitators** who simplify the recovery and redistribution process and act as intermediary organizations between donors and recipients of food products.
- 5. Information and communication technology (ICT) networks - platforms, websites and applications - can also be used.

## Justification for setting up a food recovery and redistribution program

- FLW identified as a major problem in the countries of the REU region: large quantities of food still fit for human consumption are discarded by food businesses, especially large retailers, due to packaging or quality issues, excess supply and consumption habits (e.g. open buffets in hotels), etc.
- If some barriers are removed, food business operators (FBOs) are generally ready to participate in a system of food recovery and redistribution where they would donate (without payment) unsold, non-marketable but

still edible products to municipalities and charities for the benefit of food insecure people.

## Barriers to food recovery and redistribution

The following barriers may limit (but do not preclude) food recovery and redistribution:

 Tax barriers and the application of VAT (value added tax) on donated food.

Donations of food to charitable organizations may be taxable to VAT and the taxable amount can correspond to the market price of the product in question. If tax exemptions exist, they may not be encouraging enough for food donations.

#### Liability issues.

Businesses are concerned about liability issues if someone gets sick from eating donated foods. Many companies fail to donate food because they are unaware of the liability protections afforded to food donors. Businesses also fear a reduction in the quality of products that could affect their brand image.

### Barriers to food recovery and redistribution

#### Date marking issues.

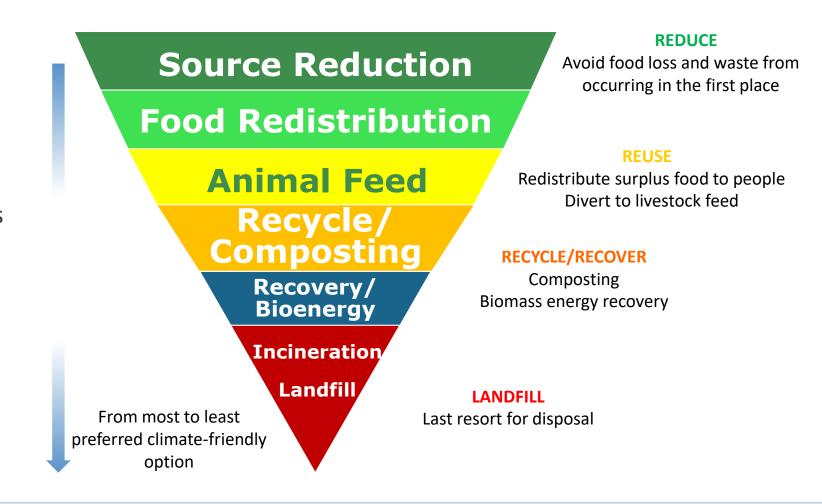
As a common practice: two weeks to one month before the best before date (BB), the retailers remove the products from the shelves of the store and discard them or send them back to their suppliers. There is confusion among agri-food chain actors as to the meaning of the use-by (UB) and BB dates and whether foods can be consumed after their BB date.

• The lack of a food bank in many countries in the Europe and Central Asia region (approximately 40% according to the FAO estimate) can be considered a limitation.

> However, in the event that there is a food bank but not an enabling regulatory framework that facilitates FLW reduction, food recovery and redistribution operations may be hampered and malfunctioning.

## Importance to create an enabling regulatory and policy environment

- To overcome certain legislative and policy obstacles and facilitate food recovery and redistribution activities.
- Food recovery and redistribution is part of a comprehensive approach to FLW prevention and reduction.



## Justification for setting up a food R&R program: towards an enabling regulatory and policy environment

Type of information to collect before revising the policy and regulatory framework for food R&R

#### **SOCIAL AND ETHICAL**

- High poverty and food insecurity levels
  - It should be coordinated with existing initiatives on food security and nutrition.
- The existence of free kitchens shows that needs are very important
  - Mapping exercise of existing food distribution programmes run by local governments, charities and nongovernmental organizations, as well as the number of socially disadvantaged people

and families benefiting from these programmes.

- Assess and understand their capacities,



## Justification for setting up a food R&R program: towards an enabling regulatory and policy environment landfills, etc.

#### **ENVIRONMENTAL**

- FLW reduction reduces the need for increased food production and the corresponding use of natural resources and GHG emissions.
- Food waste that decomposes in landfills releases carbon dioxide and methane.
- Type of information to collect from desk-based research and interviews: composition and morphology of municipal solid waste (waste analysis reports), number of legal and illegal landfills, obligations of municipalities for illegal



## Justification for setting up a food recovery and redistribution program

#### **ECONOMIC**

 FLW = substantial loss of revenues for all actors in the food supply chain, the government and the end consumer.

#### The literature says:

- HOTELS- It is estimated that hotels waste between 5% and 15% by value of the food they have purchased.
- RETAILERS- Food waste can cost retailers up to
   4% of their sales revenue. 10 to 28% of food

produced for human consumption is lost at the retail level.

 RESTAURANTS- Approximately 4 to 10% of food purchased by restaurants is wasted before reaching the consumer.

#### **Food waste**



30% of food meant for human consumption is wasted annually, which amounts to around 1.3 billion tonnes of food



This produces \$700 billion in environmental costs and \$1 trillion in economic costs

#### NB:

- Adjusted to fit the specific country context, their policy objectives as well as the applicable regulatory framework.
- Analyze national legislation and policies, then identify which model is to be applied and where.
- Legislative revision through a participatory approach, involving all stakeholders from public and private sector, including civil society organizations.

## Interdepartmental working group/ task force on food recovery and redistribution

- Inter-ministerial working group to define the policy goals related to food recovery and redistribution and the models and legislative tools necessary to reach these goals.
- Multidisciplinary team from the private (retailers and businesses in the HoReCa sector), public (Ministries of: Agriculture, Health, Social Affairs, the Environment,

Trade and Industry, Food Safety Authority etc.) and civil society sectors (charities and food banks).

- Public participation through hearings or other appropriate mechanisms.
- Assign the overall responsibility for the group to ensure ownership.

#### Food safety and hygiene rules and procedures

Prevention and control of food safety must always prevail to ensure that foods recovered and redistributed are safe and nutritious.

- Requirements for safety and quality for food recovery and redistribution, explain them to FBOs, assess their compliance and facilitate their implementation on site.
- EU Regulation 178/2002 on general food law: receiver organizations and charities are recognized as FBOs, which must meet all

- required standards of preservation, transport, storage and use of food.
- "Good Samaritan" law in Italy: reduced liability of donors after donating food to charity organizations has proven to be an incentive to donate food.
- Procedures for product transfer between food donors/ suppliers and food recipients.
- Simplify the traceability procedures, but still guarantee food safety.

#### Food durability and Best Before date

- 2-4 weeks before the BB date, the retailers remove the products from the shelves and discard them/return them to suppliers. This practice, while being a good opportunity to recover large amounts of food, is a major source of food waste.
- Clarify the meaning of the UB and BB dates, and whether foods can be donated and consumed after their BB date.
- Review existing rules on date marking to facilitate the use of low-risk food in food recovery and redistribution activities.
- Allow food donation after BB date, as long as

- the integrity of the primary packaging and same storage conditions are guaranteed.
- Allow charities to serve low-risky food products after the BB date.
- Define the control procedures for foods that have passed BB date (see e.g., the Belgium model).
- Discuss different ways to prevent product withdrawal from stores several weeks before the BB date (legal incentives, consumer awareness about the BB date, products sold at a lower price, etc.).

- EU rules allow the marketing and donation of food beyond their date of minimum durability (BB), provided that the food in question is always safe and its presentation is not misleading.
- Redistribution of food past the 'best before' date is possible in most Member States, with the exception of Bulgaria, Cyprus, Hungary, Latvia, Poland and Romania.
- Products past their use-by date are neither marketable nor can be donated. Food donors should ensure
  that the remaining shelf life of foods labelled with a UB date is sufficient at the time of delivery of these
  products to food banks and other charitable organizations.



Category 1 Lowest Risk Nonperishable foods e.g., canned foods, crackers,



Category 2
Low Risk
Perishable
Foods
e.g., whole fresh
vegetables &
fruits



Category 3
High Risk
Potentially
Hazardous
Foods
e.g., milk,
cheese, meats



Category 4
Highest Risk
Foods
(may be unacceptable for donation)
e.g., home canned foods, raw milk, uninspected meats, leftovers, partly consumed foods

Fiscal rules: Value Added Tax (VAT) and fiscal incentives

A number of EU countries do not impose VAT when food is donated – without payment – to food banks and charities, if certain conditions are fulfilled.

Fiscal incentives implemented in some EU countries have proved effective in encouraging food surplus donations by industry.

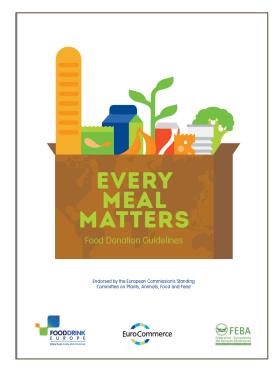
 Provide amendments to tax legislation. These amendments focus on the creation of fiscal instruments to stimulate food donation: exempt FBOs from VAT on donations of food surpluses and grant corporate tax credits for food donated.

- Introduce an environmental tax on surplus food to discourage for-profit FBOs from disposing of food that is still fit for human consumption.
- Ensure that sending food to landfill sites is more expensive than donating to charities.

#### Food donation guidelines

Develop industry-charity good practice guidelines that define detailed rules for food donation and redistribution (e.g. providing advice to stakeholders on foods that can be used/ distributed, minimal requirements related to storage facilities, preparation, administration of redistribution, good hygiene practices, who can donate/supply food, who can receive, etc.).





#### Type of food recovery and redistribution set up

- Discuss the feasible operational models of food recovery and redistribution among stakeholders based on existing capacities, needs and priorities.
- Support the formation of a "system operator" (e.g., a food bank) that would facilitate food recovery and redistribution activities.
- Encourage information and communication technology (ICT) networks - platforms,

websites and applications - bringing food donors and organizations that accept donations to ensure rapid access to food for the most vulnerable.

## Thank you!

Please visit our website: www.fao.org/save-food

join the Community of Practice: https://dgroups.org/fao/savefood/