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Making the Link between Food Security and Food Loss and Waste

Submission by Fight Food Waste Limited to The Standing Committee on Agriculture Inquiry into Food Security

Food Loss and Waste in Australia

The National Food Waste Strategy Feasibility Study (FIAL, 2021) documented the baseline of food waste along the value chain. Each year, 7.6 million tonnes of food is lost or wasted in Australia with an economic cost of \$36.6 billion. The environmental impact of this waste translates to 3.5% of national GHG emissions, increases the water footprint of every Australian by 170% and utilises a landmass greater than Victoria to grow food that is then wasted. 22% of all Australia's food waste occurs in primary production (Figure 1).



Food Waste Baseline

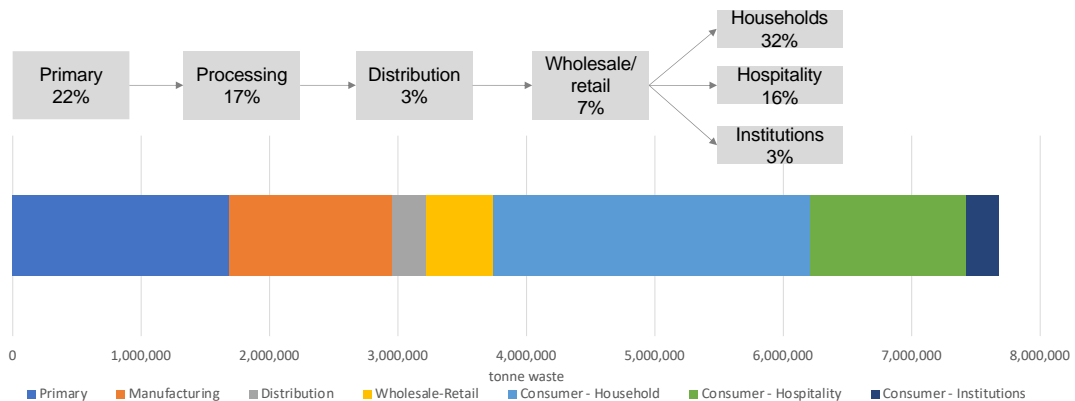


Figure 1 National food waste baseline. Source (FIAL, 2021).

Fruit and vegetables constitute two-thirds of all primary on-farm food loss, around 80% of which was edible. The other main commodities with higher food loss in primary production were sugar and cereals (FIAL, 2021).



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The horticulture sector is the second highest (13%) in value among agricultural industries in Australia (Ambiel et al., 2019). However, horticulture is accountable for about 33% of the total food waste in Australia (McKenzie et al., 2017). At a national level, Australia loses about 7–10% of all fruits and vegetables at the production level, 11–12% at the processing/packing stages and 22–25% after processing or packaging (Ambiel et al., 2019). For some commodities, waste or loss is much higher than these average figures. For example, after harvest, almost 60% of banana biomass is left as waste in the field (Acevedo et al., 2021). In addition, one-third of this production was forcibly discarded from the marketing system due to cosmetic standards. Post-harvest loss from the melon industry is also very high; sometimes as high as up to 48% (Ambiel et al., 2019).

Fight Food Waste Limited

Fight Food Waste Limited comprises two divisions: the Fight Food Waste Cooperative Research Centre (CRC), and Stop Food Waste Australia (SWFA).

Fight Food Waste Cooperative Research Centre is the largest research and development organisation focused on addressing food loss and waste in the world. The Fight Food Waste CRC aims to improve the competitiveness, productivity and sustainability of the Australian food industry. Its research partners and industry participants undertake high quality research to solve industry-identified problems through outcome-focused collaborative partnerships.

Stop Food Waste Australia (SFWA) is a powerful partnership of organisations who operate along the farm-to-fork food supply chain that are committed to reducing Australia's food waste by half by 2030. SFWA was established in January 2021 with funding from the Australian Government's Department of Agriculture, Water and the Environment. It is a partnership including federal, state, and local governments, the agri-food industry and the four major food rescue charities.

SFWA delivers the Australian Food Pact, a voluntary agreement program bringing businesses together in pre-competitive collaboration to help make Australia's food system more competitive, sustainable, resilient, and circular. Signatories include some of Australia's biggest food businesses including Coles, Woolworths, McCains and Mars. Currently we are proactively working with a number of companies with integrated production systems commencing on farm to develop Food Waste Action Plans targeting waste hotspots across their entire value chain.

Alongside the Food Pact, SFWA is developing Sector Action Plans to reduce food waste across the supply chain. These Plans provide a systems-based approach to reducing food loss and waste, while realising multiple benefits for supply chain partners. Each Plan is co-designed with the key stakeholders most able to influence the root cause(s) of food waste hotspots and to take action to reduce food waste in the value chain.

SFWA has worked with two key cross cutting sectors - Food Rescue and the Cold Chain - to investigate, develop and now implement, effective sector action plans. We have also recently



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finalised two commodity-based sector action plans, Dairy and Bread and Bakery, and two more, Red Meat and Horticulture, are in the co-design phase.

These Plans, our research agenda and work with industry through the Australian Food Pact highlight areas for reducing food waste and increasing food security.

Recommendations for reducing food waste and increasing food security

Almost half of all food waste occurs across the supply chain at pre-consumer stages. This is where a systems perspective, more robust production procedures and policies that foster fair trading arrangements and provide tax incentives for food donation will reduce food waste and increase food security.

Recommendations

1. Develop a national comprehensive Food Strategy; addressing the food system as a whole, including:
 - Actions targeted to address food insecurity
 - Alternative approaches to food production, including upcycling
 - A review of requisite infrastructure to improve the supply chain, particularly for chilled products and opportunities for regional food relief, processing and transformation hubs.
2. Undertake national reviews of food waste in 2024 and 2027, based on the FIAL, 2021 baseline methodology. These reviews should link to the annual Foodbank Hunger Report and seek to provide geographical information for a comprehensive view of where food loss and waste is located as well as where there is food insecurity.
3. Remove regulatory barriers to improve food utilisation and access such as
 - Review and update national competition law and work with states and territories to foster fair trading practices along the supply chain from farms to retail
 - Implement the proposed Tax Incentive Proposal for the donation of food and related services as described in the text box below.



The Tax Incentive Proposal, developed by KPMG with the support of the Fight Food Waste Cooperative Research Centre, recommends a two-tiered tax incentive based on the ability to offset a percentage of costs related to food donations from taxable income. Its aim is to encourage food industry to donate surplus product to food relief rather than sending it to landfill.

In addition to contributing to sustainability goals, the proposed incentives would provide support to small to medium enterprises, particularly farmers and small businesses in transport and logistics, stimulating regional economies and mitigating some of the economic impacts of labour shortages, natural disasters and the cost-of-living crisis. Consultation with industry stakeholders undertaken by KPMG has confirmed that companies would welcome the incentives which they believe would make a real difference to current practices in the food supply chain.

While it is understood that there are wide-ranging considerations in formulating tax policy, the impact of the changes proposed are likely to be modest in terms of foregone tax revenue to Government, particularly compared to the positive economic, environmental and social outcomes for Australia.

Conclusion

Stop Food Waste Australia would welcome an opportunity to make an oral submission to the Standing Committee; providing additional background and a clear rationale for our three primary recommendations of:

- Develop a national comprehensive Food Strategy
- Undertake national reviews of food waste in 2024 and 2027
- Remove regulatory barriers to improve food utilisation and access.



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