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Chair

Mr. Bev Shipley

Standing Committee on Agriculture and Agri-Food

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• (1530)

[English]

The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): I want to welcome everybody back from our week in our ridings.

We are studying the supply chain retail sector and food waste prevention.

We have with us today from Value Chain Management International, Dr. Martin Gooch, chief executive officer, and he's on video conference from Oakville, Ontario.

Welcome, Dr. Gooch. You have seven minutes. Since you're the main witness today, if you take a little longer than that, that would be fine, and then we will go into rounds of questioning from the committee. Please go ahead.

Mr. Martin Gooch (Chief Executive Officer, Value Chain Management International): Thank you very much for the opportunity to present to you today and to field your questions. I won't take up much time with the introduction, because hopefully the main value will come from our discussion.

We've been focusing on food waste for quite a few years. It's only since 2010, when we published our first report "Food Waste in Canada", which brought the topic of food waste to the fore of many people's thinking across the Canadian agrifood industry, that we identified it as a key issue for us as an industry and as a society going forward both domestically and internationally, particularly given the importance of exports to us.

Food waste is an enormous environmental and economic issue that is reflected in the fact that this House of Commons committee is focusing on it. Yet it still flies under the radar of many businesses and organizations, often because we do not measure it and do not know enough about it to implement effective policies and programs, whether we're speaking from the public, governmental, or federal-provincial levels, or from the individual businesses and industry organizations themselves. In my view, that leads to our placing more focus on how to manage the diversion of food waste rather than how to reduce it at source. Unless we reduce it at source, we're never going to be able to achieve the outcomes we otherwise could.

We look around the world, and Canada does trail compared to jurisdictions such as the U.K. and Australia, and compared to a number of initiatives in, say, the U.S. and Europe. We have a lack of a coordinated policy framework and a lack of strategy. Most of what occurs is from businesses doing it off their own back versus being incentivized or encouraged to do so more proactively. That has

occurred, for instance, in the U.K. with WRAP, the waste reduction action plan. Many people see the public face of WRAP as one instance. Yet what occurs behind the scenes of WRAP is the most valuable part of the entire program.

We should also not forget that WRAP did not begin in food. It's only moved to food in recent years, while there was increasing recognition in the U.K. industry that food was an issue. Food and environmental responsibility was a key issue for the industry as a whole.

Hopefully today we'll certainly touch on my perspective of where we can go forward, and what the opportunities and the strategies can be, and hopefully move Canada to be more at the forefront of what is occurring elsewhere.

Thank you.

The Chair: Okay. That was short and to the point and gives us lots of time for questions, which you opened up for us.

With that I will move to Madame Brosseau for five minutes, please.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you, Mr. Chair.

I'd like to thank Dr. Gooch. I've read your report and have a few questions.

Could you explain to us in a little more detail what WRAP is exactly, and how successful it has been in dealing with food waste reduction?

Mr. Martin Gooch: Certainly.

WRAP is the waste reduction action plan. It was started by funding from the U.K. government, as a diversion from tipping fees. In the late 1980s and early 1990s the government was going to introduce legislation and higher dumping fees as a way of reducing waste dumping. England is a fairly small place, and dumping, tipping, etc., is an issue. As well, they tend to be at the forefront of environmental issues.

The industry came together and said to government they agreed something needed to be done, but if they were going to be charged higher fees they believed some of that should go into a fund to help industry proactively adapt to these measures. They asked where the government would like them to go, and that initiative led to the formation of WRAP.

WRAP was going for approximately, I believe, five to eight years before it moved on into food. Previously it focused on the general manufacturing industry. Its initiatives have led to a measurable reduction in food waste along the chain, and it's also identified that there is still an enormous way to go. They've reduced food waste per se, and also in other ways such as packaging waste and energy waste. It's ironic that one of the people who now works heavily with WRAP on the food waste reduction initiative is Dr. Peter Whitehead, who headed the Food Chain Centre, which was part of the Institute of Grocery Distribution. They've now realized that what he was doing at IGD with introduction of lean to the agriculture and agrifood business was the best, most effective way of reducing waste that we know. It's gone full circle.

• (1535)

Ms. Ruth Ellen Brosseau: In this report it says that food waste is 9% field, 3% transportation, 8% food service, 18% packaging-processing, 11% retail stores, and 51% of the food waste in Canada is happening at home.

I was wondering if you could tell us if you think the Canadian government has a role to play in limiting or helping to mitigate food waste, and also the positive financial, economic, and environmental impacts if something were to be done, if leadership were to be taken.

Mr. Martin Gooch: I feel that public institutions have a role to play in this. We have seen many regulations introduced. Some of them would increase not reduce food waste. Part of that is its interpretation, as well as the lack of coordination among the different regulations at the different levels of government.

Yes, I see that public institutions have an important leadership role to play. The figure you mentioned, that 51%, is based on estimates because we don't have hard, objective numbers about the amount of food wasted in Canada.

The overall \$27 billion we estimated does not include sectors such as seafood. The overall real number, and then the value of knock-on effects, is far greater than \$27 billion. The fact that 51% of waste at the consumer level is partly an outcome of the way the rest of the industry operates.

Ms. Ruth Ellen Brosseau: Since most food is wasted at home, do you think some kind of study or education could be done around labelling? Expiry dates are an issue.

Mr. Martin Gooch: We know some of the issues surrounding labelling. As you said, the best by date, the use by date, are certainly factors that play into the amount of food waste. Certainly more can be done on coordinating the use of those labels, because for instance you can have two products side by side, they're packaged at different facilities by the same company, and those use by dates are presented differently. I've been confused by them. For instance, you could have the year first, the day first, the month first, and unless you take a double look you could be confused, so someone who is overly cautious could throw food away unnecessarily.

It's one of the ways industry operates that exacerbates the amount of waste we see in the home.

• (1540)

Ms. Ruth Ellen Brosseau: Thank you.

The Chair: Thank you very much.

We'll now go to Mr. Lemieux, please, for five minutes.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you.

Thanks for being with us today.

If I could just take a moment to position this meeting in our larger study, the committee is doing a study on the supply chain, and we're looking at it from the farm gate right through to the consumer and perhaps beyond, which would include such things as waste. We've studied things like the red meat sector, and we've done grains and oilseeds and the beverage sector. Now we're trying to focus on the distribution system and the retail system, which could also include contact with consumers, because consumers are plugging in at the retail system.

This conversation is focusing in on waste. We were hoping to have some distributors come in today to talk to us about their operations and how food products move through their institutions and where they go. For example, is there waste especially on time-sensitive types of food items?

But as I think about waste and some of the comments you've made, my inherent guess is that at every step of the way—at the farm gate, in the retail sector, in the distributor sector, and even in the consumer sector—they want to reduce waste, because it's a loss of money. I'm a father and I have five children, and I don't want to throw food out, right? I want us to eat our food. I think it's the same at every step of the way. If food has to be discarded or disposed of, it's lost revenue. It's a loss of revenue for whatever step in the chain that is, so I wanted to ask perhaps a few questions about that.

I'd like to ask, for example, about food safety. I think people are more food safety conscious. I think governments are more food safety conscious, as are the food processors. Everyone in the system is. You mentioned an expiry date, but people also have a sense.... When things come out of their original packaging and go into other packaging in the consumer's fridge, there might not be a date on them anymore, but you can tell when something should not be eaten or is starting to go, in a sense, certainly at the family level. I wanted to ask you for your impression on waste versus food safety concerns, both within the food chain and at the consumer level, because there are two different things going on there.

Mr. Martin Gooch: Food safety definitely plays into food waste or the creation of food waste, but it doesn't necessarily play into it in the way you might expect. For instance, let's go back a few years to XL Foods. All that meat was wasted. That meat could have been used in other respects; it could even have gone into pet food, for instance. There was no need to have literally thrown it into the ground.

So part of it is how we use food that we do not see as fit for human consumption, and also, part of that whole issue revolves around how that business operates. It goes back to process and how we encourage agrifood businesses to actually operate. As a people, we have become very wary of food safety.

On the other issue you mentioned, I fully agree. I don't think anyone—or very few people—would ever go out and purposely waste food, but we do it in small amounts that add up. A few lettuce leaves here that get thrown out, a salad that's turned into a science experiment there.... So yes, food safety does weigh into the food waste argument and discussion, but not necessarily in the same ways that we see at, say, face value.

Also, from the distribution standpoint, the way our distribution system operates or tends to operate can itself be a cause of food waste, such as, for instance, focusing on large volumes and focusing on price. From a distributor perspective.... I've had this actual discussion with retailers around the world. If you speak to them behind closed doors, they're in a real dilemma. Do we actually encourage consumers to waste less, which means they might buy less, which will impact on retailer profitability? What they generally don't look at is that if we actually organized operations more effectively, we would actually have, for food, less waste in our own operations as well as in the home. Because they don't actually calculate the cost of waste on their operations, they're generally not as proactive in looking to reduce waste as they otherwise would be—

• (1545)

Mr. Pierre Lemieux: If I understand—

Mr. Martin Gooch: —and that goes even in the U.K.

Mr. Pierre Lemieux: You were saying that most waste occurs at the consumer level, if I understood what Ruth Ellen Brosseau said. A very high percentage occurs at the consumer level, not at the distributor level.

Mr. Martin Gooch: It does occur at the consumer level, but part of the reason so much food waste occurs at the consumer level is the way the industry operates, which has led to changes, for instance, in how Tesco operates. It does not do as many of what you now know as the BOGOF, buy one, get one free. It's buy one, get one later, because Tesco has realized—and, of course, they're one of the world's largest retailers—that getting consumers to buy a lot of food in bulk actually exacerbates the food waste issue at home.

The Chair: Thank you very much, Mr. Lemieux.

Now we'll go to Mr. Eyking, for five minutes, please.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair.

Thank you for coming today to be our witness.

My parents were brought up in Europe during the war and they also had the Depression, so they always instilled in us that we weren't wasting any food, with us being farmers. But sometimes when you have societies that are well off compared to others you see this waste, and I guess there are many reasons why we have waste. You alluded to some of them even in the grocery supply chain, when they have these loss leaders and the large proportions and sizes.

Everybody has a bit of responsibility here, from the farmer all the way to the children sitting around the table, to eliminate some of the waste.

It's hard to regulate the food industry, especially at the retail level, to change their sizes. Maybe in packaging it would be good to try to entice these companies to have smaller packages. A lot of families are smaller, and there are seniors and just individuals in the household. I think that is a market-driven process, and packaging, of course, is important.

But how can we do more education on the consumer side? We often talk in the produce industry of the supply chain, the cold chain we call it, where you maintain the right temperature all the way through but then all of a sudden a consumer gets the groceries in a plastic bag and they are sitting in a warm car and then the fridge is not working right in the summer. All of sudden, there is a big gap. I think a promotion, starting in the schools and all the way through, about the waste of food...but how do we do that?

Are there any other countries you know of that promote that at the consumer level, at the household level? Even with transporting the groceries from the retailer right to the home, there is a loss right there. Are there any other countries doing programs to promote that? What could we be doing in this country?

Mr. Martin Gooch: It's a good question. We do quite a bit of consumer research. We do quite a bit of work with the entire value chain, from production inputs at the farm level, through to retail and food service. As part of that, we do quite a bit of consumer research. For instance, we had a peach study four years ago now, in conjunction with Loblaw, and we asked consumers how they kept their peaches at home. Anecdotally, we'd estimate 60% of the consumers turned around, almost without hesitation, and asked, "Well, how should we store these peaches at home?" Consumers are often their own worst enemy in keeping products. So I fully agree that consumer education piece is voluntary, but it has to be an informed education versus trying to make people feel guilty.

In the U.K., WRAP has done quite a bit of that. It's also fed into encouraging consumers to eat healthy. It's often the same countries. Australia educates consumers quite hard with their Love Food Hate Waste initiative, which is actually stolen—stolen, I say humorously—from the U.K. program, because they have the same name. You have celebrities who are encouraging changes in consumers. A good way is to actually use celebrities, people that consumers look up to. You don't want the CEO of a supermarket telling someone, "You need to do this but also buy our products". What you need is someone the consumers connect with to say, "A typical family wastes this amount of product. These are the reasons you waste it. Here is a simple way to extend the shelf life, extend the life of the product in your fridge, or wherever you store it".

Quite a successful initiative that steadily you see in Canada is Green Seal packaging. Green Seal packaging is fairly simple in most circumstances and can go a long way in reducing food waste in the household.

Another solution is having more direct instructions on packaging of how to handle foods. One of the successful processors that's helped to reduce food waste in the home is Warburtons, a baker. One thing that consumers don't like to do is waste quite a bit of the life of bread, which of course turns into a science experiment very quickly if you don't keep it in the right way. Warburtons championed or actually led the development of a short loaf. It's a full-sized sliced loaf. You get the full slice out of every loaf, but it's about half the length. That alone has led to reductions of food waste in the home.

You see, it's hard to change consumer attitudes and behaviours. It's a long-time project, a long-time opportunity, but doing things in an incremental way plays into how consumers naturally behave in the home.

The other issue you raised was schools. We have—

• (1550)

The Chair: We're well over time.

Mr. Martin Gooch: —largely lost.... Okay, yes.

The Chair: Okay, thank you very much.

Thank you, Mr. Eyking.

Mr. Dreeshen, you have five minutes, please.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

It's nice to hear from you, Dr. Gooch.

I'll perhaps start back with the schools, because, of course, the training that one has in food safety.... I remember from home ec classes that you would understand that if you cooked what you had, you would not have to worry about E. coli and all these other issues that occur. Of course, probably more E. coli comes from vegetables and so on than even in the meats. Yet, when you get the media hype on these things, everybody's starting to throw everything out and they don't recognize how the two things are related.

The concept about feeling guilty, as you mentioned earlier, certainly affects the way the consumer is going to deal with the products they have in their home as they hear all these stories that sometimes get expanded upon.

So the school, the training, I think, is extremely important, and for people to recognize the different things that can occur.

In your organization, you talk about working with food waste reduction, traceability, those types of programs. Could you tie it into two different specific aspects? The first one is farmers' markets and how they address this particular issue, and perhaps some ideas that people could present to them—if you don't feel they're addressing them at this point. The second one is the waste in transit. As we move different products from Canada to other places in the world, has there been a study on the kind of waste we see there? Of course, when we bring product in from other countries, how much waste is one anticipating to come through the borders and ports?

Mr. Martin Gooch: Those are two great scenarios.

I'm not an expert on farmers' markets. They operate...and most consumers will actually go to a farmers' market for quite different reasons than they'll go to a retail store. They're two very different

animals, by large part. The key driver behind someone going to a farmers' market is primarily a bad experience with shopping as well as with the food afterwards. The markets make up a fairly small percentage of their overall food purchase.

In terms of what could happen in terms of reducing the waste at farmers' markets, I think it comes back to the same initiatives and opportunities as in the wider industry—how the food is handled, how it's packaged, how it's presented, and how much is presented, packaged, and distributed. I think the same basic principles apply.

In terms of traceability, we're actually, at the moment, in the midst of a seafood traceability study, an international study. One of the purposes of the project is to identify where waste occurs along the value chain, whether it be aquaculture or wild-caught, and where traceability can help reduce waste along the chain. There's new technology coming into play in terms of giving businesses the opportunity to manage temperature and other parameters along the chain. It's an evolving area that will become increasingly an opportunity.

• (1555)

Mr. Earl Dreeshen: When you look at transit, when food comes in from other countries as we're importing various fruits and vegetables and so on, does your organization track the kind of waste there is in that particular area?

Mr. Martin Gooch: We don't do it specifically in that area. However, I was talking just last week to a major food manufacturer, and there were issues regarding the U.S.-Canadian border that led to an entire 40-foot container load of product going to waste.

Mr. Earl Dreeshen: In your introduction, you talked about where we could go forward. What thoughts and ideas do you have in that regard? What types of things would you like to see us doing to help the consumer and also to help the producer?

Mr. Martin Gooch: I'd like to see more emphasis on developing a business case. Many businesses don't see the connection between reducing food waste and increasing profitability. Many businesses don't see it, often because they don't measure it. It's not high on the radar screen.

I mentioned WRAP in one of my earlier responses. One of the main values that WRAP brings to the U.K. is that it actually works with businesses to identify how they can profit and where they can profit. It has actually helped them introduce the programs that will enable them to profit, or at least reduce loss, from the reduction of waste.

That's not published, because it's proprietary; all you see published are the generic results.

The Chair: Thank you very much, Mr. Dreeshen.

Mr. Martin Gooch: It's very valuable work.

The Chair: Madame Raynault, five minutes, please.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair.

I want to thank the witnesses for joining us today.

Mr. Gooch, earlier, you mentioned that vegetables were being wasted. People are wasting vegetables at home because they do not know how to preserve them. Someone said earlier that providing information in schools or on labels would help us avoid all that wasting of food. The waste rate of 30% works out to a lot of food.

Asparagus is currently in season in Quebec, and probably across Canada. Who knows how to preserve fresh asparagus? Should it be put in the fridge as it is? Should its bottom part be immersed in water, so that it would stay fresh longer?

I think that starting by educating children on these issues and then educating parents would be a very good idea. Children will tell their parents how to preserve vegetables like potatoes. I think that would be very important.

You also talked about consistency in expiry date labelling, and I agree with you. It is true that this is not always easy. The expiry date does not mean the yogurt will go bad three or four days later. However, people tend to throw it out because they are afraid of getting sick.

All of us probably do some grocery shopping. In our free time, we go to the grocery store and see vegetables. I have been an agricultural producer in the past, and I knew that, when I delivered vegetables, asparagus and tomatoes had to be very fresh. However, those that are a bit less fresh are not necessarily sent to the cannery and are still edible as such. A tomato is still good even if it does not have the little seal of approval someone may want.

What is your take on all this food being wasted? Should companies be forced to can vegetables that are still good, so that they would last longer and so that people could also eat them at a better price? What do you think about that?

• (1600)

[English]

Mr. Martin Gooch: There are some initiatives going on in Canada at the moment—for obvious reasons, I don't want to mention names—for diverting to processing products that aren't suitable for going to retail stores. One of the challenges, though, is that our food industry is so complex that it's often not feasible to take product from one supply chain and move it over, say, from the fresh supply chain into the processing supply chain.

I'm not in favour of more regulation. What I am in favour of is clever regulation. I think clever regulation could actually help businesses manage some of that better. We've done a number of studies in the past that show—and I've heard it said by a number of retailers—you only need one or two pieces of fruit in an entire display that are of poor quality to actually discourage consumers from buying that fruit. But if you purposely mark a product as "second grade", and yes, if you discount it as well and sell it at a lower price, it can be very effective.

Just for starters, Tesco and Sainsbury's are just two of the retailers in the U.K. that come to mind and have done this quite successfully. Shop 'n Save in the U.S. saves \$100 million annually, and part of that is by better managing produce in terms of discounting or actually marketing something as ugly, when it's not class one.

[Translation]

Ms. Francine Raynault: How could we help food distributors share their surplus with organizations or food banks, so as to reduce waste?

[English]

Mr. Martin Gooch: Some of the distributors and the food banks are working together well now. Certainly, one thing I would encourage more is that there has been talk about a tax incentive, and that is certainly one area that could work. The other area that could work is more explicit protection. Some businesses—many businesses—don't share as much food as they could with food banks because they fear prosecution, even if something they didn't do themselves leads to sickness through the redistribution of food.

There are definitely issues that can occur. Food Banks Canada and many food banks around the country would be in a far better position to advise you on that than I would be.

The Chair: Thank you very much, Madame Raynault.

We'll now go to Mr. Payne for five minutes, please.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chair, and thank you, Dr. Gooch, for coming.

This is a very interesting subject. My wife and I go shopping, when I'm around, and it's amazing. When we look at the products we find the ones that are looking good. The ones that are not looking so good, we don't take. I think most consumers are the same in this regard.

The other day we were in Costco, picking up a box of oranges. We opened it, and there were a couple of rotten ones in there, so no one is going to take that box of oranges. Potentially there's further waste by having those rotten oranges in that particular package.

You're absolutely right, I believe. There needs to be much more education of the retailers and the producers. The big question, obviously, is how do you get around to that?

On your website you talked about the Cut Waste, Grow Profit forum. I'm wondering if you could tell us how this forum works and what sorts of things come out of it. Do any innovative ideas come out of that forum?

• (1605)

Mr. Martin Gooch: Thank you.

We held the Cut Waste, Grow Profit forum two years in a row. We are currently working through the process of whether or not to hold it again this year, for a third year, given the number of other initiatives that have since sprung up.

The forum had two purposes. One was definitely to share ideas, share practices, communicate practices that are occurring around the world, not just in the U.S. and Canada. The other one was to put food waste on the radar screen, both publicly and within private businesses.

At last year's presentation we had a number of great examples from a hotel chain in how their executive chef was saving, in one instance, within one institution, quite massive amounts of food and increasing the hotel's profitability at the same time. We had a presentation from Mark Schembri from Loblaw who talked about how Loblaw managed food waste, reduced food waste in the store. From both of these presentations we had excellent feedback from the audience.

Also, Jason Wadsworth from Wegmans presented on how the Food Waste Reduction Alliance in the U.S. formed and what they're doing. They have just published a tool kit for reducing food waste through distribution and at the retail store and in restaurants.

It was largely a come and share, and let's learn from other practices. We had Dr. Peter Whitehead speak at last year's forum on what he did at the Food Chain Centre and what he has been doing with WRAP. Objectives and measurable results have helped businesses improve their profitability.

It's a hard slog. We work with a very ingrained industry.

Mr. LaVar Payne: How many people or organizations would attend the forum, and is the message getting out?

Mr. Martin Gooch: Is it getting out as much as I'd like it to? Absolutely not. Part of the reason is that it's not on the radar of many businesses.

I'm envious of what WRAP has been able to achieve. It hasn't been able to achieve that with a \$20 donation overnight; it's taken years. That's spawned a multitude of initiatives around the world. WRAP has, by far, made a positive return on investment from public dollars. The Food Chain Centre, which Dr. Peter Whitehead formerly directed, made, from memory, over 1,000% return on public investment within less than five years.

There's a lot of opportunity out there, and we're not taking advantage of it.

Mr. LaVar Payne: Yes, I know. A couple of organizations in my riding are doing some of that, which we'll hear about at some later date.

I am also interested in.... You talked about incentivizing in the U.K. Is the U.K. government continuing to incentivize organizations there, taking that tipping fee and moving it elsewhere?

Mr. Martin Gooch: The WRAP program continues to exist. Its public support from the U.K. government has been reduced, though it's also working more and more with mainland Europe. Food waste has become a highly political issue in the U.K., the same as in many other jurisdictions. The fact that it has become such a political issue is one of the reasons the WRAP program has been somewhat reduced.

The Chair: Thank you very much, Mr. Payne.

We'll now go back to Madam Brosseau, please, for five minutes.

Ms. Ruth Ellen Brosseau: Thank you, Chair.

I think it's really interesting that we are studying this at committee and putting it on the radar. Comparatively, when we look at other countries and at what has been done in the U.K., in Australia, and even in the U.S., we can see that there is some work that can be done

at all levels of government, I guess, because there is a return on investment. It does save money and it does help to diminish the environmental impacts that are caused by food waste.

I know that the Value Chain Management Centre has completed certain projects that have seen positive results. I'm wondering if you could describe those to us, please.

• (1610)

Mr. Martin Gooch: Yes. One of the projects was, again, with Loblaw and peaches. It was focused on looking at the present situation and what was occurring. This was in Ontario.

We've identified that in some years in Ontario a significant percentage of peaches grown in Ontario will actually go to waste in Ontario. There are a number of reasons for that, including when they were harvested, when they were picked, how they were packed, how they were cooled, how they were distributed, how they were displayed in stores, and how they were handled at every point. We first measured what was actually happening and then introduced a series of improvements in conjunction with Vineland Growers, with Loblaw, and with the involved producers and the distribution trucks. That led to reductions in waste.

We also proved that it's not all about price. There's a decent segment of consumers out there who actually will pay more than an above-commodity price for something they actually value—hey presto!—and we have an industry that largely, worldwide, focuses primarily or to a large extent on price.

So we've worked there and we've worked on other projects—for commercially sensitive reasons, I can't name who they were—where there have been significant reductions in waste, both here in Canada and in the U.S., from the food perspective, the energy perspective, and the labour perspective. One particular vegetable-processing facility has saved \$7 million a year by reducing waste. They're not selling any more product. That \$7 million has nothing to do with revenue. It's all reduced waste.

Ms. Ruth Ellen Brosseau: Canada is a very rich country, and we do import amazing foods, but I think we produce high-quality amazing foods. The problem is distribution.

We still have about 800,000 Canadians who visit a food bank every month. I think that if we had some kind of leadership or a plan to help feed these people better, it would work. I've heard about a project of a grocery store working with a food bank in Montreal. They will take food over to the food bank, and all along the way they will do tests to make sure the food is okay and safe. They'll transform the food and actually give it to Canadians who are in need. These people now have access to fresh, healthy foods.

Do you know about that project? I know there are other groups.

Mr. Martin Gooch: I don't know about that particular project, although I know of some projects such as Food Banks Canada, of course. Also, Loblaw and Target have an initiative that has been operating for over a year now. A number of retailers work with the food banks.

One of our challenges is that Canada is such a diverse country, so the solution that works in parts of Ontario like the Golden Horseshoe, or in Montreal or Quebec, will not work in other parts of the country. Part of it is that it might not be possible to as effectively distribute food from retailers through food banks in areas that are more rural.

Ms. Ruth Ellen Brosseau: It's very important to be able to quantitate where we are with food waste. You've done a great job, but I think there would be a great need to find out in detail where food waste is and to know where you're coming from in order to know where you're going. Would that be a recommendation that you would have for the committee? Would you recommend that we study exactly where there is more food waste and how we can prevent it all along the food chain, not just for the consumer but in transport and at all levels of the processing?

Mr. Martin Gooch: Yes, there is a need for that to be done. There needs to be effective, objective measurement, not just asking people how much waste they think occurs. Invariably, what we think and what actually happens is different. We see that regularly in our projects.

There is a report that will be coming out shortly. Ourselves, the Network for Business Sustainability, and Dave Sparling at the University of Western Ontario worked with Provision Coalition on a report that will be released fairly soon. It will shed some light on the answers to the questions you've asked.

• (1615)

The Chair: Thank you very much, Madam Brosseau.

Now we'll go to Mr. Zimmer for five minutes, please.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Thank you.

Thank you for appearing before the agriculture committee today.

Would I be correct in saying that your focus is on the pre-consumer side of food waste? That would be accurate, wouldn't it?

Mr. Martin Gooch: Primarily, yes.

Mr. Bob Zimmer: So you're more the wholesaler side than retailer. You've answered some of the questions in terms of the peach example and others like that. Your group obviously does research in this area to know where the problems are. Do you have a top five? Perhaps you could break it down in terms of the top five world issues with food waste and also, if you have it, the top five in Canada in terms of food waste.

Mr. Martin Gooch: I haven't consciously thought this out, so I will do this from memory.

One issue would be lack of coordination. There is a lack of coordination along the value chain. Compared with other industries, the agrifood industry has lots of poor organization for various reasons, one of them being just the culture.

There's a lack of planning. We have a lot of unnecessary loss from food processing, from pre-distribution, from incorrect handling and incorrect storage. If you include in food waste the unnecessary use of feed, it comes back to incorrect processes on farms with livestock production and some crop production.

Those same top three or four exist around the world. I see it whether I go to developed countries or developing countries. They are generally the same. It's often a combination of lack of technology or correct use of technology and lack of effective management. There are examples around the world of people who are doing it really well and of people who are on the cusp of doing it well but who know they can do it better. There are some great cases and examples we can share to encourage others to do the same.

Mr. Bob Zimmer: This is a pretty broad question as well, with a pretty broad theme, in terms of what you've said. We know that food waste occurs. What percentage of the food that arrives is used effectively and what percentage is not used effectively and expires? Is it 90:10, or 80:20...? It's a broad range, because you talked about a lot, such as animal feeds and other things. But perhaps you could give us your two bits on that, if you don't mind.

Mr. Martin Gooch: It depends on the product type. In perishable fruits in particular, you will tend to get a higher level of waste than you will in products that aren't quite so time- and temperature-sensitive. I've seen studies where—

Mr. Bob Zimmer: What would be the percentage number for that?

Mr. Martin Gooch: Commonly, or reasonably commonly, it's 20% to 30%. I've seen it as high as 75%.

Mr. Bob Zimmer: How about the other areas that you talked about? You talked about animal feed. Maybe you could explain what part of that is waste. You mentioned incorrectly utilized feed. Could you just explain that statement?

Mr. Martin Gooch: That's primarily the term of waste from a lean-thinking perspective, which is optimizing the use of all resources. For instance, we know there's a difference in the volume of different types of barley fed to certain breeds of animals, such as certain breeds of cattle, so you're choosing the best variety of grains for the most appropriate genetics in the most appropriate production system.

There are great examples of where it's occurring around the world. We just developed a video on a case study where two years ago the Beef Farmers of Ontario, through a U.K. initiative, reduced the cost of producing a finished beef animal by approximately \$400 per head. The primary way they reduced that was by better using the feed more effectively.

• (1620)

Mr. Bob Zimmer: Sorry—I don't have much time, but that's very interesting, and it would appeal to a lot of our farmers.

So how does your organization proceed? Do they go after companies and corporations and say, "Look, we have a plan for you that would help you reduce waste"? Or have you set up shop and you expect them to contact you? How does the process work with how you function as VCM International?

Mr. Martin Gooch: It's both. We reach out to companies we think we can help, and companies come to us. We have a long-standing relationship with organizations, both private and public businesses, and I value our relationship with them greatly. There are a lot of businesses trying to do great things. There are also a lot that are so busy and distracted by things that it's hard for them to put their head above the parapet.

The Chair: Thank you very much, Mr. Zimmer.

We'll now go to Mr. Hoback for five minutes, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair. This is a very interesting discussion.

I'll be a little bit of a devil's advocate here. As a taxpayer here in Canada, I wonder why I should be concerned about food waste. If I look at Canadian issues versus U.K. issues, is the issue in the U.K. what to do with the waste and where to put it, or is it basically how to use that waste up? Or is there an economic benefit for the chain and for the consumer in seeing it reduced? What is the driver to say, "Hey, we should take a really strong look at this"?

Maybe just help me get through that.

Mr. Martin Gooch: From the U.K. perspective, Peter Whitehead would be the best person to answer this. I will answer it as a third party and from what I've seen around the world.

It's primarily from an economic and environmental perspective. The sums are there. There is a growing body of evidence that shows it's worthwhile for public institutions and governments to invest some resources. In the U.K. the government effectively made a handsome profit on the investment they put into the Food Chain Centre. They've looked not only at how businesses have actually transitioned, but just for the businesses they have measured, which are not the wider industry, at what the businesses have done with it. As well, of course, their increased profitability leads to increased taxes. So you get a return on the investment from a tax perspective as well as an economic export, and people will look up to you. They look up to the leading industry.

Earlier we mentioned traceability. Two months ago I was in Australia with the Beef Farmers of Ontario, looking at their cattle traceability systems. Countries are actually approaching Australia, paying more for their cattle at times, because they see them as a real quality supplier of cattle.

Mr. Randy Hoback: How do you handle this kind of scenario? Let's say I run a grocery store, and I look at the shelf and see that my bananas are going to be coming to their best-before date sometime in the next week. So, I discount them to get them out. If I do that, then a consumer—and I'm guilty of this myself—will go and buy 12 bananas and eat really only four or five of them. The next five or six end up in the freezer for banana loaf. How do you prevent that from happening in the chain, so they don't just discount something to get it moved through? The waste still happens. It just may not happen on the retail side; it may happen on the consumer side.

Do you have any ideas or suggestions on that?

Mr. Martin Gooch: Part of it is about better planning and encouraging industry to move away from discounting so much. We are a heavy discounter, and heavy discounting encourages consumers to shop differently. It also encourages businesses to

behave differently. So we need a greater and more coordinated approach and we need to take lessons from different industries. We can learn from different industries.

The automotive industry for years has focused on, for instance, the bullwhip effect, the demand-amplification effect. It doesn't matter if a component for a car sits on a shelf for a month. It's not going to go anywhere. The worst thing it's going to do is to go out of date because a new model comes out.

Put the typical food product on a shelf for a month and you know what will happen. Yet that is an industry that is highly focused on how to take out amplification, how to take out this continual increase and then demand and then decrease and then increase of products, largely due to the way we interact with consumers.

Mr. Randy Hoback: Actually it's interesting you should say that.

• (1625)

Mr. Martin Gooch: It's the way we position ourselves.

Mr. Randy Hoback: You know, I love Costco. It's one of my favourite stores. But my kids are all grown up, so when I go to Costco now and buy that big jug of peanut butter, I look at it and see it's a good price and cheaper than the one that is half the size in the local store. But in the same breath, when I get to the best-before date on my shelf at home, I've probably eaten a quarter of that peanut butter and then realize I have to take three quarters of it and throw it out.

How do you educate consumers and show them that while something may be cheaper, the reality is that they're throwing away and wasting a lot of that product, even though it is cheaper?

Mr. Martin Gooch: I think that's double-edged. It's partly how do we educate businesses not to focus on that, and also how do we educate consumers not to do it. It's a hard nut to crack. All that comes down to is that we need to make a business case for this. We have very clever retailers.

Mr. Randy Hoback: It's an interesting thought process. I'm not disagreeing. It's just the whole concept is that the more you buy the cheaper the price per unit. That's the way the system's set up. If I buy 24 eggs it's going to be cheaper than buying 12 eggs. How do you change that mentality? That's not very simple or easy to change.

Mr. Martin Gooch: It's not easy. One of the ways is to encourage consumers to take notice of how much they waste and translate that to money. Since I and my family have been involved in the food waste topic for the last three or four years we've changed our habits, not because we're environmental junkies or tree huggers, but because it makes financial sense.

The Chair: Thank you very much, Mr. Hoback.

With that we're going to conclude our questions to the witness today.

Dr. Gooch, I want to thank you very much for taking the time and joining our committee today as we look at the supply chain, the retail sector, and food waste prevention.

Committee, we'll recess for a minute and then I want to come back because we have a quick in camera item to deal with.

Thank you very much.

[Proceedings continue in camera]

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