ACS Submission: EFRA Committee Food Waste in England Inquiry

1. ACS (the Association of Convenience Stores) is a trade association, representing the 51,524 convenience stores trading at the heart of communities across the UK and employing 407,000 people[1] (see annex A for more details). Members include the Co-Op, Costcutter, Spar UK and thousands of independent stores. Convenience stores provide a range of products and services, including Post Offices, bill payment services and ATMs to local communities

2. There is a diverse range of products offered in-store, chilled foods are one of the more popular categories in the convenience sector, representing 13.4% of sales, followed by canned and packaged grocery (7.4%), and fruit and vegetables, which represent 6.3% of sales[2].

3. The convenience sector is complex, there is a significant variety in the products offered in different types of store, depending on their size, location and ownership type. As such, the amount of food waste produced by a convenience store will also be dependent on these factors. For example, in a survey of 1,210 independent retailers, 41% respondents said their store sells more fruit and vegetables than it did five years ago, while 35% responded that they did not stock fruit and vegetables in their store[3]. A retailer who does not stock fruit and vegetables will most likely produce less food waste than a retailer who does. This is evident by a recent survey which found 36% of independent retailers responded that their store does not generate any food waste[4].

4. Consumers typically shop little and often at convenience stores, with the average basket spend at £6.45 and the average consumer visiting 3.8 times per week[5]. The way customers shop in convenience stores means that they can reduce the amount of food that they waste. 40% of shopper missions are top-up shops, meaning that the customer is topping up their weekly shop with additional, fresher, grocery purchases[6].

5. Please see below for ACS' response to the relevant consultation questions:

What measures could be most effective in reducing food waste by retailers, the hospitality sector, local government, and consumers? These can include redistribution, recycling and recovery, and improved packaging and labelling.

6. We would support consideration around what action could be taken to allow produce that is mislabelled, but safe to eat, to be sold or donated. Therefore, we welcome the

[1] ACS Local Shop Report 2015
[2] ACS Local Shop Report 2015
[3] ACS Voice of Local Shops Survey 2016
[4] ACS Voice of Local Shops Survey August 2016
[5] ACS Local Shop Report 2015
[6] ACS Local Shop Report 2015

Food Standards Agency's review of date marking guidance which will look further into how to ensure "as much surplus food as possible is safely distributed"[7].

7. We would also welcome consideration for measures on fruit and vegetable labelling. While the fruit and vegetable category continues to grow in the convenience sector, it often comes at a cost for retailers. When initially introducing a fruit and veg offering in-store, there can be high wastage rates while customers adapt to the offering. Removing best before end dates for fruit and vegetables would mean retailers would display be able to display these products for longer, as often these dates are often shorter than product's actual shelf life.

How effective are existing voluntary initiatives in England and is there a need for legislation?

8. ACS does not believe there is a need for legislative action in this area. Retailers are already being proactive and looking at reducing their food waste through various ways, including engaging with local and national charities, "reduced to clear" lines, and through other initiatives as outlined below. There are also a number of voluntary initiatives which help to reduce food waste including Cortauld Commitment, WRAP and Love Food, Hate Waste which retailers engage with. Regulatory action could hamper future voluntary action from retailers as well as action that has already been taken.

9. The operation of stores plays a factor on how convenience retailers reduce food waste. A multiple convenience store (a chain of stores which are run from head office) may take a more coordinated approach to tackling food waste by involving all their stores (as detailed above). This could include engaging with national voluntary initiatives and charities, see annex B for details on measures the Co-Op has taken to reduce food waste. While symbol groups (usually organised by a wholesaler and are made up by independent businesses but collaborate in joint buying and marketing initiatives) may have a head office, they do not have the same control over the operation of individual stores.

10. The approach to tackling food waste at both symbol group and independent retailer level will be decided locally by the individual store. This provides more flexibility as they can consider different options on how to reduce their food waste taking into account local circumstances and the practicalities of the store. For example, considering if there are local charities and food banks nearby that they could donate food waste to, or if that is not practical, then the retailer can decide to separate food waste for recycling. Please see annex C for details on how Simply Fresh, a symbol group retailer, has reduced food waste.

11. Retailers have already taken proactive action to reduce the amount of food waste they produce, in ACS' Voice of Local Shops survey of 1,210 independent retailers, 20% responded that they recycle using a separate food waste bin, 12% consume or give to staff, 10% reduce food waste through other initiatives, and 7% donate to a local cause[8]. It is evident that retailers take a variety of measures to reduce food waste in their stores.

[7] FSA: Food Standards Agency pledges review of date marking guidance
[8] ACS Voice of Local Shops Survey August 2016

12. We believe retailers should determine how they tackle food waste based on local circumstances, and the needs of the store. As such, we do not think this is an area that should be regulated by national legislation. Tackling food waste does not work as a one size fits all approach. Convenience stores will face different challenges than supermarkets when it comes to food waste. For example, due to the low volume of food waste that convenience stores produce compared to supermarkets, there can be less interest from charitable causes to engage or pick up food waste from stores. Charities do not have the confidence of supply from convenience stores, as they may not receive food on a daily basis which is a suitable volume and type.

What are the comparative approaches to reducing and managing food waste in the devolved nations, and across Europe?

13. In comparison to the rest of Europe, the UK is one of only 4 member states where reliable food waste redistribution can be found. Of those four, the UK has achieved the highest level of redistribution, without needing any legislation or mandatory redistribution requirements[9].

14. The Waste (Scotland) Regulations 2012 made it mandatory for businesses in non-rural areas of Scotland which produce more than 5kg of food waster per week to separate food waste for collection. While it is an operationally manageable measure for retailers, the regulations require businesses to contract new waste management services for the removal of food waste, placing an additional cost on retailers.

15. In Wales, the Environment (Wales) Act 2015 (yet to be implemented), will prohibit the disposal of food waste in sewers, as well as requiring businesses to separate their waste. Welsh Ministers will have further powers to require certain types of waste to be collected separately, this could for instance, include a requirement on retailers to separate their food waste. ACS believes that Welsh Ministers do not need further powers to require that certain types of waste are collected separately. Many retailers already have recycling procedures in place in store to separate out waste.

16. A requirement for retailers in England to separate their food waste would place significant costs on retailers to invest and set up a system in-store manage waste. For retailers that already operate a separation scheme for waste, they would have review existing procedures and incur costs changing these process to match a Government scheme. Retailers are already being proactive and looking at reducing their food waste through various ways. Imposing a mandatory requirement for businesses to separate food waste for collection could hamper voluntary action being made by convenience stores.

For more information on this submission, please contact ACS Public Affairs Executive, Julie Byers at Julie.Byers@acs.org.uk or call 01252 515001

[9] Fusions: Estimates of European food waste levels

ANNEX A

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 50,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.

ACS | the voice of local shops

WHO WE REPRESENT

INDEPENDENT RETAILERS

ACS represents 22,315 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions. These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES

ACS represents 17,330 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits. Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES

ACS represents 11,879 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls, Conviviality Retail and others. Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR

In 2015, the total value of sales in the convenience sector was £37.7bn. The average spend in a typical convenience store transaction is £6.45.

There are 51,524 convenience stores in mainland UK. 75% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.

The convenience sector provides flexible employment for over 407,000 people. 26% of independent/symbol stores employ family members only.

25% of shop owners work more than 70 hours per week, while 20% take no holiday throughout the year. 71% of business owners are first time investors in the sector.

Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors. 83% of independent/symbol retailers have engaged in some form of community activity over the last year.

Between February 2015 and February 2016, the convenience sector invested over £596m in stores. The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1200 independent and symbol retailers which is combined with responses from multiple businesses representing 3,970 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2200 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 4,999 stores. The Local Shop Report also draws on data from him! research and consulting, IGD, Nielsen and William Reed Business Media.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit www.acs.org.uk

ANNEX B

CASE STUDY: THE CO-OP (MULTIPLE RETAILER)

The Co-op has worked with FareShare since 2013. FareShare is a charity who aim to reduce food poverty and food waste by collecting waste from retailers then distributing it to over 2000 charity and community groups across the UK.

Following a successful trial at the Castlewood depot in Derbyshire, the Co-op rolled out a programme across all its distribution centres (nine in total) that sees the society supply a range of chilled food items such as yoghurt, meat, fruit, vegetables and ready meals to FareShare. In 2015 the Co-op redistributed 306 tonnes of food (an increase from 84 tonnes in 2014) – that contributed towards 730,000 meals.

As of June 2016, FareShare had received 463 tonnes of quality surplus food from Co-op distribution centres, helping provide over 1.1 million meals to more than 2,000 front line charities in the UK.

Any food waste that cannot be redistributed is backhauled to a central depot and is processed through anaerobic digestion. The Co-op and regional Co-operative groups also have dry mixed recyclables, customer, and general waste backhauled to be recycled. This diverts 100% of the Co-op's waste away from landfill.

The Co-op also works with its suppliers to help them cut down levels of food waste. Examples include the introduction of a number of packaging innovations which will extend the shelf life of food. The Co-op has introduced skinpacks and vacuum packs for steaks and beef joints extending the shelf life to 15 days from the 6 days with more conventional packaging, whilst the use of differential perforations on asparagus packaging gives an extra two days shelf life.

The Co-op has also conducted a trial with the Real Junk Food Project to redistribute food from eight Leeds stores, which the society continues to support. Collected on a daily basis by the charity, they use the food to create meals available through its six 'pay as you feel' cafes in the city. Through this project the Co-op has redistributed c.20 tonnes of food since the start of the year, and the most engaged stores have reduced the amount of food in their bins by 50%.

In August 2016, the Co-op moved a step closer to meeting its pledge of ensuring all food fit to eat goes to needy causes with the launch of a trial in the South East which will benefit 11 community groups.

Steve Murrells, Retail Chief Executive, Co-op, said "Our pledge to ensure any food fit to eat goes to the neediest is part of our aim to do business a better way to benefit the communities that we serve.

"We have been making great strides in food redistribution, and being able to provide food from our stores to local good causes is another big step forward. As a community retailer it was important to us to be able to support the groups where our stores are located, and this trial means we can achieve that goal."

The Co-op is evaluating the results of these trials and looking at ways to roll out similar local relationships across the 2,800 stores in its estate.

ANNEX C

CASE STUDY: SIMPLY FRESH (SYMBOL GROUP RETAILER)

Simply Fresh as a symbol group retailer actively encourage their stores to reduce food waste.

Deciding how to reduce food waste at individual store level has allowed Simply Fresh retailers to get more creative. Some stores recycle food products close to their sell by date to reduce food waste. For example, stores repurpose cooked meats to make sandwiches in-store, which typically sell faster. Stores also use this approach with fruit and vegetables, and where practical, they cook raw chicken to sell on (e.g. in sandwiches).

While some Simply Fresh retailers decide that is may be more practical to contribute to food banks. Retailers send food products that have past their best before date, but are still edible, to local food banks.