



Environment, Food and Rural Affairs Committee

Oral evidence: [Food security: demand, consumption and waste](#), HC 703

Wednesday 29 October 2014

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Written evidence from witnesses:

- [WRAP](#)
- [Plan Zheroes](#)
- [Tesco plc](#)
- [Fresh Produce Consortium](#)

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Members present: Miss Anne McIntosh (Chair); Neil Parish; Mr Mark Spencer; Sheryll Murray; Mrs Mary Glendon; Richard Drax; Jim Fitzpatrick.

Questions 76-162

Witnesses: **Dr Liz Goodwin**, Chief Executive Officer, **Dr Richard Swannell**, Director, WRAP, and **Maria Ana Neves**, Chief Executive Officer and Co-Founder, Plan Zheroes, gave evidence.

Q76 Chair: Good afternoon and welcome. Thank you very much indeed for participating in our inquiry into food security—the second part, looking at demand, consumption and waste. Could I just ask you to introduce yourselves, for the record?

Dr Goodwin: Good afternoon. I am Liz Goodwin. I am the Chief Executive of WRAP. We work to promote resource efficiency, but more importantly for this Committee we have been doing a lot of work in the UK on food waste. We have reduced avoidable food waste in the UK by 21%.

Chair: We will have lots of time to speak; we are just introducing at this stage.

Dr Swannell: Good afternoon. My name is Richard Swannell. I am the Director of Sustainable Food Systems at WRAP. I work for Liz, and I am also responsible for technical development at WRAP.

Maria Ana Neves: Good afternoon. My name is Maria Ana Neves. I am co-founder and CEO of Plan Zheroes.

Q77 Chair: You are all very welcome; thank you very much for being here. Can I just start by asking each of the organisations here, first of all WRAP, how you define food waste? What definition do you use for food waste?

Dr Goodwin: We use two definitions: one is avoidable food waste and the other part is unavoidable food waste, so we talk about total waste being the combination of those two things. That is quite a tricky definition, because some people would consider some things which we consider unavoidable as being avoidable.

Q78 Chair: Is that a Government definition or is it one that you at WRAP have come up with?

Dr Swannell: It is fundamentally one that we have come up with and, in fact, under the FUSIONS project we have also proposed and worked with our European partners to propose a food waste definition for Europe, which is in the public domain. It does not include that avoidable/unavoidable; one of the reasons we have used that is it helps consumers work out how they can save food and also it helps the industry and supply chain know where to target in order to make maximum use of the food.

Q79 Chair: Maria Ana Neves, how would you define food waste?

Maria Ana Neves: We define food waste as food that is not fit for human consumption.

Q80 Chair: Do you think there is a big difference between the two?

Maria Ana Neves: No.

Q81 Chair: If I ask you first, do you think the public understand enough about food waste and how to reduce food waste?

Maria Ana Neves: I think the public is more and more aware of food waste, and part of this is absolutely due to WRAP's excellent work, as well as Tristram Stuart and all the other initiatives. Does the public understand food waste? Probably we are all somehow in denial, so refusing to understand—not that we do not understand, but perhaps not so clear about what it is and why it happens. At Plan Zheroes our major, major, major battle is to try to help people to understand the difference between surplus food and food waste, and I am sure you will ask about that, so we can go into that.

Dr Goodwin: As you say, a lot of the public is in denial about wasting food. I do not think they understand it fully; some people do understand about food waste, and there are different levels of concern about it. Most people do not really know how to reduce food waste, and that has been the drive of our work over the last few years—to give them tips and tools to reduce food waste.

Q82 Chair: If I could just ask, particularly to you, Dr Goodwin, at WRAP you have had a big drive since 2007 to reduce food waste, but still 2 million tonnes is discarded every year, and that is a big amount of money. It is £2.4 billion a year. How particularly have you addressed that this year? What programmes have you had in 2014 to address that?

Dr Goodwin: We have programmes that are focused on helping householders to reduce food waste, and we have areas of work focusing on food waste in the supply chain, all under the auspices of Courtauld 3. That has been brought together largely because it brings the retailers and the brands together, and part of the reason for doing that is that we, as householders, need help from the retailers and brands to make it easier for us to reduce food waste. The retailers have been doing lots of things like changing date labels and changing storage advice. We saw just last week Tesco have put information on pack on storage for fresh fruit and vegetables, which is a really good way of giving householders the information to help them reduce food waste.

Q83 Chair: Do you think changing it from “sell by” or “use by” on the label has made a big difference?

Dr Goodwin: I think it has reduced the confusion. There is still some confusion, but definitely having only one label, the use-by date and then a best-before date, and not the three labels that were in place before, has definitely helped.

Q84 Chair: Just for the record, what have you pushed through in the last four years to achieve lower food waste at WRAP?

Dr Goodwin: There have been changes in the date labels. The whole of the Courtauld initiative—Courtauld 2 was in the last four years, and Courtauld 3 is going on at the moment. Everything that we did under Courtauld 2 would be included in that, as well as the beginning of Courtauld 3. We have worked with the retailers to reduce the supply chain waste, so working with them to improve their processes to reduce waste in the supply chain, but then the Love Food Hate Waste campaign, combined with the work with retailers to help us all reduce food waste through labelling, storage information, and suchlike.

Dr Swannell: It is also worthwhile adding we have also been working with the hospitality and food service sector, through an agreement we launched to address those. If we look at the hierarchy, the single biggest source of food waste is currently in the home, the second is the supply chain, and then the third is the hospitality sector, in that order. With that we have also got a voluntary agreement to reduce food waste there, and increase recycling of food waste in that area.

Q85 Chair: If you were to give yourselves marks out of 10, where are you? How far are you on target to reduce food waste since Courtauld 1?

Dr Goodwin: We were very close to our targets in terms of achieving Courtauld 2. In terms of my overall aspirations we are still a long way off, because I want to see much less food waste. We still waste an enormous amount of food, and my biggest concern is the fact that we actually had a very good reduction in the first five years of working on this

subject, reducing it by 21%, but the rate of decline has now really slowed down. We have put a lot of effort in this year to try to get the curve going back up again, so that we are seeing further declines. The reasons for that slowdown are probably a combination of factors: some of it will be because we have done the easy stuff; some of it will be because we are coming out of a recession, so people are less concerned about the financial implications—although I think it is still a very important factor; people really do feel quite concerned when they find out that they are wasting £50 or £60 of food every month.

Q86 Neil Parish: Dr Swannell, you answered the first part of my question about where the most food waste arises, so I will go on to the second part of the question: which parts of the food supply chain offer the most cost-effective potential to reduce food waste?

Dr Swannell: We have done a fairly good analysis on exactly how and what cost benefit we have got from the reductions in the home. As Liz has already said, household food waste has come down by 21% since we started this, which is excellent in avoidable food waste terms. Roughly speaking for every £1 of public money spent on this there has been around £250 worth of savings in the home, so that is clearly an area that has gone well. Then we have also had reasonable effect down the supply chain; the savings to businesses in Courtauld 2, which first tackled supply chain waste, were savings to businesses of the order of £1.4 billion. Again, there are some very good returns on investment for that.

Obviously it is early days in the hospitality and food service agreement, and we are looking at those areas. I would say, in terms of where do you get the best bang for your buck, helping consumers—really good; helping supply chain—very good in terms of becoming a more resilient industry going forward and a more competitive industry going forward, and then I would say hospitality is a good one to follow up on that. When I am talking about the supply chain, I just want to emphasise I am talking right across the supply chain, right back to farming, to get that as optimum as possible.

Q87 Neil Parish: Which part of the supply chain offers the most potential for the redistribution organisations to source surplus food? You have talked about food waste—I think it was you, Maria, who talked very much about food waste being when it is no longer fit for human consumption—so what can we do to make sure more of it goes through into human consumption and less perhaps into animal feed or into energy generation, or whatever?

Maria Ana Neves: Excellent question, and very controversial, mixing all those three areas altogether. The first thing we need is to be extremely clear about what surplus food is, and jointly make an effort to change the language, because surplus food is today mixed with food waste. Research indicates that either one-third or one-quarter of the avoidable food waste is surplus food, and the food waste today, especially from businesses, being retailers or hospitality and food services. If there is one-third that ends up mixed with waste that is definitely something that we could prevent making a massive impact, and surplus food is fit for human consumption; it just happens that it gets confused and mixed in most of the cases.

There are several reasons for this: just the fact that there is not even a legal definition of what surplus food is, so the language is very confusing. If you remember last week when you had Trussell Trust representatives here, you probably heard them saying that they could not possibly pass to their clients or beneficiaries surplus food, naming it as food waste. That reveals quite well the situation we have today. 30% of food waste is not waste; it is surplus food. It is not sector specific. Most likely, for example, after an event or from catering services all the food that goes to waste—and sometimes it is huge—is fit for human consumption. There was a lack of understanding, and therefore the infrastructure was not designed to prevent it from waste, and that is one example.

Q88 Neil Parish: It is probably quite controversial, but when it comes to Christmas—I do not very often shop, but I do shop at Christmas—I see people absolutely stuffing everything they can into their trolleys, and I am not convinced that they eat all that food in there. It is a delicate question, but how can we say to the public, “We want to eat well at Christmas”, but not necessarily put quite so much in the basket as they do, because I am not convinced they eat all that food.

Maria Ana Neves: I am not a specialist on consumer and household.

Chair: If I can, we are coming on to this about influencing consumers, so hold your horses, if you would, and we will come on to that.

Q89 Mr Spencer: I am going to decline my invitation to the Parish house for Christmas. I wondered if you could give us a hierarchy for food waste; obviously putting it back into human consumption is the most acceptable, and putting it into landfill, I would have thought, is the least acceptable. How do you rank composting, energy recovery, and back to animals? Is there another tier that I have missed?

Maria Ana Neves: On the top you have two categories for food waste prevention: the first one is prevention itself—source layers, produce layers—only produce and sell what is needed, but that is not always possible. After that the next layer is if there is leftover or surplus then it should go to people. Those two are the food waste prevention top categories. Then, of course, we could argue that the next thing is feeding animal stock, because we are producing food to feed them; why not make the best out of the food we have? Following that I would say compost and anaerobic digestion is probably similar.

Dr Goodwin: Anaerobic digestion then composting.

Maria Ana Neves: Then, of course, let us make our best to not send it to landfill.

Dr Goodwin: In between AD you have got energy from waste, and then landfill.

Q90 Sheryll Murray: Could I ask you what steps we can take to reduce food waste as householders and the food supply industry, and how we can best co-ordinate it?

Dr Goodwin: I think the co-ordination bit is fundamentally important, because the whole driver to helping us as householders, but also helping retailers and helping the supply chain reduce food waste overall, requires collaboration between all those parties,

because sometimes it is somebody else in the supply chain who needs to take action to make a difference somewhere else. The retailers have a huge role to play in helping us to reduce household food waste, just as an example. It is significant.

We have been doing some research this year to look across whole supply chains—just giving one example, the potato supply chain—to try to get the best out of that supply chain. By having all those people working together, you can make bigger differences than if one person was thinking about their bit of the chain.

To give you one example out of that piece of work, it was a project we did with the Co-op, but by changing the grading on the potatoes, just by 2mm—from 45mm to 43mm—the consumer did not notice any difference, but 1,000 tonnes more product got through to the consumers to be consumed, and less was rejected up the supply chain.

Q91 Sheryll Murray: Can I ask Dr Swannell or Ms Neves: have you got anything to add to that?

Dr Swannell: If I just build on what Liz said, I think the key thing in the home is raising awareness, which is what we have already talked about; it is the waste that we do not know we are producing, and survey after survey shows that. The key focus of the Love Food Hate Waste campaign has been to raise awareness of what you can do this—it is £60 a month for the average family—and then make it as simple as possible for us to change behaviour. We have targeted five particular behaviours in that respect, but the key thing is to make it as simple as possible to change.

Building on what Liz said, that is why it is really important that the supply chain supports this through the way food is promoted, through the way food is designed, and the packaging that is used, and also the labelling that is on there. Again, building on what Liz said, the key thing is this whole supply chain route is one where we have found, in this last year particularly, some very interesting ways of thinking. Instead of thinking, “How do I maximise production at each stage?” by looking right across at, “How do I take as many potatoes as possible and make sure that the maximum number are eaten in the home and minimise waste down the supply chain?” that can bring real benefits.

The final one is in the hospitality sector; I think there is an area there, as Maria has already said, where there is potential to do a lot more. What we are really beginning to see is a head of steam building behind that sector to think, for example, that it is not waste in the first place, but also think about redistribution as something that can be done in that context.

Q92 Sheryll Murray: Have you got anything to add?

Maria Ana Neves: Yes. On the households, once again, I am not an expert; I can only witness what is happening with the people we interact with every day, and because I am surrounded by passionate warriors against waste, we all influence everybody and that resonates. Part of this is what I observe, but I do not have enough knowledge on the end user, consumer, or general public. On the food business side, and specifically in surplus foods, one of the biggest challenges is that to start with we have a controversial economic

situation, so there is money to be made with waste; there is money to be made by pushing more products, which then end up in waste. If we say, “Let us stop that”, then we have an economic side to this arguing, “Well, now we need to put our prices up”, and then that challenges everything again, but on the food waste prevention from surplus food I would say it is about designing systems that make it easier. Considering this is really complex, and to start with surplus food is unpredictable, otherwise it would not exist, but designing systems that make it easier to divert and redistribute will probably be the best.

Q93 Sheryll Murray: That brings me quite nicely onto my next question, which is for you. How are food redistribution organisations integrated into work to reduce food waste undertaken by WRAP and others? How do they integrate?

Maria Ana Neves: First of all, one of the most beautiful things we see at Plan Zheroes is the willingness to share knowledge, to support each other and to pass on information. Any time, let us say, a restaurant chain contacts FairShare, for example, and they want a solution for their problem, and FairShare cannot solve their problem, they immediately say, “Why don’t you speak with Plan Zheroes? They will help you find a solution.” Equally with FoodCycle, equally with us, so we all talk together, and work together. Plan Zheroes’ biggest mission is to disseminate solutions—find them first, and then disseminate.

Q94 Sheryl Murray: What impact do you think Plan Zheroes’ new system, to match food donors with people who can distribute it, has on the surplus food and how much is redistributed? Could this system be scaled up nationally?

Maria Ana Neves: We believe it can; otherwise we would have stopped. On the type of impact, it is very early stages for me to give you any figures, so we have to believe in what we have seen and what we are testing. All the key players, be them small charities, be them food businesses of all categories across the sector, feel the need for something that provides them a solution for quick decisions. In most cases we have one hour to solve the problem, or one day, and to notify a number of key stakeholders, be them someone who helps with the logistics, someone who says, “Yes, I can receive this food”, or someone who says, “I can receive half”.

The system we are designing will have a massive impact on improving the matchmaking, so that we do not waste time making phone calls to find the right potential match, notify immediately in real time the best candidates for the surplus food available, and if necessary engage immediately a volunteer or a transporter for the redistribution. It is also a knowledge brokerage service, and it will have embedded one of the things that WRAP recognised and told us is critical: the possibility to monitor, trace and report how much surplus food is diverted and where it goes. Then we match that with the database we have of the charities to say, “This is the impact it is making”. A platform like this is scalable across the country and elsewhere; we have been contacted by other places like Dubai, Australia, South America, and South Africa to provide the system. Hopefully it will work, but we are still at the in-between phase.

Q95 Sheryl Murray: Could I ask you, Dr Goodwin, whether it is achievable to reduce food waste by 35% by 2025 with the current resources?

Dr Goodwin: It is going to be a big challenge to reduce food waste, and I have said I have an aspiration to halve food waste. It requires work by lots of parties, not just WRAP, and one of the things we have been trying to do is to leverage more resources than just we have ourselves. Clearly I could say we could do more if had more resources, but there are also a lot of resources being put in by others, so, for example, the retailers have put as much financial money in to reducing food waste as we have through other initiatives they have been doing. It is something that we need a collective effort on, but I do not think it is easy.

Q96 Sheryl Murray: That brings me quite nicely on to my final question, which is, again, for you: we saw a budget reduction by Defra from £53 million four years ago to £18 million now. What impact has that had on WRAP's food-waste work?

Dr Goodwin: Food waste is still very important; it is still one of our top priorities, so we have tried to protect it as much as we can. It has got less money than it used to have; we have had to find different ways of leveraging money and different ways of funding some of the work we wanted to do, so we are doing more things in collaboration with others and trying to get them to pay for things more. I could not say that it has not been affected at all, but we have tried to protect it as much as we can. There have been other areas of WRAP's work that have been far harder hit—construction and things like that.

Q97 Mrs Glendon: Could I ask you, Dr Goodwin and Dr Swannell, something about consumer behaviour? What have been the most effective methods of getting consumers to change their behaviours, so as to waste less food?

Dr Goodwin: We have developed a number of principles that we think are the things that actually help change consumers behaviours: base it on evidence, so give them some real evidence about what is being wasted; make it simple, but do not make it over-simple; make sure you try to understand the context; make it easy, so give them tips; understand the social norms—I think that is very important to help make people see that it is normal not to waste food, not normal to waste food; recognise that there is a gap between what we say we do and what we actually do; use moments of change, so if children are going off to university, that is a moment of change; if they are moving house, that is a change—it is a way of introducing some messages about how they reduce food waste in their new environment.

Make sure that it is very positive; we have always said that this has got to be a positive message about, “Look what you can do: you love food, you cook when you are looking after family, and therefore why would you want to waste the food?”

Use real stories about real people, because that helps to make it practical, and basically take a very overall comprehensive approach. The fundamental thing is raising the awareness and then making it easy for people. We understand the key behaviours that people are using—some of the key drivers around food waste are not understanding about portion sizes, not planning when they go shopping, not understanding the storage

information, not understanding date labels. Trying to address each of those barriers in turn has been the approach we have used. I do not know if Richard wants to add anything?

Dr Swannell: I think that is pretty comprehensive. The only thing I would potentially add there is the key thing is this integrated approach, and evidence at the heart of it. One of the things we learned and published last year was that we have been encouraging people to use their leftovers. It was one of the areas that actually really worked; leftovers have now gone down by half as a result. As a country, as a society, we are getting much better at making use of that resource. Interestingly on meat waste we saw no change, so we have got the evidence to say, “This is where we need to focus in order to generate more impact and help people reduce food waste”.

Q98 Mrs Glindon: From everything that you are doing now, and what is happening, are there still challenges to make this better, to make consumers more aware, and to reduce the food waste? Can you still see some specific challenges ahead?

Dr Goodwin: There are lots of challenges. There is still a lack of awareness about food waste. We still have a disconnect between our understanding about food and valuing it as a resource. People think that it is just a commodity that can be bought and thrown away; they do not understand the effort and the resource that has gone into making it, and the water involved, and the energy, and the time. There is a disconnect between how we value it, so there are some quite deep-seated things within people about their attitudes and behaviours, so it is not just about making sure that people understand about date labels; there is something more deep-rooted, which is going to be quite tricky to manage.

Q99 Mrs Glindon: Is there anything more that the Government could do in this sphere with regard to consumers?

Dr Goodwin: I think it is very important that the Government shows that it thinks it is important, and that it is part of the whole food security agenda. Our estimate is that if we actually tackled food waste properly, we would go 60-70% of the way towards addressing the needs for increased food over the next few years. Is the timescale 2025?

Dr Swannell: 2025.

Dr Goodwin: So 60-70% of that food gap could be addressed by reducing food waste.

Maria Ana Neves: Can I add something? One of the activities we do often with Plan Zeroes is offer corporate organisations corporate social responsibility action days. We have groups from 20 people to 100 people, or 50 people, who spend one day with one mission. They are split into teams, and the mission they may have is either champion one charity that deals with food poverty, or champion one business that is trying to find a good match for their surplus food. Over those days the feedback we have is that by immersing themselves into the core of the two sides of this problem, it makes them feel completely different, and turns them into champions of not throwing away food.

We then go back to them a few weeks later, and some of them said, “It actually made me, as an individual, look at this issue from a totally different angle, and I am now

unable to throw food away”. Potentially they have spent an afternoon or a day with people who are experiencing hunger or food poverty, and are also shocked by the amount of food they see. Initiatives like that are also potentially a great way of making people more aware, and shift—it is a paradigm shift.

With businesses, what we experience is most of the companies that change their perception about mixing surplus food with food waste and throwing away, is that when we stop talking about the waste issue and we start talking about the food poverty or the human story, and potentially a neighbour or someone in the family of the members of staff may be experiencing this type of problem, that is when they get completely passionate, and we are very, very, very sure that it also ripples in their own lives and their own behaviours.

Finally, and I know what I am going to say is shocking, if I paid £20 for a bag of apples or a lettuce, or one piece of food, I would most likely struggle to throw it away. I know this is provocative, but I think a big issue in what we are trying to solve; food, for real or in an engineered way, became so cheap it does not offend people to throw it away and make it waste. That is one of the things we should address together.

Q100 Mrs Glindon: Could I finally ask you, Ms Neves, other than that fantastic example you have given, what do you think the Government can do to help consumers, other than the things you are saying, that you have described, to help and support the redistribution of food via foodbanks for example?

Maria Ana Neves: I am probably not very qualified to answer this question. I am not running away from the question; I am just being very, very honest: I do not know what the Government can do. What we believe needs to be done—and I think it is everybody; it is multi-stakeholder and, of course, the Government plays a role—is first of all reward the efforts of those who make something change. That is who we call the zero food waste heroes, or the Zheroes: companies, charities, volunteers—people across the country that are making efforts and stopping it. There should be a way to reward them and expose this. The other side is to continue supporting WRAP, and all the initiatives that make us all aware, but it is a humble opinion I really do not know enough.

Q101 Mr Spencer: What are the major cultural barriers? How can we overcome these cultural barriers?

Dr Goodwin: There are a number of cultural expectations: the family meal is a cultural ideal that people go for, but with diverse families sometimes you get people who do not want to eat the same things, and then you start cooking all sorts of different options, and that is going to lead to increased food waste. We had the Christmas example, which is another great example, and Richard might be able to tell us about an initiative that we are doing at Christmas in particular. It is some of those things.

Dr Swannell: It is interesting. We have produced a report recently in terms of how cultural factors and social demographics influence food waste. Interestingly, those of us who live on our own waste significantly more—40% more—than the rest of us, because it is easier to feed two, three, four people efficiently than it is for one. Therefore, part of the solution there is making sure there is more opportunity for those of us living on our own to

reduce food waste. Then there is this key bit about Christmas and Easter; there are occasions, and it is about how you can work around that. Love Food Hate Waste does a lot of initiatives around that, saying that it is absolutely fabulous to enjoy Christmas, and then by doing the following simple things—use your freezer; the freezer is your friend in this context—you can end up having nutritious meals right through January, February and March. Certainly in my household, some of our goose lasted until March.

It is perfectly capable of doing that, but it is making you aware of those opportunities that is really key. It comes back to our earlier point: this is one of those wastes that goes underneath the radar. Once you are aware and you know that there are simple things that you can do, then you can really make a difference, and there are lots of opportunities to do that, and lots of help out there to encourage you to do that.

Q102 Mr Spencer: Obviously we will be hearing from Tesco soon, so I will pick on Tesco: if I go to my local Tesco, I guarantee at the end of the aisle there will be Quality Street and Roses chocolates stacked to the roof to tempt me into buying these for Christmas. There will be buy-one-get-one-free offers, multi-buys and stuff on promotion. Are our retailers assisting us or are they making it worse?

Dr Goodwin: You are seeing less buy-one-get-one-frees on perishable goods. You sometimes see “buy two of a range of things”, to give you more flexibility, and certainly Tesco have said they will not do a buy-one-get-one-free on bagged salad, because they had some evidence that it was increasing food waste. They are aware of the issues, and we have done quite a lot of work over the years trying to understand whether or not buy-one-get-one-free actually does increase food waste, and it is very difficult to prove that it does.

Q103 Mr Spencer: What are they not doing that you would like to see them do?

Dr Goodwin: What I would like to see them doing more on is storage, advice, portion sizes, and making sure that there are things that are suitable for single household families, so that they do not need to buy and cook things that are needed for two people and then end up with too much food waste. They should think about some of those issues. They are doing a lot of these things, but they need to do more of it and faster.

Q104 Chair: If the figure you gave in your written evidence from WRAP, of 50 million tonnes of food waste in the UK every year, of which £7 million is from households, was made more widely known I think people would be quite shocked at the level of food waste.

Dr Goodwin: Yes, I agree. We do take every opportunity we can to get that figure known out there, and convert it into the 76 million chickens, or whatever it is.¹

Q105 Chair: Was there anything you wanted to say on the supermarket?

¹ Additional information provided by WRAP, 11 November 2014: the actual amount of chicken wasted is equivalent to 86 million chickens per year, not 76 million chickens.

Maria Ana Neves: Not supermarkets, but the cultural barriers. I think one of the barriers first of all is that we still live in a society where waste is accepted, so that is a cultural barrier to stop it. It is much cheaper to throw away any food than do anything to prevent this waste, so that is another economic and cultural barrier. Another serious barrier is about knowledge. There are so many myths about waste, confusion in the case of surplus food, which then leads into ill-informed decision-making, so more knowledge and better knowledge could help us overcome this barrier. Of course there is also language: if we keep talking just about waste, and we do not talk about other things, we get trapped into a paradigm that is difficult to disrupt. I think those are, for sure, serious cultural barriers we have.

Chair: Maria Ana Neves, Dr Goodwin, Dr Swannell, thank you very much indeed for being with us this afternoon; it has been very helpful indeed. In thanking you, could I invite our next witness to take his place? Thank you very much indeed.

Examination of Witness

Witness: **Tim Smith**, Group Quality Director, Tesco plc, gave evidence.

Q106 Chair: Good afternoon and welcome, Mr Smith. It is good to see you again back here as a witness, and thank you very much for contributing to our inquiry into food security: consumption and waste. Obviously we have been on a journey at Tesco since the adulteration scenario. How have you reviewed your supply chains since that happened?

Tim Smith: We have done it from a customer's eye, from their perspective, and what they were telling us was that we needed to make our supply chains shorter and simpler, so we have done that. We have brought food, where we have been able to, closer to home, in terms of the sourcing, so more British proteins particularly. We have done the things in that way that our customers would have wanted to, but we have taken the additional precaution of doing far more testing on species; we have done more work on becoming as transparent as one can be about the way the supply chain works, so providing better information. That transparency, coupled with the thought that what gets measured gets done, has helped us make our partnership with suppliers that much stronger. Where I would have talked to the Committee previously about partnership and felt confident, I would be much more confident now that the supply base would feel they were in partnership with us.

Q107 Chair: One of the things that struck the public in January 2012, or whenever it was, was the fact that Tesco, for one, seemed to take as a given the supply chain once it was in place. Are you now conducting tests to check the integrity of the supply chain is as you expect it to be, so that they are sourcing the food from whence they said they said they were sourcing it?

Tim Smith: We have used whatever technology is available, largely DNA speciation checks, so we have done over 6,000 checks to date since we last met, and those tests are based on risk. They are proportionate to the sort of risks that you might imagine,

for the species to become mixed in a processing plant, and so on. To keep us as straight with our customers as we can, we publish all of that information on a quarterly basis now on the website, so those that are interested can see the work we do, and if they want to suggest where there might be the potential for things to go wrong then we encourage them to do so. It is very much done with the customer's eye, as opposed to thinking about this from just a pure evidence-gathering base.

Q108 Chair: I do not wish to be pedantic, but you do actually go and check the supply chain, so the food is where it comes from—where your supplier says it comes from. You actually physically go and check it, not just the product.

Tim Smith: Yes, physically. For example, on protein, every one of our suppliers and their suppliers have to use an approved source, let us say for meat, and each one of those will have had a physical audit to the standards and specification. If you were to talk to one of our suppliers, they would say, “The Tesco food manufacturing standard is pretty much the gold standard,” and we are auditing against that at least once a year and in some cases more often.

Q109 Chair: So you physically check?

Tim Smith: Physically check.

Q110 Chair: What role do you think that Tesco, as a supermarket, should have in ensuring the security of UK food supplies?

Tim Smith: First of all, I think it is a global priority, and on that basis alone we have our responsibility pretty clearly marked out by customers. They, of course, are deciding what they buy, where they buy it, and how they buy products, and if we do not deliver—this is from their perspective—then we would not have a business. Customers expect and trust Tesco to take a robust, whole-system approach to food security and sustainability, and that means providing affordable food at the right quality, sourced responsibly. I could go on and say a little bit more, if you wish, about what that means for us and for our partners in the supply chain?

Q111 Chair: We will explore that as we go forward. You obviously have a commercial goal—you have got to make a profit—so how can you deliver security of supply chains given that is your goal?

Tim Smith: It is a balance, but just returning to what I said a moment or two ago, if we do not have customers walking through the door taking products from our shelves, because they believe what I have just said is true, then we cannot make a commercial return for our shareholders. It is very much driven by that customer perspective.

Q112 Chair: Is the testing that you do posted on your website?

Tim Smith: Yes, all of it.

Q113 Chair: How would you as a company define food waste? What definition do you use?

Tim Smith: It is effectively a whole-system question, so it is from the point at which a seed goes into the ground to the point at which the last remnant is disposed of in a customer's home. We are able to define certainly the top 25 source of food waste in our supply chain and that of our suppliers, and our customers, where that waste occurs.

Q114 Mr Spencer: If I come into one of your stores, and I am really keen to make sure the food I am buying is sustainable, how do you inform me and the rest of your customers that that is a sustainable source of food in your products?

Tim Smith: That is a great point. The trust that we are building for the brand depends on customers being able to read on the packaging as much as they find useful, and we ask them what they would find useful, about its source. If it is pole-and-line-caught tuna, for example, that will be very clearly labelled. We try not to over-face them with the amount of information, but the conduits that we have got that allow customers to raise questions at the store level, through the customer service contacts they might make, or, simpler still, by visiting the website and checking on provenance and so on, it is completely transparent. If somebody has a secondary question then we will always find somebody who knows the answer to that.

Q115 Mr Spencer: If you try to look for a product, and obviously you have already got the provenance on there as well as the brand, and it might be fair trade—you have got to have the salt content, the calorific content, and how many air miles it has done; there is a limit to how much you can get on a label. We heard from Jay Rayner last week, the restaurant critic, who seemed to suggest there was not really an appetite in the retail industry to label up food in terms of sustainability. Is that a fair criticism?

Tim Smith: I am not sure I agree with Jay. What we are doing for customers in our labelling regime, apart from the legalities, is we are giving them the best information that they have told us they want in order to make a decision on choice. If somebody finds it useful to know about the provenance of a specific protein, then that information will be there. It is not going to be in flowery marketing language; it is going to be in language that means that nobody could be misled. The first rule of thumb is: do not mislead a customer when it comes to provenance or sustainability.

Q116 Mr Spencer: I am wondering what the Government can do really, and retailers, together, because obviously your priority is that customers buy it from a Tesco store rather than somewhere else. That is understandably your first priority, but surely there is a role for Government and for those retailers to influence where and how they buy that food, and make sure it is sustainable. How do they do that?

Tim Smith: It would be helpful, in terms of unblocking differences and confusion for customers, consumers and citizens, if the Government were able to devise a food plan that unblocked any of those consumer-driven concerns. Does it mean what it says on the

label in every retailer? Does it mean that, if I go to a fast-food restaurant, it is produced to the same sustainable standards and same food safety standard? All of those things apply, and having one simple food plan in the future that unpicks a lot of those barriers to consumer knowledge would give rise to a greater assurance for consumers and for our customers about the provenance of that food, which they are undoubtedly interested in, but have a very short amount of time to take in the information.

Q117 Mr Spencer: One of the challenges I suppose is that all of those retailers have got their own kitemark, Red Tractor—if you look at all of those different bodies that are trying to influence, as well as LEAF and organisations like that, is there any work going on anywhere to try to co-ordinate that work to make sure our food is sustainable?

Tim Smith: Not in one single kitemark, or if we can describe it as an icon. When, post the horsemeat crisis, we had to deal with how best to label food to enable customers to get the best information, the single biggest determinant was that they trusted the brand, so whether that is Tesco or one of our competitors, they knew that there were things that stood behind that, in terms of food safety checks, and provenance checks. If we were making a statement, the most important thing was they felt they could trust us about each of those, and then a bit lower down the scale, but important, were Red Tractor and Freedom Foods, and the organic symbols. They use those kinds of things as endorsements and confirmation.

Q118 Chair: One witness suggested last week in the session that it might be an idea to carbon footprint—to weigh up the carbon footprint of every product. I understand that Tesco had planned to introduce a measure of carbon footprint for the lifecycle of its products and provide that information on labels to inform consumer choices. Has that been abandoned?

Tim Smith: We did try the scheme. We did it with the Carbon Trust. If you are very interested in the subject, and you knew the context, as a customer, of the information you were being presented with, it was probably helpful, but the vast majority of our customers were just confused by the information. Out of context, because it was not appearing anywhere else, and there was not a generic thrust to make that happen in all retailers or in cafes and restaurants as well, it got lost in the noise of packaging, as Mr Spencer was saying. It meant that we did not get any real buy-in from the vast majority of our customers, who frankly do not have enough time to spend dwelling in the store looking at each of those labels.

Q119 Chair: How much would it have cost per product?

Tim Smith: I do not think we contemplated the gross or the net cost, but it added cost to the way that we were evaluating the product—each individual product.

Q120 Neil Parish: Good afternoon. How much are consumers influencing Tesco's sourcing policy and security of its supply chain, for example, by buying British produce,

because there was no doubt there was a huge drive from consumers after the horsemeat scandal? Has that tailed off? What is actually happening now?

Tim Smith: The short and simple answer is that customers have always influenced our procurement and supply chain practices. We have probably taken the view that, as we tell them more, they might be more interested and then there will come a point at which we might reach a natural cut-off. We made a commitment to, wherever it was feasible, wherever it made sense—and that is largely shorthand for making sure that we did not make ourselves or the offer to customers uncompetitive—bring food closer to home. By now we have gone to 100% fresh British chicken, and that meant 20,000 tonnes of additional chicken being purchased here in the UK. That is the equivalent of 200 chicken sheds.

To go the next step and follow through on that commitment, and put chicken into all of our ready meals, for example, from Britain, would probably cause concern amongst planners and farmers alike. We are encouraging of British agriculture to do more for us; the fact is that if we put our hand on a lever and ask for a particularly British source, we will get a very good response from farmers, but it sometimes would distort the market; it might just not have the capacity to meet that demand. Where it makes sense we have brought more food closer to home.

Specifically to the customer point, the closer the product is to the farm, by and large, the more interested customers are in its direct local provenance. That is why we source 100% of our beef from Britain and Ireland, because that is what customers find to be the appropriate answer to—

Q121 Neil Parish: I very much applaud what you are doing, but what worries me is at the moment it is still in the public's mind, but eventually you will gradually go back to your bad old ways of just sourcing whatever you can get the cheapest, if I could be so bold?

Tim Smith: If I can be so bold and reject your premise that we ever did that.

Neil Parish: I thought you might.

Tim Smith: From our perspective, because this is driven by customers, if, for example, there is a change in their approach to sourcing, first I would be very surprised. This is one of those moments in our history when customers got closer rather than further away from the source of their food supply, and I think we would all feel that in the last generation we have not done enough to keep customers, consumers, citizens close enough to where their food comes from. I think that has changed in a positive way. I should mention our Farm to Fork Trail, which has got 330,000 children more connected now with the food supply chain. I think for that reason, having rejected your first premise, the idea that customers will move away for anything other than some massive price shock, for example, is unlikely.

Q122 Neil Parish: My next question is linked, really: what are the key factors consumers should weigh up when deciding if they should buy imported foods?

Tim Smith: Their interest when they report it to us, certainly in these times, is principally price, quality, availability, the concept of freshness, and a little bit further down the track will come, in most cases, the provenance. They will trust all those things are right, because our brand is there, and, because we label so clearly, any concerns they have they should be able to see, at least on the front of the pack, whether that meets their expectations. If they believe that we are sourcing produce that we could buy in the UK from a foreign source, and there seems to be no obvious price reason for that, then savvy shoppers will always tell us and will always know that they feel uncomfortable with that. I would not want it to happen, but they would be the first to catch us out.

Q123 Neil Parish: Can I take you on to the seasonality? Some of us always argue these days that we buy the same sort of vegetables all the times of the year, irrespective of whether they are being produced here or not. To what extent should you, as a retailer, influence the pattern of what people are buying, so that they are actually buying more of a British vegetable that is available in season here, rather than necessarily always having asparagus, or whatever?

Tim Smith: Let me take the asparagus example: we found that the asparagus season was shorter than customers wanted it to be, so we sourced asparagus from South America when the British season had finished, and then worked with the British supplier, who I visited, to extend their season. As demand has now gone up for asparagus within Tesco's customer base, it means that that farm is able to extend their season, using innovative agricultural practices. I would best describe that as a win-win, because we are selling more British asparagus, the farmer has got the confidence to know that we are going to take the whole crop, because we do not make it as soon as it was. If you cannot put the genie back in the bottle, that ability to source that at the right price for customers has built demand, and it has not had a detrimental effect on the grower.

Q124 Neil Parish: I understand the argument, and I am not against what you are trying to do. It is good to extend the season as far as we can here, but to what extent are you trying to influence consumers to buy a British vegetable and not an imported one, and an alternative?

Tim Smith: We have to make it clear to them when we have been able to secure British produce, and if you visit our stores you will see the fairly liberal application of the Union flag on produce that has been packed for us and produced in this country. I think we will see more of that; I think people are more interested in that provenance.

The other thing that is interesting is that there is an assumption that we would generally move to a crop from overseas once the crop here started to have perhaps a less than perfect appearance. I have just been to an apple farm in Kent where they had flagged they were going to lose about 20% of their volume because they did not think they would meet the standard at the end of their cropping, so we changed the standard. We know that that has got the potential for customers to be slightly concerned about the appearance, but it is important to us to give confidence to the grower—a cooperative of growers—that what was going to happen was that if they ran into supply chain problems, or they got this slight blemish coming through—

Q125 Mr Spencer: Just about your win-win: have you thought about the community from South America where you were buying that asparagus from, and whether they felt they were winning in that you were pinching their valuable water source? They were using a valuable water resource to irrigate asparagus for Tesco in the UK.

Tim Smith: It is one of those parts of our business that is pretty well under-discovered, that wherever we are sourcing from another country that has got resource problems, whether it is to do with water or land, or even the vexed question of human relations for that type of crop, then we will have sent in technical and ethical experts to make sure we are not going to have an unintended consequence on the people, most importantly, and then on the kind of environment that they are cropping from.

Q126 Chair: What are your sales of fresh meat now compared to, say, 2010?

Tim Smith: I think the difference would be we expect to try to stimulate demand, for example, for British lamb. We think we have probably gone as far as we can for now on beef, but we have created sustainable farming groups for each of the main protein areas, and those that do not have them this year will have them next. Those sustainable farming groups are flagships for farmers and producers in Britain to understand that they can have a long-term contract, that the partnership approach we take means that we will help them source animal feed at best possible price, fuel and all those other consumables, and that we will genuinely share information using our producer network, so they can talk to each other, they can talk to us, and they can effectively talk through us to customers, building that relationship with customers.

Q127 Sheryll Murray: Expanding on the fresh meat, given the exalted health and environmental benefits, should retailers, and/or Government, do more to help or persuade consumers to eat less meat altogether?

Tim Smith: When we are thinking about food security there are three mitigating factors and three things that can be done: you can make the system more efficient by producing more using the same resources; you can transform the system, and, where there was no possibility of generating a foodstuff from a particular piece of land, do that—that is true of our grape business in Ecuador, for example; or you can restrain demand in some way. I do not think that is our job; that is the role of Government, sometimes the NGOs, and sometimes just simple civil society working in its own way.

We will respond to what customers tell us they would like us to do. There are obviously opportunities for us to make it clear. When there may be concerns about the consumption of red meat, we might help send market signals just on the equivalent protein, say, in chicken and so on, but our general thought here is that we should be guided by our customers.

Q128 Mrs Glendon: What does Tesco do to enable low-income households to secure affordable and nutritious food?

Tim Smith: The way that we position the Tesco brand within stores now has a “good, better, best” hierarchy of product. That means that are we utilising more of the whole crop, say, in bananas, by allowing the product that might not meet the first grade to appear as the Everyday Value product—every bit as wholesome, every bit as nutritious but maybe cosmetically slightly different. The Everyday Value segment allows those customers who want to buy bananas on a frequent basis to enjoy exactly the same opportunity as the next level up and the Finest at the top of that. We have many hard-pressed customers who take their food shopping to the point where they know the price of absolutely everything, and we know that all too well. We sit and listen to customers tell us where price matters most. That is why we do as much work as we do to invest in those basic commodities—milk, butter, eggs and so on—that customers want us to keep a low price of. It is an investment and it has to be done to meet our customers’ needs. We know only too well the proportion of the population that relies on us being able to produce food at those sustainably low prices but at a level that allows all parties in the supply chain to benefit, including the customer.

Q129 Mrs Glindon: How do you think supermarket companies can help customers who cannot order online or easily get to a major store when they are on a budget?

Tim Smith: The growth of the convenience outlet—certainly we see this and others will report it too—has been a phenomenon that we might not have anticipated five or 10 years ago. Our smaller stores—Metros and Expresses, and Tesco has a chain of convenience stores called One Stop—are all servicing a community that is either there for pure convenience of the individual customer or family or because people cannot travel to our out-of-town stores. The role of the town-centre within-the-community store is clearly one that is set to continue for the foreseeable future. It means that in the UK we are really fortunate, because we do not have to worry as much as others do in other countries about the concept of food deserts. There really is not as much worry for UK citizens about their ability to source fresh fruit and veg, for example—which is really important—from their local convenience store at a price that allows them to keep in that market with their families.

Q130 Mrs Glindon: Do you think those stores give the same value as the larger stores?

Tim Smith: Ours do, yes.

Q131 Mrs Glindon: How does Tesco ensure that it achieves a sustainable balance between driving down prices for consumers and ensuring that it is worthwhile for UK farmers—for example, the dairy sector—to continue to supply them?

Tim Smith: In most cases that partnership works seamlessly. The markets are coupled. We are working in partnership with our farmer growers in the United Kingdom and elsewhere to help them be as efficient as they can, and 90% of our suppliers will have been working with us for probably more than seven or eight years. Most of them have built businesses on the back of certainty, the partnership approach and getting a return, because no supplier would work with us if they were not going to make a return. I do not

want to go into too much detail because it will take too long, but in the dairy example that you quote we have taken away the coupling between the price we pay for milk to farmers—because we pay on cost of production—and the price that we charge to customers. When we changed the price of our four-pint to £1, we took two full-page adverts out. The first said: “Milk: four pints for £1” for customers. To reassure our dairy farmers, we said: “And it will not make any difference at all to the price that we pay our dairy farmers”. It is almost unique in the way that that cost of production generates something around a 32p-per-litre return for the farmer as opposed to being linked to currency and commodities, which most other schemes are. That is quite unusual, but we have to recognise when there is a market failure in sight, and that might have happened in the dairy sector if we had not put a market protection in for the farmer.

Q132 Mrs Glendon: Is the so-called “price war” with the discount supermarkets—Aldi and Lidl—likely ever to result in unsustainable profit margins for our farmers?

Tim Smith: There is no business for supermarkets if they do not have a robust, sustainable supply base. In all of our dealings with suppliers and with customers we know that we are finely honing that balance. When we are thinking about how we reduce the costs of our operation and the cost of producing product for customers, the suppliers are probably a priority, in terms of making sure that they can continue to have a sustainable, profitable business. As I said, many of them—90% or so in the UK—have been with us for approaching a decade on average. That we want to continue. That is our avowed intent.

Mrs Glendon: Even as Aldi and Lidl encroach further and further into the market.

Tim Smith: Ultimately, their supply chains will become of a scale that means they have got to make exactly the same sorts of decisions, and then the choices that are open to customers will become more apparent. Our range, our availability and our freshness—the consequence of the investment we have made in stores—holds the point at which Aldi and Lidl will grow to a point they have got to make some decisions. We are quite clear about what we are going to do.

Q133 Richard Drax: Chairman, for the sake of transparency I ought to say that a family trustee is a non-executive director of Tesco. It is not going to influence things today, but transparency is important.

Can I talk to you about surplus food redistribution, if I may, Mr Smith? What engagement do you have with charities and other organisations so far as redistributing your food to them is concerned?

Tim Smith: On an ongoing day-to-day basis—so, every day of the week—we have a hierarchy of distribution of food that, having been reduced to clear and still being of the right quality, goes to charitable bodies like FareShare. Our objective there is to have zero food going to landfill. If food goes past the merchantable quality date, whatever that might be, then it would probably go for AD before it went to landfill, but in the middle of that process, the really important piece is that FareShare or similar charities across the UK would benefit. That is on a day-to-day basis.

Q134 Richard Drax: Can you be specific as to exactly how many charities you deal with? Do you deal with foodbanks, for example?

Tim Smith: We do. The other ongoing part is that there are 350 stores that have got permanent collection points for customers to donate to the Trussell Trust foodbank. That breaks into two. There are events three times a year where we will gather together food in a more well-publicised way—I think members of the Committee have seen that in operation—but that does not prevent any local store and any local charity agreeing to do something that would benefit the community. It is really about the communities we are operating within. Having this national picture is interesting, but what really matters is how it impacts on each local community surrounding each store.

Q135 Richard Drax: You have touched on and I just want to explore a bit further the difference between what is edible and safe food. Would a change in the regulations help you redistribute better? Sell-by dates and all the rest of it.

Tim Smith: Not really. We have moved to single-date coding, so you are either going to see “best before” on a quality basis or a “use by” date for those products that could be impacted by food safety risks. We and our suppliers work really hard to give the maximum amount of life that we can and the regulatory framework that we work in—EU and UK—allows us to do as much as we have done. If we could push it any further we would, and I do not think we would find Government unhelpful on that. It is the due diligence of our own people and our suppliers that set those dates.

Q136 Richard Drax: You have just said if Government could go further, you would. You would like the Government to go further, would you?

Tim Smith: No. Sorry; do not misunderstand me. What I meant was: if we can find a way of extending the shelf life of product that helps reduce waste, then we do. In the example of bananas, I know between ourselves and our customers we have gained about 10 days’ shelf life on a banana because we have changed the way the pack house works. It is those sorts of things that we are trying to do. The concept of what is fresh and what is not fresh has changed in customers’ minds in the last decade. Wherever we can, safely and using the best endeavours of the supply base, we make that shelf life as long as it can be.

Q137 Richard Drax: Would you support FareShare’s call for a tax break for businesses that donate food for good causes?

Tim Smith: I do not think our behaviour would alter if there were a tax break. This is happening in France, is it not? We are vaguely interested, but it would not really change what we do without our suppliers and it would not change what we do with our customers. I am neutral on the subject, on the basis that it would not change anything we do.

Q138 Richard Drax: Can we now go on to waste by consumers? What are you doing to try to tackle that one—to educate or influence customers so that they waste less food?

Tim Smith: We have to give them as much information as we can on the pack about the life that product would have. That is why single-date coding helps. We have taken away the distortion of “display until”, which is for us. We give them the best information that we can on the conservation guidelines on the front of the pack. We will then provide advice about what to do with leftovers. As it runs up to Christmas, for example, you will find on our website we will be telling people, as they have consumed so much and there is still so much food in the fridge or in the larder, what some ideas are—some tips—for leftovers and so on. It is really important that we do not stimulate demand that results in waste.

Q139 Richard Drax: What about the multipacks and the buy-one-get-one-free and all that sort of—

Tim Smith: We have listened to what customers said about buy-one-get-one-frees and we have not had buy-one-get-one-frees on fruit and veg and bagged salads since April.

Richard Drax: And multipacks?

Tim Smith: Multipacks yes. Customers told us this works better. They might buy three packs for two when they can choose from a variety of different product. It might be a bagged salad, some tomatoes and some spring onions, all sold on that value footing. That is where customers have told us they would like us to invest that promotional money. They really resent, as you and I probably would too, finding a bag of salad at the bottom of the fridge that they have bought on a buy-one-get-one-free basis, so we do not do it. We have stopped. We listened to customers.

Q140 Richard Drax: What about targeting, for example, low-income families with packaged meals that make sense for them—i.e. there is a meal for one person if they are on their own or a meal for a mother and father and one child or two children? Have you gone down that road to perhaps better target so they do not waste?

Tim Smith: Yes, we do. You can now buy half loaves of bread; you can buy smaller packs of most of our key commodities. We have listened to what customers have told us about whether the pack sizes need to be adjusted. Inevitably you are going to end up with packs that do not suit everybody all of the time but, to the extent that shelf space is available, we will make it available for single-person households, for those people with three in the household, and we will listen carefully to what customers are telling us about waste, just to make sure that, inadvertently or not, we have not created a new waste story. We are trying constantly to eliminate food waste and help consumers do their best to eliminate food waste too.

Q141 Richard Drax: What more should the Government do to support WRAP and others helping consumers to reduce food waste?

Tim Smith: WRAP do a great job. We are hugely impressed by their work and we have worked with them certainly to help us on the technical side. I would like to see WRAP encouraged to do more—to go further. I would like to see work done that extends their influence or effort into areas beyond retail, not because it takes the focus off us but because food waste in non-retail settings is probably a little bit the iceberg under the water. We should have a clear position for WRAP and give them the confidence to know that if they want to innovate to create opportunities for retailers, for suppliers and for others to work with them they have the necessary resources to make all of that happen. I have not detected too much of a problem with that recently, but we just would want that to continue. More power to their elbow.

Richard Drax: And more money.

Tim Smith: If that is what they need. It is not always the case that arm's-length bodies or others need—

Richard Drax: More powers.

Tim Smith: I do not think they need powers. They just need influence. It is their ability to persuade those people who are not yet persuaded of the benefits of reducing food waste, because there are people outside of the core mainstream retailers who are not.

Richard Drax: Right. Supermarkets are quite powerful, are they not?

Tim Smith: Supermarkets have their place in society.

Q142 Richard Drax: Does Tesco support a new phase of the Courtauld Commitment? If so, what commitments should it entail?

Tim Smith: We are signed up to Courtauld 3. The issue for me in this sustainability component will be how we continue to engage our customers in ensuring that what we are doing has validity to them and is something we are doing effectively on their behalf. Initiatives come and go. Work that we have done in the past you can mark down on the ledger; you can say we have made substantial progress on refrigerants and so on. We all need to be seeing this in a wider context. If it were to be positioned as part of a food plan, then that would be probably more helpful than a normal business setting, but we are happy to work with Government and advisers and to do work with those people that is properly resourced to enable us to know that if we press a button something positive is going to happen for the environment and for our customers.

Q143 Chair: In 2013-14 you published the figures for food waste, which I understand were 56,580 tonnes wasted.

Tim Smith: Yes.

Chair: Was that between the field and the store?

Tim Smith: No. That 1% of our food sourcing is what is wasted in the gap between when we as Tesco take title to the product and when we sell it to customers. It is that amount in our distribution centres and in our stores. We can then look at the two

sandwiching parts of the food supply chain and say, “If we are wasting 1% and these are the 25 areas that we concentrate hardest on, then 15% of the volume is being wasted in pre-Tesco activities and we have to work really hard on that, and then 15% of the waste again is on the consumer side.” We all think we could do with having more traction with our customers in that area.

Q144 Chair: On the 15%, say, with your contractors, what are you doing to reduce and minimise the waste further?

Tim Smith: We have taken the approach that if you measure something and you set achievable targets for the supply base and you get to know them better and you take some of my earlier comments about reducing the number of suppliers and reducing the numbers of links in the chain, then inevitably that leads to opportunities, as it has done in grapes, bananas, potatoes, eggs and bakery, to reduce the volume that is created and not ever consumed. Whether it is in the field, whether it is in the pack house or whether it is in the store distribution network, there are initiatives that take account of where that hot spot might be. In grapes, for example, we took out one of the two pack houses needed—one in the country of source and one in the UK—and that gave us more shelf life, which gave us much lower waste than we had previously seen. The same thing has happened on bananas.

Q145 Chair: Where do you dispose of the food that is edible that is wasted?

Tim Smith: There is none of that going to landfill. We have got a hierarchy. As it approaches the usable date, it will be reduced to clear—very clearly marked down—and then after, if it can be, it will go through to the food charities that we spoke about earlier. After that, as I said, there is almost nothing left. Less than 1% of the total waste in the system is in a retail setting. We are talking about tiny fractions.

Q146 Chair: How do you sell your comedy carrots?

Tim Smith: I do not think we have ever referred to them as “comedy carrots”.

Chair: The less aesthetically correct. You should call them that. Maybe that is what you are doing wrong.

Tim Smith: We should call them that, you think?

Chair: Yes. You heard it here first.

Tim Smith: I will take that one back to the marketers and see what they make of it. If we look at the specification and the standards for, let us say, carrots, there will be none of this perceived Euro-nonsense about what a carrot has to conform to; it will be to do with freshness and quality. There will be an appearance part to that, but most of what we are thinking about is the customer. We are thinking, “Is this a merchantable quality? Is it going to keep well in the store? Are customers going to be happy to buy it?” That is partly the role of the Everyday Value component of our offer. Nobody is under any illusion that the carrot itself will not be fine. It might not be as perfect looking as the one that is being sold on a pure provenance basis and has been selected on that basis, but if I

go to farms or anybody in my team goes to farms and we find out that we are in any way disposing of product that has got that ability to be sold through in our shops, then we stop that, and we invite farmers, producers and growers to contact us if we think we are applying our standards too rigorously. The example I gave of apples is a perfect one, where there was a phone call and a visit from one of my guys, who said, “I can see that there is a blemish, but I cannot see that that then should result in you ditching that crop”. That is how we would stop it.

Chair: Thank you very much indeed, Mr Smith. You have been very kind and very generous in answering. Thank you for being with us today.

Examination of Witness

Witness: **Nigel Jenney**, Chief Executive, Fresh Produce Consortium, gave evidence.

Q147 Chair: Good afternoon and welcome. Thank you very much for being with us to participate in our inquiry on food security: demand, consumption and waste. Would you just like to give your name and title, if you would, Mr Jenney, for the record?

Nigel Jenney: Nigel Jenney, Chief Executive of the Fresh Produce Consortium.

Q148 Chair: Thank you very much indeed. What would you say was the average length of the supply chain of your members?

Nigel Jenney: In terms of numbers of businesses from grower to retailer? Is that the question you are asking me?

Chair: Yes.

Nigel Jenney: In essence it is very small. Historically you may have had the perception that these supply chains were very convoluted and very complicated. In reality they have shortened considerably in the last five or 10 years through the sheer drive for efficiency and maximising the shelf life of the products that the industry wishes to sell to its customers.

Q149 Chair: Would you say it is pretty local?

Nigel Jenney: Fresh produce is sourced from all over the world, so I am not quite sure what you mean by “local”.

Chair: How much would you say of UK fresh produce is home grown now and how much could be potentially?

Nigel Jenney: In terms of our overall supply at the moment—a really simple analogy from my point of view—approximately a third of our fresh produce is grown in the UK; a third is grown in Europe; and a third is sourced from somewhere else in the world. In terms of the UK production, which I think is your specific question, there has been and there is continuing to be considerable interest in British-grown produce. You will all have seen the successes of our sector in the soft-fruit sector and also the top fruit—

the apples and pears—sector. They will continue to grow over the coming years, but it will still be a relative balance of our consumer needs of range of products we wish to consume, frankly, versus the wonderful climate that we call the UK.

Chair: Indeed.

Q150 Mrs Glendon: How can retailers make sure that they achieve a balance between locally and globally sourced food that best ensures security of fresh produce supplies?

Nigel Jenney: Ultimately where retailers or anyone choose to source their produce from in terms of origin is driven by what we as consumers wish to aspire to. Your previous guest highlighted the Tesco philosophy. They are managing sourcing from the UK and elsewhere in the world, and I find that quite typical, frankly. We are in a situation where, from a consumer point of view and depending on the sector of the industry we are talking about, one of the key drivers that consumers are particularly interested in from certainly food-standards surveys and everything else is price rather than origin. Origin would not be in the top three of the criteria they would use to select fresh produce.

Q151 Mrs Glendon: What factors will determine how vulnerable these supply chains are to disruption—if there was a failure of UK harvests for specific crops?

Nigel Jenney: That is always a challenge. From time to time throughout the world there have been food supply issues. From a UK point of view, as I have already mentioned, we have a very balanced food supply chain in reality. Two-thirds of our food is coming very short distances if we think our European colleagues are not too far away. Depending on where you are in the UK, you could be closer there than other parts of the north of England and Scotland. There is certainly a reasonable balance, but that is driven by the range of types of products we wish to consume and the time of the year we choose to consume them in.

Q152 Richard Drax: On to affordability, which you have touched on, and price: what can producers and retailers do to encourage low-income consumers to buy more fresh produce?

Nigel Jenney: It is a challenge, but it is a huge opportunity for the retailers and the industry. The advent and the development of convenience stores makes fruit and vegetables more accessible to a broad range of consumers, but—some of the inquiry team visited New Covent Garden Market in London recently—wholesalers and wholesale markets for food-service businesses are a wonderful example of an alternative but very important route to market for consumers to enjoy fresh produce. We enjoy something in the region of 6,000 street markets in the UK. It is a fantastic way of getting fresh produce literally to the doorstep of those consumers who may find it difficult on occasions to travel to their nearest store of some alternative. The great thing is, from recent surveys also, street markets serviced by wholesalers offer a fantastic range but very competitive retail prices. Fresh produce is of a modest value in general terms in major retailers, but, even

with the challenges of the Aldis and the Lidl's, in street markets it tends to be in the region of 20% less than your local multiple retailer.

Q153 Richard Drax: How do we remedy the lack of choice for consumers in areas mainly comprised of fast-food outlets and stores selling packaged convenience foods?

Nigel Jenney: That is an ongoing challenge. As an industry what we are able to do is offer a very broad range. One of the things that is often ignored is that if I asked you all today to tell me how many fruits or vegetables you can mention but not different varieties, you might do well at 20 and you might do very well if you get to 30, but as an industry we are offering over 400 different types of products—not varieties; different types of products—to us as consumers every day.

Q154 Richard Drax: Right. Where this is not available, how do we remedy this problem? How do people get access to it if it just simply is not around them?

Nigel Jenney: Where there are extra challenges, one of the key opportunities is either food hubs or the street market concept. What I would be very keen to see is an increased number of either independent greengrocers or street markets popping up throughout major cities and elsewhere in the UK to provide that low-cost opportunity to enjoy fresh produce.

Q155 Richard Drax: Why do fresh-produce retailers, including supermarkets, frequently choose not to locate in some low-income areas? I suppose there is quite an obvious answer to that one, is there not? I would be interested to hear what you think of that.

Nigel Jenney: Possibly you should have asked that question to my colleague before. There is a commercial reality, is there not? Do they believe they can make that individual store a viable paying proposition? That is the challenge in many respects, but it is worth committing that time and effort to provide that range and affordability of produce.

Q156 Richard Drax: Sainsbury's has opened a store in my constituency in Weymouth. Interestingly, they have got a bus service, which I do not think I have heard of too much. They go out into the community to bring people in. Maybe that is a solution for supermarkets to look at.

Nigel Jenney: A bus service is a great idea. I have certainly seen in more rural areas that the NHS has now provided almost, if you like, mobile shops; they are managing the range of food that can be purchased so it is healthy and enjoyable.

Richard Drax: Or they could send vans out with food like an ice cream van and rather than “ting-a-ling-ling; the ice creams have arrived,” the fresh veg has arrived as well.

Nigel Jenney: There is a fantastic business opportunity, is there not?

Richard Drax: If I get booted out next May I know where I am going to go.

Chair: We might all be joining you.

Q157 Mrs Glindon: How can producers and consumers ensure that the retail industry's specifications, for example, for aesthetically pleasing fruit and veg do not lead to food waste?

Nigel Jenney: There is a combination of things here. As an industry we have been subject to a whole range of regulations, like many others. In terms of the physical specification of those fruits and vegetables, there are 10 detailed European regulations for 10 key commodities and then there are general specifications for all the rest that really underpin the standards that we as traders or retailers can sell fresh produce at. What we do find if we are talking about major retailers specifically is they tend to offer different pack sizes and different qualities of product so you as consumers can choose to enjoy whichever type of product you wish. They have done a great deal in recent years to be much more flexible with their specifications to utilise as much of that crop as nature has provided, but ultimately what is not used by major retailers and others innovative businesses do use in alternative ways. It is not wasted in terms of not being used by consumers; it is converted into another product. That ugly carrot or that ugly potato may be in your ready meal this evening.

Mrs Glindon: I hope it will not be in my frozen chips.

Nigel Jenney: I kept off the subject of chips, you see.

Q158 Mrs Glindon: How can the Government help more people eat more fruit and veg?

Nigel Jenney: Without question the Government initiative in terms of the 5 A DAY campaign has got huge recognition. The reality is it is converting us as consumers to make that next step. As an industry, we have certainly helped fund and have funded a campaign called Eat in Colour—we have a website running—that encourages consumers to eat healthily with lots of fun things to do and lots of recipes and tips for how to use food that may not be quite as good as the day you bought it. One of the key challenges is how we encourage consumers at all ages, but particularly the young, to get that positive habit as early as possible. Currently there is the school fruit and vegetable scheme supported by Government, under which I think five and six-year-olds have a piece of fruit or vegetable on a daily basis. That has been proven to be highly successful. Certainly as an industry we would love for that to be extended further in some way to really reinforce and maintain that eating habit as we go through our teenage years.

Q159 Mrs Glindon: Other than the excellent campaigns, what specific research and development could the Government support?

Nigel Jenney: In terms of consumers' eating habits and why they do or why they do not?

Mrs Glindon: Yes. What else could they do to—

Chair: Eating more fresh fruit and veg a day.

Nigel Jenney: One of the things is that some consumers have a perception that fresh produce is expensive or do not quite know how to prepare it. In reality, it is fantastic value for money. An average family of four only spends something like about £4.50 a week on fresh fruit and vegetables. You cannot buy much in a retail store for £4.50. It is a bottle of wine, in reality, as an example. What we need to do is reinforce the enjoyment and the pleasure of eating fresh produce and the benefits. People know it is healthy—the reality is we have all got that message—but we have to make it more exciting and more innovative in terms of providing that opportunity for consumers and families.

Q160 Chair: You say in your written evidence that “the Government should do more to refute inaccurate claims made under the 5 A DAY brand”. Could you elaborate on that?

Nigel Jenney: That point really is that there is the Government 5 A DAY scheme and there is a 5 A DAY brand. If I want to use that particular brand, I have to be accredited and I will be monitored from time to time. What we see from time to time is that some less responsible businesses may not use that brand but use almost a lookalike brand, which in reality is not delivering the same message nor delivering the same health benefits.

Q161 Chair: Again in your evidence you say that “around 67% of fruit and vegetables are imported to the UK”. There is quite a deficit—you go on to say mostly with EU member states. Should we be doing more to promote the sale of home-grown fruit and veg?

Nigel Jenney: We should be doing more to promote the sale of fresh produce regardless of its origin. Ultimately, whether I buy a British apple today or a French apple today, I will encourage consumers to enjoy eating fresh produce and hopefully eat more. At the end of the day, the reason why we import fresh produce is, simplistically, because it is either not in season in the UK at this time or it is not a product we grow in the UK. When you look at the list of what we all enjoy, our key favourites are bananas and citrus, neither of which we grow in the UK or are probably ever capable of growing in the UK.

Chair: I was surprised that the banana is probably the single most popular product—

Nigel Jenney: By a long way, yes.

Q162 Chair: You say that “the Government must have a cohesive policy for public sector procurement which encourages greater consumption of fresh produce”. Are you saying that they do not have such a cohesive policy at the moment?

Nigel Jenney: There have been issues over the last few years. Frankly, it has not been clear. Whilst I would fully support the concept of individuals wanting to buy British produce or wanting to buy local produce, whatever that means to us as individuals, I am more concerned about making sure there is an availability of fresh produce for us to enjoy regardless of origin.

Chair: Thank you very much indeed for being with us. We will now go and eat our potatoes—or chips—but thank you very much.

Nigel Jenney: And laugh about my ugly veg. There we go.

Chair: Thank you very much. We will try to eat more than our five fruit and veg a day. Thank you very much for being with us and for your contribution.