

FareShare's Written Evidence for Efra Committee Food Security Inquiry

1. Executive Summary

- 1.1. FareShare is the UK's largest charity fighting hunger and food waste.
- 1.2. Supply side factors are affecting the availability and variety of surplus food that FareShare can access and redistribute to our network.
- 1.3. FareShare is experiencing unprecedented demand for the food we supply to charities and organisations, who are seeing huge numbers of people turn to the charity sector for help, many of whom have never done so before. Millions of people are being pushed in to food insecurity as a direct result of inflationary pressures.
- 1.4. In 2019, FareShare received a £1.9 million grant as part of a £15 million government-led trial project to tackle food waste. This funding has been axed.
- 1.5. Despite two Efra Committee recommendations for the funding to be reinstated, hundreds of conversations, a flood of MP letters, and multiple meetings with senior ministers, calls to extend this funding have been rejected.
- 1.6. A reinstatement of this funding would enable FareShare to go some way to meet the demand for food in the charity sector caused by the cost of living crisis.
- 1.7. FareShare is asking for £25 million a year in support, which would make it cost neutral for farmers, growers and producers to pick, package and transport their surplus food, instead of it going to waste or other destinations.
- 1.8. By doing this, the government could deliver 42,500 tonnes of surplus food, the equivalent of 100 million meals, to people worst hit by the cost of living crisis. It would save the government £140 million in costs avoided, and will prevent the wasteful emissions of nearly 70,000 tonnes of CO₂e.
- 1.9. The current subsidy regime for the Anaerobic Digestion industry is incentivising farmers to send their surplus food to AD, rather than to redistribute it for human consumption, which is in contradiction of the government's food waste hierarchy.
- 1.10. The government should look at these subsidies and realign them to incentivise the food waste hierarchy.
- 1.11. This could be done by treating surplus food that has no viable route to market as a public good, and introducing surplus food redistribution as a new standard in



the Sustainable Farming Incentive, subject to trial. This would then reduce the need for direct funding for FareShare for the purpose of accessing food.

- 1.12. These measures would have a transformative impact on the food going to the charity sector, alongside playing a part in significantly reducing the volumes of surplus food at a pre-farm gate level.

2. About FareShare

- 2.1. FareShare is the UK's largest charity fighting hunger and food waste. We take good-to-eat surplus food from across the food industry, sort it in our regional warehouses across the UK or via our app FareShare Go, and pass it onto a network of nearly 9,500 charities and community groups. These include food banks and pantries, hostels, refuges, community centres, older people's lunch clubs, school clubs and hospices. Two thirds of the organisations we provide food to, support children and families. During the last financial year, 2021-22, FareShare redistributed the equivalent of nearly 130 million meals - that's 4 meals every second.

3. What are the key factors affecting the resilience of food supply chains and causing disruption and rising food prices - including input costs, labour shortages and global events? What are the consequences for UK businesses and consumers?

- 3.1. The food industry is facing extensive supply side challenges, including rising costs in energy, fertiliser, workforce, packaging, transport and chemicals, alongside and a labour shortage. These issues have been caused by the pandemic, Brexit, the war in Ukraine, and demographic changes in the labour market.
- 3.2. Those factors are affecting the availability and variety of surplus food that FareShare can access and redistribute to our network.
- 3.3. FareShare is getting around 200 tonnes a month less surplus from retailers (largely mixed chilled) into our regional centres over the last few months in comparison to the same period the previous year. This makes it difficult to supply a mixed variety of food types to the charities who need it, as it means we are more reliant on the primary production and manufacturing sectors to source our surplus.¹
- 3.4. In response to inflationary pressures, retailers are focusing on efficiency drives that has resulted in more food going straight to the shelf. This has meant that less surplus is arising through their operations. The industry wide changes to best before dates also mean that there is less surplus getting offered to FareShare from the retail sector.
- 3.5. These are positive developments from an environmental perspective, and it's entirely right that supermarkets should be minimising waste in their operations. It's also good policy that labelling regimes have been altered so as not to drive unnecessary waste. The unintended consequences of these changes however are that the food redistribution sector has less food of a more limited variety to give

out to those who need it.

- 3.6. In FareShare's case, it means we need to source more food from the manufacturing and primary production sectors. These sectors are where the majority of surplus in the system arises before the point of sale.
 - 3.7. Of course, these sectors are being hit by the same inflationary pressures, and often redistributing surplus food for human consumption is not at the top of companies priority list. Companies have an increased focus on maximising every bit of value from their produce given the challenging economic environment. Labour shortages have also meant it can be challenging for companies to allocate the required resource to redistribute surplus.
 - 3.8. These factors make it more difficult for FareShare to source surplus food from the food industry.
 - 3.9. FareShare is also affected by supply side inflationary pressures. A large part of FareShare's work comprises of logistics and distribution, and so our operations are directly affected by increased energy, transport and labour costs. It now costs us significantly more to redistribute a tonne of food than it did pre-pandemic.
 - 3.10. Of the 9500 organisations who we supply, we know through our annual impact survey that there is significant business critical reliance of respondents on our services. If FareShare was no longer providing food, two-thirds (65%) of respondents would have to reduce the amount of food they provide. Most seriously, 1 in 5 (22%) said they would have to stop their food service, while 1 in 10 (10%) said they would have to close their operation completely.
 - 3.11. Because we are struggling to access food, in some parts of the country we have stopped supplying new charities, and in other parts of the country we have started only supplying food to charities that provide wrap round services, in an effort to ensure maximum social value from the food that we are redistributing.
 - 3.12. We are getting less food from parts of the industry as a result of inflationary pressures, which means we are getting less of a variety and have to put more effort in to secure surplus. In turn, this means the charities who we supply have less food of less variety to get to those who are struggling.
- 4. How are the rising cost of living and increasing food prices affecting access to healthy and nutritious food?**
- 4.1. FareShare is seeing an unprecedented rise in demand for our food, as people facing food insecurity turn to the charity sector for help.
 - 4.2. 25% of households with children are experiencing food insecurity, and 16% of households without children. These figures are both significantly higher than at any point during the pandemic.²

- 4.3. FareShare recently conducted a survey of the 9500 charities and community groups receiving food from FareShare. The survey was designed to assess the impact of the cost of living crisis on these organisations. Respondents were asked to reflect on the effects of the crisis on their organisations since January 22 and what they anticipated the impact going forward.
- 4.4. Over two weeks (26/09/22-9/10/22), we contacted 9402 organisations and received 1376 responses (15% response rate). This gives us a 99% confidence level with a 3%-4% margin of error, meaning that the results are highly representative of all the organisations receiving food from FareShare.
- 4.5. 96% report to have been affected by the cost of living crisis since January, with 41% saying that they were severely affected. The main ways in which charities have been affected:
 - 79% Higher demand for services
 - 69% Rising food costs
 - 63% Rising running costs
 - 50% Rising fuel and transport costs
 - 47% Income reduction
 - *please note these were multi select options and do not add up to 100%
- 4.6. 90% (9 in 10) of organisations have seen an increase in demand with 29% (3 in 10) reporting that their demand has more than doubled. The main reasons for demand were:
 - 82% increase in the cost of food
 - 71% increase in energy bills
 - 54% mental health issues
 - 47% unemployment
 - 47% low pay
 - 43% benefit changes
 - *please note these were multi select options and do not add up to 100%
- 4.7. 73% (7 in 10) of charities see people accessing support for the first time or requiring increased support (63%).
 - Looking at who is accessing support for the first time, the split is fairly even across all groups by employment type, from people in full time employment to retired people. From the groups new to these services, the majority of charities (60%) report an increase in families with children. In the run-up to Christmas, 93% of charities anticipate an increase in demand, with 71% anticipating a significant increase.
- 4.8. When asked what they are worried about in the run-up to Christmas, charities reported that: (% below combine replies of 'extremely worried' & 'somewhat worried') -
 - 89% worried about meeting demand for services
 - 82% worried about covering operational costs

- 71% worried about covering fuel and transport costs
- 92% worried about securing sufficient food volumes
- 81% worried about securing income
- 60% worried about securing and maintaining volunteers
- 62% are worried about having to reduce the frequency of services
- 46% are worried that they might have to close down their services with 20% extremely worried (in a similar question 28% said that they are you worried that in the next 6 months rising operational costs will mean that they will have to close their service down).

4.9. When asked what would be most useful to them to deal with the crisis, the top ranking results were:

- 76% Accessing a higher volume of food
- 64% Access to more funding
- 61% Access to more ambient food
- 46% reported that there is nowhere else for local people experiencing food insecurity to turn to if they had to close their doors.
- 87% worry that the impact of the cost-of-living crisis on those they support will be bigger than the corona virus pandemic.

5. What is the outlook for UK food price inflation in the short and medium term? What policy interventions should the Government consider to manage these pressures?

- 5.1. In its previous reports on food insecurity, the Efra Committee has twice recommended that the government fund FareShare £5 million per year, to make it cost neutral for farmers, growers and producers to get their surplus food to charities via FareShare and its innovative Surplus with Purpose scheme.³
- 5.2. In 2019, FareShare received a £1.9 million grant as part of a £15 million government-led trail project to tackle food waste.⁴ Since this funding was axed, FareShare has continued running the SWP scheme through its own charitably raised donations, alongside small grants from devolved governments.
- 5.3. Despite the Efra Committee recommendations for the funding to be reinstated, hundreds of conversations, a flood of MP letters, and multiple meetings with senior ministers, calls to extend this funding have been rejected. We even projected our campaign video on the side of the house of commons.⁵
- 5.4. Since those recommendations, FareShare's ask for support has increased to £25 million a year. By doing this, the government could deliver 42,500 tonnes of surplus food, the equivalent of 100 million meals, to people worst hit by the cost of living crisis. It would save the government £140 million in costs avoided, and will prevent the wasteful emissions of nearly 70,000 tonnes of CO2e.⁶
- 5.5. FareShare just handed in a letter to the Prime Minister signed by 57 MPs, calling on the government to recommit to this funding, and deliver 100 million meals via FareShare's network.⁷

- 5.6. We have increased our policy ask for three reasons. Firstly, as previously mentioned our costs have risen significantly as a result of inflation since we took part in the trial scheme, and we need more money to deliver the same level impact. Secondly, demand for our food higher than it was pre-pandemic, the most recent figures show that the number of people in food insecurity has more than doubled since 2020. We need more funding to deliver more food to meet this demand, as demonstrated by our survey. Thirdly, FareShare has doubled in size since we made the initial ask, meaning we are able to deliver a higher volume of food through our network. This means the government would be able to deliver a more significant positive impact through FareShare.
- 5.7. £750 million in subsidies is given to the anaerobic digestion (AD) industry every year.⁸ Diverting just 3.3% of these subsidies to surplus food redistribution would pay for FareShare's proposal.
- 5.8. AD subsidies also distort the market for surplus food in which FareShare competes. As a result of the subsidies, it is often cheaper for farmers to send their surplus food to anaerobic digestion than it is for them to redistribute it via FareShare. In recent years, the industry has seen the rise of 'negative gate fees' in which food businesses are paid by AD companies to receive their food. As a result, food businesses are financially incentivised to direct their surplus food to AD plants rather than get their food to people who need it. This is directly in contradiction of the government strategy and policy, that says food should be redistributed inline with the food waste hierarchy.⁹
- 6. How could the Government's proposed land use strategy for England improve food security? What balance should be struck between land use for food production and other goals - such as environmental benefit?**
 - 6.1. Pre-farm gate food waste (post-harvest losses) accounts for a significant amount of the UK's total amount of food waste. Estimates put it at nearly a third of total food waste, at 3.6 million tonnes.¹⁰
 - 6.2. This represents an enormous loss of energy used to grow these crops, and pointless emissions of greenhouse gases; estimated at just under 1% of the UK's total GHG emissions.¹¹ However, accurate measurements of pre-farm gate (primary production) food waste and the resulting emissions are not currently made. This hinders the UK's ability to properly tackle the problem.
 - 6.3. Although Defra acknowledge there is a problem¹², the government has yet to publish a specific plan or method to measure and reduce pre-farmgate food waste.
 - 6.4. Instead the focus is on post-farmgate surplus through planned mandatory food waste reporting, which won't include primary production. The UK, to fully achieve SDG 12.3, needs to measure and tackle pre-farmgate food waste in line with the government's food waste hierarchy, as set out in the guidance that the UK has adopted.¹³



- 6.5. FareShare proposes that Defra incentivises farmers to measure and reduce their food waste. This should be done by introducing a 'Surplus Subsidy', which would be achieved by including the measurement and redistribution of surplus food as an additional standard in the Sustainable Farming Incentive (subject to a trial), one of the new post-Brexit Environmental Land Management Schemes.
- 6.6. Under this 'Surplus Subsidy', the redistribution of good to eat surplus food for which there is no viable route to market would be treated as a public good, given the social, environmental and economic benefits that arise from it.
- 6.7. The ability to do this is a genuine benefit of the United Kingdom leaving the European Union. This would not have been possible under the Common Agricultural Policy.
- 6.8. Potentially, if such a subsidy was introduced, FareShare would not need direct government funding to source food, because farmers would be incentivised to redistribute their food to FareShare and other food redistribution organisations as a result of the Sustainable Farming Incentive.
- 6.9. FareShare has a full briefing on the proposed Surplus Subsidy, available on request.
- 6.10. Until then, FareShare asks for £25 million annually to deliver 100 million meals a year to those in need.

References

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