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## Below the headline: Beyond reach?

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What should food businesses do to  
address food poverty?

A report of the Business Forum meeting  
on 22<sup>nd</sup> July 2014

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## About the Business Forum

Ethical questions around climate change, obesity and new technologies are becoming core concerns for food businesses. The Business Forum is a seminar series intended to help senior executives learn about these issues. Membership is by invitation only and numbers are strictly limited.

The Business Forum meets six times a year for an in-depth discussion over an early dinner at a London restaurant.

To read reports of previous meetings, visit [foodethicscouncil.org/businessforum](http://foodethicscouncil.org/businessforum).

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## Introduction

Many families across the UK (the seventh richest country in the world) are living 'below the breadline'. A recent report by Oxfam and Church Action on Poverty<sup>1</sup> calculated that over 20 million meals were given to people in food poverty in 2013/14 by the three main food aid providers, a 54% increase on 2012/13.

Whilst precise numbers are hard to quantify, the evidence shows there is a real and growing need. The corporate response has tended to be either to ignore, or throw free food at, the problem. Where help is given, is it necessary, short-term relief, or does it potentially exacerbate the problem in the long-term?

The July 2014 meeting of the Business Forum explored the role businesses should play in helping alleviate short- and long-term household food insecurity in the UK. This included looking at the role for food redistribution as a way of addressing issues of food poverty (as well as tackling potential food waste issues), particularly more immediate short-term household food insecurity.

We are grateful to our speakers Lindsay Boswell, CEO of FareShare (the charity 'fighting hunger, tackling food waste') and Professor Liz Dowler, University of Warwick (leading expert on food poverty and Food Ethics Council member). The meeting was chaired by David Croft, Director of Quality and Technical at Waitrose and also Food Ethics Council member.

The report was prepared by Jan Priebe and Dan Crossley and outlines points raised during the meeting. The report does not necessarily represent the views of the Food Ethics Council, the Business Forum, or its members.

## Key Points

- Many people are unable to purchase sufficient healthy, culturally acceptable food and/ or are unable to source these in a dignified and socially acceptable way.
- Household food insecurity has existed in the UK for a long time. However, it is reported that there has been a huge growth in the numbers in food poverty in the UK in recent years – driven by factors including cost of living inflation (relative to wage and benefit inflation), economic austerity, and reductions in entitlements and levels of social security.
- Food businesses can and should play a role in helping alleviate food poverty, both in the UK and abroad. However, the role of governments should not be underplayed in providing a safety net for the vulnerable – food companies can't address this alone.
- Some argued that food redistribution systems are an important way to help people in need of urgent and immediate relief, and that there is a huge amount more that food businesses can do around food redistribution (given that lots of surplus food is not currently redistributed for human consumption).
- Others challenged that assumption, pointing out that food redistribution is tackling symptoms rather than the root causes of food poverty (and waste).
- The question of what food businesses should do remains a difficult one. Short-term food aid is likely to still be needed. However, 'end-of-pipe solutions' will not alleviate longstanding household food insecurity. Efforts must shift towards longer-term measures, for example (i) ensuring and sustaining good working contracts (not limited to decent wages) for all employees and (ii) using food companies' collective power to lobby government – even if the issues go beyond 'food' alone into broader societal issues.
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<sup>1</sup> Below the Breadline <http://policy-practice.oxfam.org.uk/publications/below-the-breadline-the-relentless-rise-of-food-poverty-in-britain-317730>

## Food poverty: definitions

Food poverty can be defined as where people are unable to purchase sufficient healthy, culturally acceptable food and/ or are unable to source these in a dignified and socially acceptable way. Household food insecurity can be defined as a household's lack of access to amounts of food of the right quality to satisfy the dietary needs of all its members throughout the year. Household food insecurity is neither a 'new' problem, nor one unique to the UK. It was claimed that people depending on social help typically have 50% less micro-nutrient intake than those that are not.

People need 'enough' money to eat, but 'enough' is problematic to define. Joseph Rowntree Foundation<sup>2</sup> rates the minimum income needed for basic standard of living for households in the UK. Single people of working age on benefits are the worst off; only 39% of their financial needs are met by safety-net benefits.

## Strategies to deal with food poverty

Strategies people employ to deal with food poverty include: cutting back; changing what they eat; changing what they buy; using up stored provisions; borrowing; and sending children to live with other family members. Going to emergency food aid providers such as food banks are strategies of last resort. The evidence shows that there are increasing numbers of people using emergency food aid provision in the UK. It was suggested that one undocumented benefit of such provision is that it gives food aid users a form of social/cultural credit, in that they may not need to go to family or friends for help (at least for a short time).

## Drivers of growth in food aid use

There are a number of factors behind the significant growth in the number of food aid users in the UK reported in recent years. Firstly, the cost of living has been rising – with food prices having increased since 2008 and fuel prices having risen 45% over the past five years. Secondly, wages and benefits have remained stagnant or have fallen over the same period. The amount of part-time employment has also increased – and these combined have resulted in wider economic insecurity.

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<sup>2</sup> A Minimum Income Standard for the UK in 2014  
<http://www.jrf.org.uk/sites/files/jrf/Minimum-income-standards-2014-FULL.pdf>

Thirdly, many UK households have been affected by economic austerity and reduced public spending – including cuts in community-level support systems. Fourthly, there has been a reduction in entitlements and levels of social security – with undocumented changes in administrative practices (administrators becoming stricter and increasing incidence of applying sanctions) and the removal of the spare room subsidy. There is also a rising general level of indebtedness. Finally, there is a general sense of insecurity and often a lack of future planning. These factors have combined to create a growing – and increasingly visible – problem in the UK.

## Food redistribution systems in the UK

Arguably food redistribution is driven primarily by avoiding food waste, not alleviating food poverty. Nevertheless, there are significant food surpluses in the UK – some of which are being directed towards those in short-term need.

The UK's biggest redistributor of surplus food from the supply chain is Company Shop (and Community Shop). There are many local players – charities, community centres, independent food banks – as well as the national Trussell Trust network of foodbanks. FareShare is a food supply organisation operating nationally and it supplies a range of charities with food (predominantly fresh food, but all food is represented). Most of the food currently redistributed by FareShare has never reached the retail shelf; it is instead supply-chain based – and may be caused by a number of factors, such as human error leading to incorrect labelling or the product being very close to its best before date.

A food redistribution system needs to be secure in order for major food businesses to interact – because food businesses are typically risk-averse. Those involved in food redistribution need to handle food in a safe, transparent, responsible, traceable way. For organisations like FareShare, this involves talking to charities in order to ensure that food that has been redistributed is not being wasted.

The UK food redistribution system is underdeveloped in comparison to France. Reportedly France redistributes twenty times more food than the UK. It was suggested that this is because food tends to be more highly culturally valued in France, so there is a greater aversion to food waste. Also a lot of money

has been invested over several decades in creating redistribution infrastructure in France.

## Redistribution: benefits & incentives

There are many people in need of emergency immediate relief – hence food redistribution systems can be said to be an important part of addressing short-term household food insecurity. It was suggested that successful examples of redistribution often involve a bottom-up approach, collaboration and an emphasis on improving peoples' relationship with food.

There are a number of reasons why food businesses might engage in food redistribution. Eating is arguably the most environmentally friendly way of 'disposing of' food. From a commercial perspective, there may be economic incentives - as have helped drive major changes in corporate behaviours in France for example. Diverting food to re-use sectors bears a cost; and it was argued that tax breaks for food donations (similar to other charitable donations) would encourage greater food surplus redistribution.

B Corporations ('B Corps') were cited as an example of new legal entities that could be used by business to formalise their social responsibility. It was suggested that Governments could then give tax breaks to this kind of business as a possible incentive.

## Redistribution: barriers & problems

Whilst there are potential reputational benefits from being seen as leading the way in this area, there may also be potential adverse reputational impacts of being involved in 'entrenching' end-of-pipe solutions. Food redistribution, it was argued, is combating the symptoms of the problem, not the root causes.

There are a number of barriers to food companies engaging in food redistribution. Firstly, there are aspects relating to food industry culture. Food waste and surplus food issues may not appear in financial reports; hence they may remain low priority to many food businesses. Other forms of redistribution or reuse may appear more attractive to business – anaerobic digestion for example is currently subsidised (although apparently incentives are being decreased).

It was noted that people working in the food industry want to see the food they have produced sold and eaten – not thrown away. Despite that, there are still huge amounts of waste e.g. 400,000 tonnes of high value food fit for human consumption goes to waste (anaerobic digestion or other) at the 'back of store' in the UK alone. There is an apparent lack of drive to seriously tackle food waste and to scale up food redistribution. Existing activity focusses primarily on manufacturing and earlier value chain stages. There is a need to address issues across the supply chain simultaneously and to influence them earlier in the chain. It was argued that food retailers in particular have an important role to highlight such issues and to orchestrate initiatives relating to food waste, surplus food and redistribution.

Another question raised was about the implications of building and scaling a successful redistribution model on the basis of volunteer employment – as with Fareshare. With the case of Fareshare, it needs several hundred volunteers a day in order to operate, yet it creates lots of job opportunities every year and gives volunteers opportunities to gain work experience for something they are passionate about. It was argued that the value that volunteers create (more broadly) should be more formally recognised.

## Food poverty: business's role?

It was argued that Governments have core roles to play in alleviating household food insecurity, not least by providing a safety net for the vulnerable in society.

It was claimed that the many major food businesses have been part of the drive to 'cheap food' over the past few decades. Whilst affordability is clearly a vital aspect of food provision, making good food affordable does not necessarily equate to the same thing as promoting 'cheap food'.

Some suggestions were put forward for what (food) businesses might do to help alleviate food poverty issues.

Firstly, food companies should ensure and sustain good working contracts for their employees, so that people are able to live at a decent level. It was noted that there are large numbers of people in the food industry on zero hour contracts – and that the evidence suggests that those on such contracts are more likely to end up in food poverty. Paying a living

wage was proposed as being an important component. Nestlé UK was cited as a recent example of a food company committing to pay all its staff and contractors a living wage – which begged the question as to why other food companies wouldn't do likewise. Many people working in the food industry are living in relative poverty – and the same is true of the farming industry.

Secondly, food companies could lobby governments – at local, national and regional levels – to take their responsibilities seriously. An example was cited of how one of the major retailers successfully lobbied a reversal of VAT on food donations in one European country.

Questions were asked about how to tap into existing initiatives and to bring together initiatives happening in one particular geographic region in order to maximise their impact, share learnings and replicate them in other regions.

It was suggested that business and civil society should step in to lobby governments to formally recognise the value created by grass-roots initiatives set up to deal with issues of food poverty. An example of such an initiative was given, where community members set up a collective buying scheme from food producers to provide food to a deprived area that had no local food retailers. Although this scheme was highly successful in creating access to affordable and healthy food for the community, the organisers received no reimbursement for the time they put in. Such projects provide a valuable social service, so it was argued that the government has a role to support them financially and recognise the value they create.

## Reflections: broader engagement?

It is interesting to reflect on the challenges of engaging food businesses with food poverty issues. Lobbying governments and providing living wages are not issues that only affect the food industry – they are much more universal than that. The question here is: should food businesses be the ones to take a lead on broader societal issues because they are creating products that some people cannot access because they are not affordable?

There may be a long-term commercial business case – whereby if more people have enough money in the

future to purchase sufficient and adequate food, the food market should grow.

If issues around excessive food waste and food poverty become even higher profile, this will further highlight the unfairness of some people being unable to afford to eat at the same time as there remains huge waste in the system. This is likely to shed a negative light on perceptions of the food industry.

## Afterthought...

The food waste hierarchy helps to focus solutions on prevention rather than disposal of food waste. Would the introduction of a similar 'food poverty hierarchy' be useful to encourage policymakers, civil society organisations and businesses to focus efforts on longer-term measures aimed at preventing people from falling into food poverty, rather than end-of-pipe solutions?

## Speaker biographies



**Lindsay Boswell** is passionate about fighting hunger and food waste in the UK. As Chief Executive of FareShare he provides leadership and direction to a network of like-minded organisations across the UK. Since taking over FareShare in 2010, the organisation has doubled the number of charities it supports by diverting surplus food to 1,300 and saves them more than £16 million while providing one million meals a month. He has 22 years senior management experience in the voluntary sector having worked in youth development with Operation Raleigh and The Princes Trust and has been Chief Executive of a leading sector body, the Institute of Fundraising. Educated in Edinburgh, his work has allowed him the privilege of living in Malaysia, Zimbabwe, Chile, Uganda, Cyprus and Botswana. He is married with two daughters and spends far too much of his free time trying to grow as much home produce as possible



**Elizabeth Dowler**, a public health nutritionist, is Professor of Food & Social Policy in the Sociology Department at the University of Warwick, Coventry, UK. She draws on science and social science in working on food security, rights and justice; local food initiatives; policy evaluation and 'reconnection' to sustainable food systems. Liz is a member of DECC/Defra's Social Science Expert Panel, and was previously on Defra's Council of Food Policy Advisors. She is also a member of the Iona Community, a dispersed Christian ecumenical community working for peace and social justice. She does brief international consultancies evaluating food policies and previously worked in the global South, based at LSHTM. Recent publications include:

- Caraher and Dowler (2014) 'Food for Poorer People: Conventional and "Alternative" Transgressions?' in: Goodman & Sage (eds) Food Transgressions: Making sense of contemporary food politics, Aldershot: Ashgate.
- Dowler & O'Connor (2012) 'Rights-based approaches to addressing food poverty and food insecurity in Ireland and UK.' *Social Science and Medicine*, 74, 44-51.



**David Croft** is Director of Food Technology at Waitrose. David previously worked for Kraft Foods, Cadbury and the Co-operative Group, where his senior roles have included leading technical and marketing functions in environmental sustainability, ethical sourcing and retail standards. David also previously served as a director of the Ethical Trading Initiative, and as a council member at the Campden & Chorleywood Food Research Association.

He has also contributed significantly to the development of the UK fair trade market, launching new products and ranges, and by developing consumer awareness and marketing campaigns. He has been involved in numerous initiatives to improve supply chain standards across the food sector, engaging extensively with government departments and NGOs.