

Addressing Food Insecurity in Cook County by Expanding Food Rescue from Local Outlets

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Thesis

In order to increase the capacity of food programs serving food insecure individuals in Cook County, the Chicago Department of Procurement Services should require all city food contracts to be awarded to businesses that participate in food recovery programs with the Greater Chicago Food Depository.

Background

The United States Department of Agriculture (USDA) defines food insecurity as a household-level economic and social condition of limited or uncertain access to adequate food.ⁱ In the United States, 14.3 percent of all households, or 17.5 million households in all, were food insecure at some time during 2013.ⁱⁱ In Cook County, Illinois, more than 812,000 individuals, or 232,110 households, are currently food insecure.ⁱⁱ Many of these food insecure individuals receive food assistance from the Greater Chicago Food Depository's member agency pantries or meal programs.

The Greater Chicago Food Depository (GCFD) is a nonprofit food distribution and training center that provides food for hungry people while also striving to end hunger across Cook County. In Cook County, the rate of food insecurity is alarming and has been growing in recent years. In a 2014 study, 68 percent of the GCFD's programs reported an increase in the volume of clients coming for food assistance over the past 12 months.ⁱⁱⁱ As a result, 29 percent of the GCFD's food pantries reported having to turn away clients in the past year, citing many reasons including exceeding program service limits and lack of food resources.ⁱⁱⁱ Seventy-three percent of GCFD clients have reported having to choose between paying for food and paying for utility bills, and with food pantries reporting shortages, there is need for a policy intervention to tackle food insecurity in the county.ⁱⁱⁱ

The Policy Idea

The Chicago Department of Procurement Services (DPS) should leverage its purchasing power to require that all food contracts that it awards go to businesses that participate in the GCFD's Food Rescue Program. This will allow the GCFD to rescue wholesome, edible food from many food outlets where it would otherwise have been thrown out. In order to manage the increased stream of food, the City of Chicago should allocate local, state, and federal funding for the GCFD to expand its food rescue facilities.

Whenever the City of Chicago needs to purchase food of any kind, an open call for bids generates competing offers from different food businesses. The city then looks at the cost of the contract as one of many considerations. Under this policy, participation in the Food Rescue Program would be a requirement to be awarded a city contract. This increased food business participation in the Food Rescue Program would lead to an increase in the amount of food that the GCFD would receive and subsequently allocate to its member food pantries. This is an innovative solution to adapt existing supply chain and distribution channels to increase the capacity of the GCFD's member pantries to serve their food insecure clients.

Policy Analysis

Food rescue is the process of recovering wholesome, still-edible food that would have otherwise gone to waste and distributing it instead to those in need. Food businesses choose to throw away wholesome food for a variety of reasons, including labeling errors, aesthetic reasons, and inadequate storage.^{iv}

Capturing edible, uneaten food that would otherwise be entering the waste stream is an efficient way to increase the supply of food for the GCFD and its affiliated member agencies. The average American throws out approximately 20 pounds of uneaten food a month, which means that Chicago as a whole throws out about 55 million pounds of food each month; much of this waste is generated by food businesses such as wholesalers, restaurants, and grocery retailers.^v In the U.S., 133 billion pounds of edible food went uneaten in 2010, and the retail sector represented 10 percent of this loss, amounting to 43 billion pounds of lost food.^{vi} Therefore, there is great potential to expand food rescue by diverting edible, uneaten food from landfills to food pantries that serve the food insecure. Only about 10 percent of available, edible food is rescued each year in the U.S.^{vii}

Currently, the GCFD's Food Rescue Program retrieves perishable, shelf-stable, and frozen foods from more than 240 retail grocery locations in Cook County.^{viii} Every morning, GCFD drivers make rounds to collect wholesome food from these locations, which is then taken straight to member food pantries, soup kitchens, and shelters to be redistributed. Last year, more than 12 million pounds of food was rescued in Cook County.^{viii}

Chicago awards contracts for over \$2 billion of goods and services annually with an open bid and solicitation process.^{ix} Of this \$2 billion, many of the contracts awarded go to food businesses. Some are awarded to small businesses and are worth a few thousand dollars, while others are worth million of dollars and are awarded to large grocery retailers or wholesale food outlets.^{ix}

With a competitive open bid process, different food businesses vying for a Chicago contract generate competing offers to satisfy Chicago's need for their goods or services. The DPS assesses the cost of the contract as well as other considerations. For example, Chicago has made it a priority to assist local, small, and minority- and women-owned firms in winning city contracts.^x The Local Business Preference Ordinance, passed in February 2012, expanded local business preference to all Chicago-funded contracts over \$100,000.^x Another example includes the Alternatively Powered Vehicle Ordinance, passed in February 2013, which offers a bid incentive for companies whose fleets fulfill alternative fueled vehicle criteria.^x If Chicago leveraged its purchasing power to push more food businesses to participate in food rescue, it would be both a viable and cost-effective approach to helping the food insecure in Cook County.

While the benefits of food recovery are readily evident, some vendors vying for contracts with the city of Chicago may still oppose the change in requirements. The city should anticipate three opposition points in particular: fear of liability and reputational risk; limited staff and logistical capabilities; and the difficulty of changing an already-established method of handling excess food.¹¹

Although commonly cited as obstacles to participating in food rescue programs, these points are all readily surmountable in Chicago. Fear of liability is unfounded due to existing legislation, specifically the Bill Emerson Good Samaritan Act, which protects suppliers from "criminal or civil liability" associated with food

donations in all 50 states.¹² Furthermore, for the 240 food outlets that already donate to the GCFD, reputational risk has been negligible due to the GCFD's stringent quality and safety checks. According to Tyson Foods, a large donor to the GCFD, the corporation does not fear reputational risk from donating to the GCFD as it might to a smaller or more informal cause, because of their assurance of the GCFD's quality checks.¹³ Strong positive publicity of the program would also reduce any reputational risk attached with donating food.

The last two obstacles are more specific to the vendors' abilities to actually change food disposal processes; however, the changes can be explained as short-term adjustments necessary for a process that will provide greater benefits in the long-term for the vendors themselves. Clear explanations from the City of Chicago of the long-term cost savings and other benefits of food rescue participation can help vendors look beyond the short-term obstacle of change, and the GCFD is well-equipped to handle additional food and aid vendors in food rescue. Some of these tangible benefits for the vendors include: reduced vehicle miles compared to landfill disposal, a trend; improved financial results for donor organizations through tax deductions and reduced trash disposal; and 3) improved positive feelings and publicity for participating outlets, both among the general public and internally.

Finally, a number of additional socio-economic benefits can also be produced from this ordinance, including: environmental benefits from reducing the accumulation of landfill waste and vehicle miles needed for food disposal; eliminating costs and resource consumption associated with the production, processing, and distribution of unconsumed food; and reducing costs associated with landfilling food waste.¹¹

Next Steps

In order to implement an ordinance that pushes more food business to participate in food rescue, the logistics of the distribution and transportation line must be worked out. The GCFD will need to connect with participating food businesses that are awarded city contracts. Several other discrete policy measures could improve participation:

1. Provide Workshop and Trainings for Local Businesses

One obstacle small businesses may face in attempting to participate in food rescue is the upfront cost of the program. We recommend that the Illinois Public Health Institute partner with the Chicago Business Affairs and Consumer Protection Department to provide trainings for business owners to learn more about complying with Chicago's food rescue procurement ordinance.

2. Expand Chicago's Festival/Event Permit Policy

We also encourage the Chicago Department of Cultural Affairs and Special Events to amend the festival permit policy to include participation in food rescue as part of the eligibility process for food vendors. We recommend that the policy apply only to the larger festivals, such as Lollapalooza.

3. Expand CPS' Food Procurement Policy

Being the third largest school district in the nation, we recommend the Chicago Public Schools (CPS) to follow a similar model of preferencing food vendors who participate in a food rescue program. The CPS is projecting to spend \$92 million dollars in food procurement this upcoming school year. CPS currently has a food contract with Aramark, which has several distribution locations actively participating in a food rescue program in other cities.¹⁴ However, the Chicago Aramark distribution does not. Since there are different Aramark locations actively participating in food rescue, we anticipate no large barriers for the Chicago distribution facility to participate in the Food Rescue Program of the Greater Chicago Food Depository.¹⁵

Talking Points

- In Cook County, a large number of individuals suffer from food insecurity and depend on the emergency food services and programs of the Greater Chicago Food Depository (GCFD), which include food pantries and soup kitchens.
- Over the last year, in the face of increasing demand for emergency food assistance, many of these food programs have had to turn away clients due to food shortages.
- In the United States, a large quantity of wholesome food is thrown away by all sorts of food outlets, including restaurants, caterers, and retail grocers.
- To increase food donations to emergency food assistance programs, the City of Chicago should leverage its purchasing power to require that food vendors participate in the GCFD's Food Rescue Program in order to be awarded a city contract.

Key Facts

- In Cook County, Illinois, more than 812,000 individuals, or 232,110 households, are currently food insecure.
- Chicago awards contracts for more than \$2 billion of goods and services annually with an open bid and solicitation process, and much of this amount is awarded to food businesses.
- The Greater Chicago Food Depository's Food Rescue Program rescues excess food from more than 240 retail groceries in Cook County. As a result of this program, more than 12 million pounds of food was rescued last year.

ⁱ United States Department of Agriculture. "Overview." *United States Department of Agriculture*, Accessed July 1, 2015. Retrieved from <http://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us.aspx>.

ⁱⁱ Greater Chicago Food Depository. "Hunger in America 2010 Executive Summary: A Report on Emergency Food Distribution in Cook County." *Great Chicago Food Depository*. 2010. Retrieved from http://www.chicagosfoodbank.org/site/DocServer/HIA10_ExecSum_fv.pdf?docID=5601.

ⁱⁱⁱ Greater Chicago Food Depository. "Hunger in America 2014. Cook County Profile" *Greater Chicago Food Depository*. Accessed July 4, 2015. Retrieved from <http://www.chicagosfoodbank.org/site/PageServer?pagename=HungerinAmerica2014>.

^{iv} Bloom, Jonathan. "Food Rescue." *Wasted Food* (blog). Accessed July 15, 2015. Retrieved from <http://www.wastedfood.com/food-rescue/>.

^v Dana Gunders, “How America is Losing Up to 49 Percent of Its Food from Farm to Fork to Landfill.” National Resource Defense Council, 2012, Retrieved from <http://www.nrdc.org/food/wasted-food.asp>, 4.

^{vi} Jean C. Buzby, Hodan Wells, and Jeffrey Hyman, “The Estimated Amount, Value, and Calories of Postharvest Food Losses at the Retail and Consumer Levels in the United States.” United States Department of Agriculture. 2014, Retrieved from <http://www.ers.usda.gov/media/1282296/eib121.pdf>.

^{vii} Gunders, 14.

^{viii} Greater Chicago Food Depository. “Food Rescue.” *Greater Chicago Food Depository*. Accessed June 30, 2015. Retrieved from http://www.chicagosfoodbank.org/site/PageServer?pagename=lb_help_food_rescue.

^{ix} Chicago Department of Procurement Services. “Awarded Contracts.” *City of Chicago*. Accessed July 9, 2015. Retrieved from

http://www.cityofchicago.org/city/en/depts/dps/provdrs/contract/svcs/awarded_contracts.html.

^x Chicago Department of Procurement Services. “Procurement Process Improvements.” *City of Chicago*. Accessed July 9, 2015. Retrieved from

http://www.cityofchicago.org/city/en/depts/dps/supp_info/process_improvements.html.

^{xi} Finn, Steven M., Tom O’Donnell, and Matthew Walls. “The Time Is Ripe for Food Recovery.” *Biocycle*. The JG Press Inc./BioCycle, 19 Sept. 2014. Web. 11 July 2015. <<http://www.biocycle.net/2014/09/19/the-time-is-ripe-for-food-recovery/>>.

^{xii} [Bill Emerson Good Samaritan Act, 1996, Pub. L. No. 13-210, 104th Cong., 2nd. Sess. \(October 1, 1996\) Joint Committee on Taxation.](#)

^{xiii} [Pakula, Matt. “Discussion on Corporate Social Responsibility at Tyson Foods.” Presentation. 15 July 2015.](#)

^{xiv} [Chicago Public Schools. “Chicago Public Schools Fiscal Year 2015 Budget.” Chicago Public Schools. Accessed July 23, 2015. <http://cps.edu/fy15budget/documents/departments.pdf>.](#)

^{xv} [United States Department of Agriculture Office of the Chief Economist. “U.S. Food Waste Challenge Participants.” United States Department of Agriculture. Accessed July 23, 2015. <http://www.usda.gov/oce/foodwaste/participants.htm>.](#)