

Closing Chicago's Food Gap by Providing Incentives to Limit Waste

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Introduction

This paper proposes policies to control the waste stream of post-production food in order to reduce hunger immediately in Chicago. The sheer volume of healthy food waste in Chicago makes this the most viable path to feed thousands of Chicagoans. Currently, food rescue programs are not coordinated enough to pick up small-to moderate-scale food donations, which results in millions of pounds of aggregate waste. Lacking their own distribution networks, these programs are also unable to move food waste from areas with a high concentration of restaurants and grocery stores to food deserts in the south and west regions of Chicago. **We recommend offering tax deductions and liability protection to food suppliers as an incentive to collect food donations on their routes to hundreds of restaurants.**

Background

Chicago boasts more than 19,000¹ restaurants yet still struggles with arguably the most basic of human rights: access to healthy and affordable food. According to the Greater Chicago Food Depository (GCFD), 1 in 6 Chicagoans are food insecure, meaning they lack resources (e.g. funds, transportation capabilities) to obtain healthy food on a regular basis. Food insecurity is highly concentrated in low-income neighborhoods on the south and west sides of the city, but food insecure individuals live all throughout Cook County.² Moreover, organizations like the GCFD are unable to meet the demand of food insecure individuals.³ Since the 2008 recession, demand for food has increased, but food donations have decreased as producers have become more efficient.⁴

Several steps have been taken to increase food access for food insecure individuals. Recently the City of Chicago has enacted a zoning ordinance to promote more urban agriculture, partnered with Farmers of Chicago and Growers Power to turn vacant lots into community gardens, expanded LINK, commonly known as food stamps, to include eligibility at farmer's markets, and promoted the development of regional food hubs.⁵ Although these are all important measures, they have not scaled up quickly enough to produce the food supply that Chicagoans need, since there is not a readily available system of food production on which to build. The state of Illinois imports 90 percent of its fresh produce and exports a large amount of its staple crops,

¹ US. Census Bureau. "How Many Restaurants and Bars Are There in Chicago?" Shiftgig. N.p., 2012. Web. 29 July 2015.

² Gundersen, C, E Waxman, E. Engelhard, A Satoh & E Waxman. Map the Meal Gap 2014: Food Insecurity Estimates at the County Level. Feeding America, 2014

³ Greater Chicago Food Depository. "Research and Studies." *Hunger in Chicago*. Greater Chicago Food Depository, n.d. Web. 29 July 2015

⁴ Jim Conwell, head of communications for GCFD, email correspondence. 2015

⁵ Global Era • Different Challenges • New Priorities. "Feeding an Urban World: A Call to Action." *Global Era • b Different Challenges • New Priorities Feeding an Urban World: A Call to Action* (2013): 17+. *The Chicago Council on Global Affairs*. The Chicago Council on Global Affairs, June 2013. Web. 29 July 2015.

soybean and corn.⁶ However, there are immediate opportunities for Chicagoans to access fresh food and produce. A tremendous amount of fresh food—post-agricultural production—is wasted in Chicago. This waste occurs in restaurants, cafeterias, and other large food suppliers. Current efforts to rescue this food are, unfortunately, neither expansive nor well-coordinated.

Non-profits like Iron Farms have created systems to repurpose waste from grocery stores and local restaurants into soil for community gardens, but they are generally unable to rescue food before it has expired.⁷ The GCFD picks up excess food from large suppliers like major grocery stores but lacks the coordination and distribution network to rescue perishable produce and other healthy foods from the thousands of restaurants in Chicago. The company Zero Percent connects restaurants to food pantries by alerting pantries when restaurants have excess food for pick-up and by recording restaurant donations for tax deduction purposes, but this program is for-profit and it does not provide a way to distribute excess food to areas without a high concentration of restaurants or waste.⁸ From these examples, it is evident that our current system of food rescue is incomplete.

Policy Idea

The barriers to solving food insecurity in Chicago lie not in a lack of food or commitment, but in a lack of incentives and coordination to control the waste stream. This policy paper aims to promote the use of existing restaurant supply distributors to collect excess food on their routes by proposing tax deductions and liability protection for supply distribution trucks that participate in food rescue. Presently suppliers drive to thousands of restaurants and then drive empty trucks back to their warehouses.⁹ The city could provide incentives for suppliers to have their drivers collect food donations from hundreds of restaurants along these same routes. Consolidating all of these donations in supplier warehouses would then make for easy bulk pick-up by nonprofits and pantries.

Policy Analysis

The food collected by suppliers would collect a lot of healthy food that would otherwise go to waste. Currently, the for profit organization Zero-Percent, coordinates 12,000 to 15,000 lbs of food per week to be redistributed. Zero Percent rescues thousands of pounds a week without even providing coordinated food pick up the system presented in our policy. The amount of rescued food would be much greater upon the use of pre existing supply networks.¹⁰ Additionally, due to the quality control restaurants institute upon their own food, the food collected would have already undergone strict food inspection. Furthermore, food that is considered

⁶ Associated Press. "Quinn Wants Residents to Buy Illinois Produce." *NBC Chicago*. N.p., 17 June 2013. Web. 29 July 2015.

⁷ The Chicago Council on Global Affairs. *Feeding an Urban World: A Call to Action* (2013): 32-85. *The Chicago Council on Global Affairs*. 2013. Web. 1 July 2015.

⁸ Nemes, Judith. "Food Pantry Food from Eataly?" *Crain's Chicago Business*. N.p., 03 July 2014. Web. 01 July 2015.

⁹ Winningham, Laura. "Food Rescue in London." Personal interview. 25 June 2015.

¹⁰ Karmani, Rajesh. "Zero Percent Chicago." E-mail interview. 16 July 2015.

“waste” may simply be described as such because the restaurants generating it have overstocked this food is healthy and fresh, but restaurants are unable to use it.¹¹ Since food would be collected from hundreds of restaurants, many of which rotate their menus, this policy would also ensure diversity of food and nutritional content in food programs, unlike present food donations that occur in bulk.

Food suppliers are ideal distributors of donated foods. They already have refrigerated trucks and warehouses, institutionalized protocols on food safety, and staff trained in food safety.¹² Furthermore, restaurants already have relationships with their suppliers such that they are likely to trust that the food will not be contaminated or spoiled and result in a damaged reputation or liability for the donors. There are many companies and restaurants that know that they are protected from liability for donated food but do not trust the food safety knowledge of organizations requesting food donations, according to a senior manager of Corporate Social Responsibility at Tyson foods.

Incentivizing food rescue with supplier tax breaks would also be one of the most cost-effective policies for mitigating hunger in Chicago. Because the program would rely almost entirely on existing infrastructure, staff, and planning, and because it would generate positive publicity, it likely would not take a very large incentive to get suppliers to participate. It is even possible that the tax breaks could eventually be phased out as this practice becomes institutionalized through corporate benchmarking. Presently the program is being piloted by City Harvest London with the support of companies on our purely voluntary basis, without tax incentives.¹³ To avoid an adverse impact on small businesses as well as women- and minority-owned businesses, a sliding scale of tax incentives could be used to ensure equitable participation and benefits.

There are only two things standing in the way of suppliers’ participation in controlling the waste stream of Chicago’s food supply: liability and incentive. Local government can easily remove these barriers. First, Chicago food donors are protected from liability except in cases of gross negligence under the state and federal Bill Emerson Food Donation Acts. The law could be amended to provide explicit protection to individuals or companies that are distributing, but not donating, food. Second, providing a tax deduction to suppliers based on the number of miles the food is transported and the tonnage of food being distributed would cover some of the program’s miscellaneous startup costs and incentivize participation. While food donations are tax deductible under the Food Provision in the Pension Act of 2006, these donations are not extended to organizations that distribute donated food.¹⁴

¹¹ The Chicago Council on Global Affairs. *Feeding an Urban World: A Call to Action* (2013): 24. *The Chicago Council on Global Affairs*. 2013. Web. 1 July 2015.

¹² Winningham, Laura. “Food Rescue in London.” Personal interview. 25 June 2015.

¹³ Gunders, Dana. *Wasted How America is Losing up to 40 Percent of its Food from Farm to Fork to Landfill*. *Natural Resources Defense Council*: August 2012. IP:12-06-B

¹⁴ IRS. “Charitable Giving Provisions in Pension Protection Act of 2006.” *Charitable Giving Provisions in Pension Protection Act of 2006*. USfg, 09 Jan. 2015. Web. 13 July 2015.

Key Facts

- One in six Cook County residents are food insecure.¹⁵
- Roughly 123,000 Chicagoans live more than a mile from a grocery store.¹⁶
- Chicagoans waste 55 million pounds of food every month, according to the USDA.¹⁷
- Up to 40 percent of all food produced in the United States is thrown away as it moves through the supply chain.¹⁸
- A 30 percent reduction in waste could feed all of America's hungry.¹⁹

Talking Points

- Food banks face problems including a lack of fresh produce donations, cuts to SNAP, increased food prices, impact from the 2008 recession, and difficulty reaching certain neighborhoods.²⁰
- Suppliers are already taking empty trucks from restaurants to warehouses. These trucks could be filled with rescued food.²¹
- A significant amount of food could be recovered from restaurants if a collection program were put in place using existing infrastructure.

Next Steps

- Outreach to Chicago suppliers
- Observe outcomes in City Harvest London supply chain food rescue
- Development of Chicago pilot program
- Measure the effectiveness of food distribution, including quality and quantity of food and the areas that the supplier-pantry partnerships reach. (It is imperative that the programs reach underserved areas and do not create redundancies in areas that can already be served with programs like Zero Percent)

¹⁵ Gundersen, C, E Waxman, E. Engelhard, A Satoh & E Waxman. Map the Meal Gap 2014: Food Insecurity Estimates at the County Level. Feeding America, 2014

¹⁶ Mayor's Office. "Mayor Emanuel Announces Release of Food Desert Data and New Interactive Efforts to Combat Food Deserts in Chicago." *City of Chicago*. N.p., 27 Aug. 2013. Web. 30 July 2015.

¹⁷ Kramer, Sarah. "Chicagoans Waste 55 Million Pounds of Food Per Month." *Medill Reports Chicago*. Northwestern University, 17 Feb. 2015. Web. 8 June 2015.

¹⁸ Winningham, Laura. "Food Rescue in London." Personal interview. 25 June 2015

¹⁹ Mayor's Office. "Mayor Emanuel Announces Release of Food Desert Data and New Interactive Efforts to Combat Food Deserts in Chicago." *City of Chicago*. N.p., 27 Aug. 2013. Web. 30 July 2015.

²⁰ Jim Conwell, head of communications for GCFD, email correspondence. 2015

²¹ Winningham, Laura. "Food Rescue in London." Personal interview. 25 June 2015