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# **DRAFT REPORT**

on initiative on resource efficiency: reducing food waste, improving food safety

(2016/2223(INI))

Committee on the Environment, Public Health and Food Safety

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on initiative on resource efficiency: reducing food waste, improving food safety (2016/2223(INI))

- having regard to the Commission communication entitled ‘Closing the loop – An EU action plan for the Circular Economy’ (COM(2015)0614),
- having regard to the Commission communication entitled ‘Towards a circular economy: A zero waste programme for Europe’ (COM(2014)0398),
- having regard to its resolution of 9 July 2015 on resource efficiency: moving towards a circular economy<sup>1</sup>,
- having regard to Written Declaration 0061/2015 of 14 October 2015 on the donation of unsold consumable food to charities,
- having regard to its resolution of 19 January 2012 on how to avoid food wastage: strategies for a more efficient food chain in the EU<sup>2</sup>,
- having regard to its resolution of 7 June 2016 on unfair trading practices in the food supply chain<sup>3</sup>,
- having regard to the Council conclusions of 28 June 2016 on food losses and food waste<sup>4</sup>,
- having regard to the opinion of the Committee of the Regions of 15 June 2016 on food waste<sup>5</sup>,
- having regard to the opinion of the European Economic and Social Committee of 20 March 2013 on ‘Civil society's contribution to a strategy for prevention and reduction of food losses and food waste’<sup>6</sup>,
- having regard to the resolution of the United Nations Environment Assembly of 27 May 2016 on prevention, reduction and reuse of food waste,
- having regard to the FUSIONS (Food Use for Social Innovation by Optimising Waste Prevention Strategies) study on estimates of European food waste levels (2016),
- having regard to the FUSIONS review of EU legislation and policies with implications on food waste (2015),
- having regard to the FUSIONS Definitional Framework for Food Waste (2014),
- having regard to the global Food Loss and Waste Accounting and Reporting Standard

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<sup>1</sup> Texts adopted, P8\_TA(2015)0266.

<sup>2</sup> Texts adopted, P7\_TA(2012)0014.

<sup>3</sup> Texts adopted, P8\_TA(2016)0250.

<sup>4</sup> Not yet published in the Official Journal.

<sup>5</sup> Not yet published in the Official Journal.

<sup>6</sup> OJ C 161, 6.6.2013, p. 46.

(FLW standard) launched in June 2016,

- having regard to the Food and Agriculture Organization (FAO) study ‘Food wastage footprint – Impacts on natural resources’ (FAO 2013),
  - having regard to the FAO study on global food losses and food waste (FAO 2011),
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Agriculture and Rural Development (A8-0000/2017),
- A. whereas the FAO estimates that each year, approximately one-third, by weight, of all food produced for human consumption in the world is lost or wasted<sup>1</sup>;
- B. whereas food wastage has high social and economic costs; whereas food that is lost or wasted contributes to climate change with a global carbon footprint of about 8 % of total anthropogenic global greenhouse gas (GHG) emissions, and represents a waste of scarce resources such as land, energy and water<sup>2</sup>;
- C. whereas the Sustainable Development Goal (SDG) 12.3 is aimed at halving per capita global food waste at the retail and consumer levels by 2030 and reducing food losses along production and supply chains, including post-harvest losses;
- D. whereas estimates show that 88 million tonnes of food are wasted in the EU each year, equating to 173 kg of wasted food per person; whereas the costs associated with this level of food waste are estimated to amount to around EUR 143 billion<sup>3</sup>;
- E. whereas food is lost or wasted at all steps of the supply and consumption chain; whereas estimates from the FUSIONS project indicate that the sectors contributing the most to food waste within the EU are households and processing<sup>4</sup>;
- F. whereas there is no common consistent definition of ‘food waste’ nor a common methodology for measuring food waste at Union level yet, which makes it difficult to compare different datasets and to measure progress in reducing food waste; whereas in the FUSIONS project, food waste was defined as ‘any food, and inedible parts of food, removed from the food supply chain to be recovered or disposed (including composted, crops ploughed in/not harvested, anaerobic digestion, bio-energy production, co-generation, incineration, disposal to sewer, landfill or discarded to sea)’<sup>5</sup>;
- G. whereas the waste management hierarchy established by the Waste Framework Directive<sup>6</sup> (prevention, preparing for re-use, recycling, recovery and disposal) cannot be

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<sup>1</sup> FAO, 2011. Global Food Losses and Food Waste.

<sup>2</sup> FAO, 2015. Food wastage footprint & climate change.

<sup>3</sup> FUSIONS, Estimates of European food waste levels, March 2016.

<sup>4</sup> FUSIONS, Estimates of European food waste levels, March 2016.

<sup>5</sup> FUSIONS Definitional Framework for Food Waste, 3 July 2014.

<sup>6</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

- applied in full to food waste; whereas currently there is no specific hierarchy for the management of unconsumed food at EU level;
- H. whereas Article 9(1)(f) of Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers<sup>1</sup> requires food business operators to indicate the date of minimum durability ('best before' date) or the 'use by' date of a food;
- I. whereas date marking on food products is poorly understood; whereas 'best before' labelling indicates the date after which an item of food may still be eaten but may not be at its best in terms of quality, and 'use by' labelling indicates the date after which an item of food is no longer safe to eat; whereas not even half of EU citizens understand the meaning of 'best before' and 'use by' labelling<sup>2</sup>;
- J. whereas the donation of unsold food along the entire supply chain leads to considerable reductions in food waste, while helping people in need;
- K. whereas food donors are considered as 'food business operators' under the General Food Law Regulation<sup>3</sup> and hence have to comply with all EU food legislation concerning responsibility, liability, traceability and the food safety rules established by the Food Hygiene Package<sup>4</sup>; whereas the risks associated with the liability for donated food may drive potential food donors to discard surplus food instead of donating it<sup>5</sup>;
- L. whereas countries such as Italy have adopted legislation that facilitates food donation by excluding donor liability for food that is donated in good faith and known to be fit for consumption at the time of donation;
- M. whereas Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax<sup>6</sup> (VAT Directive) provides that food donations are taxable and that tax exemptions on food donations are not allowed; whereas the Commission recommends that, for tax purposes, the value of donated food close to the best before date or not fit for sale should be set 'fairly low, even close to zero'<sup>7</sup>; whereas some Member States incentivise food donations by 'abandoning' VAT liability, but conformity with the VAT Directive is unclear; whereas other Member States offer a

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<sup>1</sup> OJ L 304, 22.11.2011, p. 18.

<sup>2</sup> Flash Eurobarometer 425, 'Food waste and date marking', September 2015.

<sup>3</sup> Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31 of 1.2.2002, p. 1).

<sup>4</sup> Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs (OJ L 139, 30.4.2004, p. 1); Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin (OJ L 139, 30.4.2004, p. 55); Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption (OJ L 139, 30.4.2004, p. 206).

<sup>5</sup> Comparative Study on EU Member States' legislation and practices on food donation (2014), commissioned by the European Economic and Social Council.

<sup>6</sup> OJ L 347, 11.12.2006, p. 1.

<sup>7</sup> Joint answer to two written parliamentary questions (E-003730/13, E-002939/13), 7 May 2013.

corporate tax credit on donated food<sup>1</sup>;

- N. whereas in many Member States, it is more expensive to donate surplus food than to send it for anaerobic digestion;<sup>2</sup>
1. Stresses the urgent need to reduce the amount of food waste in the Union at every step of the supply and consumption chain;
  2. Calls for a coordinated policy response at EU and Member State level that takes into account policies regarding waste, food safety and information, but also aspects of economic, research and innovation, environment, agriculture, education, and social policy;
  3. Calls for a binding food waste reduction target of 50 % by 2030 and reiterates its call for a binding food waste reduction target of at least 30 % by 2025;
  4. Urges the Commission to swiftly adopt a common methodology to measure food waste;
  5. Calls for the establishment in EU legislation of a hierarchy for the management of unsold food;
  6. Stresses that food safety is paramount and that food waste reduction measures must not compromise current food safety standards;
  7. Welcomes the recent creation of the EU Platform on Food Losses and Food Waste;
  8. Encourages the Commission and the Member States to engage, in cooperation with stakeholders, in improving consumers' understanding of 'use by' dates and 'best before' dates; asks the Commission to assess whether current EU legislation and current practice in use with 'use by' and 'best before' dates in different Member States are fit for purpose;
  9. Calls on the Commission and the Member States to promote consumer understanding of food waste, food safety, and good practices in relation to their management and consumption of food;
  10. Calls on the Commission and the Member States to promote successful practices of food waste reduction and resource conservation methods already used by stakeholders;
  11. Welcomes the draft EU guidelines on food donation as a first step in the right direction; however, with a view to the various barriers to food donation contained in EU legislation, believes that the donation of unsold food along the entire food supply chain needs to be promoted further by enacting legislative changes;
  12. Calls on the Commission to explore the possibility and effects of introducing 'Good Samaritan' legislation; calls on the Commission to clarify how legislative acts such as

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<sup>1</sup> Comparative Study on EU Member States' legislation and practices on food donation (2014), commissioned by the European Economic and Social Council.

<sup>2</sup> Comparative Study on EU Member States' legislation and practices on food donation (2014), commissioned by the European Economic and Social Council.

Regulation (EC) 178/2002 and Directive 85/374/EEC regulate liability in food donation;

13. Calls on the Commission to propose a change in the VAT Directive that would explicitly authorise tax exemptions on food donations;
14. Calls on the Member States to create economic incentives for limiting food waste;
15. Stresses that innovative and environmentally friendly solutions in areas including the management of co- and by-products of food production, food storage, digital technologies, and packaging can offer significant potential for food waste reduction;
16. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.

## **EXPLANATORY STATEMENT**

The European Union, as one of the richest and most prosperous communities in the world, has a moral and political obligation to reduce huge quantities of food wasted every year. Wasted food and food loss also entails wasted water, soil, working hours, energy, and other valuable and often limited resources.

Estimates show that 88 million tonnes of food are wasted in the EU each year. The production and disposal of EU food waste leads to the emission of 170 million tonnes of CO<sub>2</sub> and consumes 261 million tonnes of resources.

The Sustainable Development Goal (SDG) 12.3 aims at halving per capita global food waste at the retail and consumer levels by 2030 and reducing food losses along production and supply chains, including post-harvest losses.

On the global level, there are differences in when and where food waste and food losses occur. In industrialised countries, most wastage is concentrated at the final stages, namely distribution and consumption. Whereas in developing countries it is concentrated at the early stages, owing to the lack of advanced agricultural practices, efficient transport systems and infrastructure and secure storage facilities.

According to the estimates of the FUSIONS project, the sectors contributing the most to food waste in the EU are households with 53% and processing with 19%. Food service sector contributes with 12%, primary production with 10% and wholesale-retail with 5%.

The complexity of the problem calls for a coordinated policy response on the EU and Member States level that takes into account policies regarding waste, food safety and information, but also aspects of economic, research and innovation, environment, agriculture, education and social policy.

Food wastage happens along the entire food supply chain and all actors have a responsibility to take measures to prevent and reduce the problem. Hence, this report is envisaged as an encompassing document that addresses the problem along the entire supply and consumption chain and explores political and practical means and ways to reduce it. At the same time, maintaining and improving food safety must be a priority.

The problem of resource efficiency and food waste is high on the political agenda of the EU and all its institutions. The Platform on Food Losses and Food Waste has recently been established by the Commission and the work on drafting the EU Guidelines on food donation is progressing. When finalized, they should be a valuable tool in increasing the volumes of food donation in Member States, but many questions related to food waste are likely to remain outside of the scope of the Guidelines.

The Action Plan on Circular Economy is progressing and should lay the groundwork for coordinated European action. We need common definitions, hierarchy and methodologies if the EU is to tackle the problem systematically. The lack of a common consistent definition of “food waste” and a common methodology for measuring food waste at Union level makes it difficult to compare different datasets and to measure progress in reducing food waste.

The European Parliament should have a coherent position regarding these issues. Therefore, where possible, this report will be aligned with the relevant decisions made within the ongoing important work on the legislative Waste package.

With that being said, the problem of food waste and food loss is more complex than just the waste dimension. Questions such as labelling, liability, education, sharing of best practices, discards require further attention and highlight the need for a coordinated policy response across policy areas.

According to the FUSIONS report, currently there are 52 EU acts that have a certain impact, positive or negative, on food waste: 29 regulations, 10 directives, 3 decisions, 10



communications and 1 resolution. EU policy areas that they cover are: agriculture, fisheries, taxation, consumer protection, environment, finances, economy, public health, industrial policy and internal market.

In the context of aiming to reduce food waste, the Commission should look at relevant legislation to see if it is fit for purpose and identify if there are gaps, overlaps or areas in need of clarification or further action.

Concerning the current regulatory framework and considering the misinterpretations of the current EU law at national levels, it should be clearly explained in the EU guidelines for food donation what is under responsibility of the EU and what is under responsibility of the Member States in order to allow effective changes.

Moreover, there is a clear need to improve citizens' understanding of food, food safety, and food waste and its causes. According to a Eurobarometer survey done in 2015, 47% of Europeans understand the meaning of "best before" labelling and 40% are aware of the meaning of "use by".

At the same time, nearly six in ten Europeans state that they always check "use by" and "best before" labels when shopping and preparing meals, with very few indicating that they never do. These two findings confirm that the meaning of date marking found on food products is poorly understood and that this confusion adds to food waste rates.

Consumer education is a critical area where a concerted effort is needed to reduce food waste. According to Eurobarometer, consumers recognise that they themselves have a role to play in preventing food waste. Over three quarters of Europeans think that the individual consumer is one of the actors involved in the prevention of food waste.

Moreover, in existing legislation there are further issues which may have a negative impact on levels of food waste. For example, Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (VAT Directive) provides that food donations are taxable and that tax exemptions on food donations are not allowed. To go around this, the Commission recommends that, for tax purposes, the value of donated food close to the best before date or not fit for sale should be set "fairly low, even close to zero". Some Member States came up with legal ways to abandon donation taxation but some, especially among the newer ones, have not. Therefore, it is appropriate to call on the Commission to propose a change of the VAT Directive in order to explicitly authorise tax exemptions on food donations.

Economic and other incentives at Member State level can be a strong signal to stakeholders to increase efforts in reducing food waste. Corporate tax incentives have demonstrated their effectiveness in encouraging food donations to food banks in countries like France and Spain.

The questions about the liability of donors that arise from the General Food Law and Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products are an example of legal uncertainty. In principle, food donated in good faith and conforming to all the food safety and other laws should not land the donors into legal trouble.

A form of Good Samaritan legislation at EU level, while respecting the principle of subsidiarity, could lead to greater volumes of donated food. The Commission should explore the possibility

and effects of introducing such legislation on reducing food waste and food safety. With regard to this, it must be clear that food safety is a priority and that food waste reduction measures must not compromise current standards of food safety.

To reduce food waste, improve food safety as well as enhance the overall sustainability of food production, research and development have a highly important role to play in all sectors of the food supply and consumption chain. The development of innovative and environmentally friendly solutions should be encouraged and supported in areas including management of co- and by-products of food production, food storage, digital technologies, and packaging.

What is clear is that the European Union, Member States, farmers, processors, packaging producers, transporters, retailers, food services, consumers and all the other stakeholders have a responsibility to act.

Experience has shown that spontaneous initiatives taken by stakeholders, be they voluntary or professional, to publicise and bring about an anti-waste culture have generally been successful wherever they have been carried out. The Commission and the Member States should promote successful practices of food waste reduction and resource conservation methods already used by stakeholders.

However, effective action to reduce food waste requires a comprehensive rethink of how we produce, market and consume food at each step in the food supply and consumption chain. This requires a common understanding of the issues at stake and close co-operation between all relevant stakeholders.