



IN RESPONSE TO: *There is a lot more we would probably like to discuss and learn from you, particularly around waste and what support government could provide to reduce the food waste that is experienced on farms. OzHarvest and Foodbank appeared before us and talked about the role that tax incentives could play. So I guess we would ask that you take a question on notice about support from government in terms of reducing waste.*

Food wastage experienced in the food supply chain is often the result of post-farm gate processes.

Retailers and processors have specifications for fresh produce, and a large source of food waste includes product that do not meet these market standards. . Specifications play a role at ensuring that food is of a quality fit for consumption; however, the imposition of specifications that are largely cosmetic such as product weight, shape, size and imperfections contribute substantially to the volume of food wastage in the supply chain. For fruit and vegetables these specifications contribute to food waste as these products are unlikely to have an alternative market and for meat products the specifications result in decreased prices being received by the farmer. In addition to impacting food security for vulnerable Australian's, this hinders farm businesses that have spent resources to grow products. It also reinforces unrealistic consumer expectations of the appearance for fresh fruit and vegetables. There has been some progress with a trend towards some retailers stocking a small range of 'Imperfect' produce; however, this still only represents a very small proportion of the produce being sold at the retail level. Greater flexibility with product specifications that relate only to aesthetic concerns as opposed to food safety are a key target area to minimise food wastage quantities and costs across the supply chain.

Wastage is often further exacerbated where crops are adversely impacted by weather events such as flooding and hail. An example of this is citrus growers in Griffith who were impacted by an unprecedented hailstorm earlier this year. The fruit quality was reduced and would not meet specifications for table fruit. An alternative is to harvest lower grade fruit for another purpose such as juicing; however, the costs associated with harvesting for this purpose are not always commercially viable, as fruits for juicing often attract a lower commodity price. This can lead to growers choosing not to harvest crops because of the required input costs, particularly as we see labour, fuel, machinery and fertiliser costs continue to rise and compress the profit margin on produce.

Increasing supply chain efficiencies for logistics is another important part of this picture, as a large proportion of losses occur when perishable goods enter the cold chain. Losses for fresh produce (fruit and vegetables) are estimated to be 25% due to long distances travelled between farm and wholesaler, route disruptions such as traffic and road closures and challenges correctly reducing and maintaining the produce core temperature.

In tackling the complexities of food waste in the supply chain, it is important to support opportunities for grower solutions and innovation on farm. Opportunities exist to transform and mitigate food waste on farm, for example using fruit and vegetables that do not meet market standards or that are not fit for consumption as potential livestock feed. This livestock feed must comply with food safety standards. Other opportunities to use food waste resourcefully include value adding and finding alternative markets for surplus and lower quality produce such as preserved food products and bioenergy. Government investment should be aimed at supporting and incentivising producers to develop value add or new market opportunities.