

Reducing Food Waste Boosts Consumer Welfare

([SAVE FOOD](#) [1]) — If private households and the retail sector (including wholesale, hotels and restaurants) in the EU reduce [food waste](#) [2] by 40 percent in 2020, this will result in annual savings of € 123 per person. The total savings for the EU will amount to € 75.5 billion. Households will be able to spend this money on other things, increasing their welfare. LEI Wageningen UR was commissioned by the European Commission to investigate in detail what the effects would be on the economy if the demand side reduces waste.

From the standpoint of sustainability and food security, many researchers and policy-makers place enormous importance on reducing food waste. However, the economic effects of reducing waste have not yet been systematically studied.

This study shows that a reallocation of spending on previously wasted food will result in economic changes from which some (non-food) sectors will profit and some (food) sectors will not. However, the total effect on the EU economy is negligible; the European economy is still expected to grow at around 17 percent over the period 2012-2020.

The reduction in food waste on the demand side will mean that much less agricultural land will be needed for growing food. In the EU, agricultural land use will be reduced by 28,940 km², an area almost the size of Belgium. Most of this agricultural land will be freed up because of a reduction in the waste of dairy products (closely connected with the land-using dairy cattle sector), fruits and vegetables (which show relatively high wastage) and red and white meat (closely connected with land-using cattle, chickens, and pigs and the animal feed sector). This freed-up land can be used to grow food for export or to grow crops for biofuels.

Healthy eating pattern has greater effect

Strikingly, the study shows that in general, the results will be greater if European households adopt healthy eating patterns in terms of lowering consumption of meats and dairy than if they reduce food waste. The reduction in land use will be increased to an area three times the size of Belgium, the already minor negative effect on the economy will be reduced by 50% and there will be a slight positive effect on food security in Sub-Saharan Africa. These findings suggest that it is more effective if in addition to reducing food waste, households adopt a more sustainable and healthier lifestyle.

Both reduced food waste and a healthy eating pattern will have, on average, a relatively small positive effect on food security in Sub-Saharan Africa. If food security is the goal, it would therefore be better to focus government policy elsewhere, for example policies which improve access to the market or which improve the investment climate in developing countries.

Follow-up research is necessary to determine what the results would be of reducing

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food losses on the supply side (agriculture, the processing industry, storage and transport) and food losses and waste in the rest of the world.

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<http://www.foodmanufacturing.com/news/2014/04/reducing-food-waste-boosts-consumer-welfare>

Links:

[1] https://twitter.com/save_food_news

[2] <http://www.foodmanufacturing.com/blogs/2013/10/putting-waste-work>