

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN

FROM: TOM FREEDMAN, MARY L. SMITH

RE: BILL TO MAKE FOOD DONATIONS TAX-DEDUCTIBLE

DATE: JULY 18, 1997

SUMMARY

The USDA is very involved in encouraging the donation of food. The Secretary has requested Presidential support for the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., in September. In addition, the USDA is seeking support for a proposed bill to permit greater allowability of charitable tax deductions for donation of food, particularly by unincorporated businesses. The Congressional Budget Office is preparing a cost-analysis of this bill, which is not completed at this time.

According to a recent USDA study, 27% of the food produced in 1995 went to waste. We have attached some background materials, including a scheduling request to the White House for the National Summit on Food Recovery and Gleaning to be held in September.

STATISTICS

- A recent Department of Agriculture study concluded that 27% of the 356 billion pounds of food produced in 1995 went to waste. This study did not include losses from farms and wholesale stores.
- If even 5% of the 96 billion pounds were recovered, that would represent a day's food for 4 million people.
- If 5% of wasted food were recovered, it could save \$50 million in solid-waste-disposal costs for landfills.
- Household losses were blamed on "overpreparation, preparation discard, plate waste, cooking losses, spoiled leftovers, breakage, spillage, and package failure."

BACKGROUND

Recently, Agriculture Secretary Dan Glickman spoke at the annual meeting of Second Harvest about the results of the USDA study regarding food waste. Secretary Glickman also announced the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., this September. One of the summits sponsors, the Congressional Center for Hunger, is working with Rep. Tony Hall's office on a bill that would provide greater allowability of making food donations tax-deductible.

Giant Foods already collects any perishable and nonperishable food from its stores and warehouses every day and donates any food that is not sellable but safe to the Capital Area Community Food Bank and the Maryland Food Bank.

ENCLOSURES

- Copy of memo to Thurgood Marshall, Jr. dated July 8, 1997, regarding the Food Recovery Summit in September
- Copy of memo to Kitty Higgins dated May 12, 1997, regarding the Food Recovery Summit in September
- Rough draft of Communications Plan for the Summit
- New clippings related to USDA-ERS recently released study on food loss/waste
- Talking points on Food Loss Study and National Summit on Food Recovery
- Background chronology of events related to food recovery and gleaning
- Copy of letter from Secretary Glickman to Secretary Rubin regarding Interagency Food Recovery Efforts with request for possible review of tax policy with respect to food donations



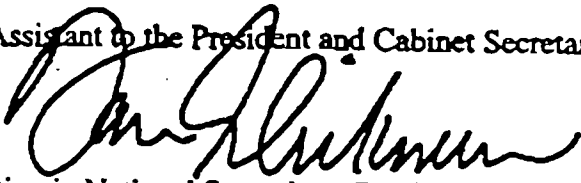
DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

July 8, 1997

SCHEDULING REQUEST FOR THE PRESIDENT

TO: Stephanie Streett, Assistant to the President and Director of Scheduling

THROUGH: Thurgood Marshall, Jr., Assistant to the President and Cabinet Secretary

FROM: Secretary Dan Glickman 

SUBJECT: The President's Participation in National Summit on Food Recovery

DATE: September 17- 18, 1997

SITE: George Washington Conference Center, Washington, DC

TIME: One hour

BACKGROUND:

Hunger has direct and adverse effects on the health, education, and safety of all those in need, but has particularly damaging impacts upon the physical, intellectual, and emotional development of children. Additionally, workers who are at risk of hunger have less ability to help America compete effectively in the global economy. In short, the threat of hunger greatly weakens America.

One means of making a significant impact on hunger in America is to decrease the amount of food that is wasted in this country each year through better gleaning and food recovery efforts. Such food recovery efforts will never be a replacement for a strong Federal safety net, but recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans.

In response to the President's November 23, 1996 executive memorandum that directed all Federal agencies to "seek to increase the quantity of excess wholesome food recovered and delivered to needy Americans," USDA has taken a number of significant steps to increase food recovery. In addition to publishing a "Citizen's Guide to Food Recovery" and establishing the 800-GLEAN-IT hotline, USDA is helping school districts involve students in food recovery volunteer activities, increasing food recovery in Empowerment Zones and Enterprise communities, and increasing food recovery at farmers' markets. ✓

This past week, I released a USDA study that indicates that over one quarter of all the food

produced in the nation goes to waste. With a significant number of American children and adults going hungry everyday, this a tragic loss in terms of the number of hungry Americans who could benefit from this food. The announcement of this study -- as well as the simultaneous announcement of more details about the National Summit on Food Recovery -- received wide-spread national and local media coverage, including stories on the ABC Evening News and CNN (See attached clips).

DISCUSSION:

I would like the President to deliver a brief address at the National Summit on Food Recovery, which will be held in Washington on September 17-18, 1997. The President would also have the option of participating in a large-scale food recovery service project with Summit participants at a farm in nearby Maryland or at the DC Central Kitchen in Washington.

The National Summit on Food Recovery is being sponsored by a unique public/private partnership between the United States Department of Agriculture and four leading non-profit anti-hunger groups: Second Harvest, Food Chain, the Congressional Hunger Center, and the Chef and the Child Foundation. Using specific commitments as milestones to mark progress, the Summit will help expand the growing national movement to use food recovery in the United States as an inexpensive means of helping to feed the hungry. The goal of the Summit is to develop a comprehensive national plan to implement a 33% increase in the amount of food recovered and gleaned and distributed through various emergency food assistance programs to Americans in need. This increase would provide an additional 500 million pounds of food a year -- enough food to support meals to some 340,000 Americans a day.

Every sector of American society -- individuals as well as institutions -- will be encouraged to make concrete, measurable commitments to do more to recover excess food. Such efforts include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

DECISION:

Approve: _____

Disapprove: _____



THE SECRETARY OF AGRICULTURE
WASHINGTON, D. C. 20250

cc: Kevin
Monroe

May 12, 1997

Memorandum from Secretary Dan Glickman

For: Kitty Higgins, Assistant to the President and Cabinet Secretary

Subject: The President's participation in the National Food Recovery Summit

SUMMARY:

I would like the President, Vice-President, First Lady, or Mrs. Gore to join me when I convene the National Summit on Food Recovery.

Announced during the President's Summit on America's Future, the National Summit on Food Recovery will be held in Washington during the week of September 1-7, 1997, under the auspices of the Department of Agriculture (USDA), the Congressional Hunger Center, and Food Chain, the national network of food rescue organizations.

BACKGROUND:

On November 23, 1996 -- in conjunction with the release of USDA's *Citizen's Guide to Food Recovery* -- President Clinton signed an executive memorandum directing Federal agencies to "seek to increase the quantity of excess wholesome food recovered and delivered to needy Americans" and directed me to chair an interagency working group on Food Recovery to Help the Hungry.

To fulfill the President's charge, prior to the President's Summit on America's Future, I announced the following new food recovery efforts:

- USDA will help school districts in the Washington, DC and Wichita, Kansas areas involve students in community service activities related to fighting hunger and recovering food.
- USDA will increase food recovery and gleaning activities in rural Empowerment Zones and Enterprise Communities.

Presidential Scheduling Request from Secretary Glickman
National Food Recovery Summit
May 12, 1997

- The Washington cafeterias of the Department of Justice, the Department of Energy, and the Office of Personnel Management will donate excess food to the DC Central Kitchen.

While attending the Presidents' Summit on America's Future in Philadelphia, I announced the following additional food recovery actions:

- USDA will sign a Memorandum of Understanding with the National Collaboration of Youth (NCY) — an umbrella group for youth organizations including the Boy and Girl Scouts, Big Brothers/Big Sisters, YMCA of America, and the Boys and Girls Clubs -- that will specify how the over 40 million members of NCY member organizations will be encouraged to volunteer to recover food.
- The Administration will declare a National Week of Food Recovery, during which food recovery volunteer projects will occur nationally.
- More food will be recovered from farmers' markets nationally, including farmers' markets held at Federal agencies.
- Working with the groups Rock & Wrap It Up! and Food Chain, USDA will help students recover food from the school lunch program, restaurants, and concerts.

THE NATIONAL SUMMIT ON FOOD RECOVERY:

Perhaps the most significant announcement USDA made at the Presidents' Summit on America's Future was that USDA, the Congressional Hunger Center, and Food Chain will co-sponsor a National Summit on Food Recovery. Modeled on the President's Summit on America's Future, all attendees to the National Food Recovery Summit will be asked to make specific commitments regarding food recovery prior to the event.

The Congressional Hunger Center, co-chaired by Congressman Tony Hall (D-OH) and Frank Wolf (R-VA), will invite members of Congress of both parties to the Summit. USDA will invite leaders from state, county, and city governments, Indian tribes, nonprofit organizations, religious groups, large corporations, and small businesses.

PRESIDENTIAL INVOLVEMENT:

I would like the President, Vice-President, First Lady, or Ms. Gore to start the

Presidential Scheduling Request from Secretary Glickman
National Food Recovery Summit
May 12, 1997

National Food Recovery Summit by giving a brief speech in Washington during the week following Labor Day 1997, September 1-7.

Other Federal agencies, USDA itself, and national non-profit groups and businesses will be able to make significant new food recovery commitments prior to the Summit, which any White House principal could announce at the Summit.

The precise date of the Summit could be based on the availability of any of the White House principals; however, the date must be set by May 20.

cc: Stephanie Street, Deputy Assistant to the President and
Director of Scheduling

7/9/97

ROUGH DRAFT OF COMMUNICATIONS PLAN FOR NATIONAL SUMMIT ON FOOD RECOVERY

I. COMMUNICATIONS GOALS FOR THE SUMMIT

1. To increase public awareness to help achieve the Summit's overall goal of increasing food recovery by 33% nationally by the year 2000.
2. To make the terms "gleaning" and "food recovery" household concepts as commonly known as the recycling of bottles and cans.
3. To ensure that all five partners involved in the Summit -- Second Harvest, Food Chain, USDA, the Congressional Hunger Center, and the Chef and the Child Foundation -- receive equal credit for their efforts to sponsor the Summit and boost food recovery.

II. MESSAGE OF THE SUMMIT

The National Summit on Food Recovery on September 17-18, 1997 -- co-sponsored by USDA, Food Chain, Second Harvest, the Chef and the Child Foundation, and the Congressional Hunger Center -- will serve as a springboard for a national effort to encourage every sector of society to help increase the amount of food recovered and gleaned and distributed to Americans in needs by 33% by the year 2000. This increase will produce an approximately 500 million additional pounds of food a year, providing food to an estimated 450,000 more low-income people daily.

With a significant number of American children in danger of going hungry, the issue of hunger in America is a complex one with innumerable ramifications for all segments of our society. Hunger has direct and adverse effects on the health, education, and safety of all those in need, but has particularly damaging impacts upon the physical, intellectual, and emotional development of children. Hunger also reduces income for American farmers and food-related businesses. Additionally, workers who are at risk of hunger have less ability to help America compete effectively in the global economy. In short, the threat of hunger greatly weakens America.

Yet in America today, over 96 billion pounds of edible, wholesome food --- more than one quarter of all food produced -- is thrown out. Not only is this a tragic loss in terms of the number of hungry Americans who could benefit from this food, but such waste also increases disposal costs by an estimated one billion dollars a year for municipalities across the nation.

One means of making a significant impact on hunger in America is to decrease the amount of food that is wasted in this country each year through better gleaning and food recovery efforts. **Such food recovery efforts will never be a replacement for a strong Federal safety net, but recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans.**

To reach the Summit's ambitious goal, every sector of American society -- individuals as well as institutions -- will be encouraged to make concrete, measurable commitments to do more to recover excess food. Such efforts include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

These new commitments will be broken down into three broad categories:

- 1) Getting the food.
- 2) Preparing or sorting the food.
- 3) Distributing the food.

III. USING THE SUMMIT PROGRAM TO COMMUNICATE THE MAIN MESSAGE

All portions of the Summit should be used to communicate its main message detailed above. The public communications from the Summit will be focused on Wednesday, September 17, through the three main portions of the program: 1) the commitment-makers session in the morning; 2) the service project in the afternoon; 3) and the awards ceremony in the evening.

- 1) **The commitment-makers session (Wednesday morning):** This session could seamlessly integrate the use of videotape, still photographs, and very brief presentations from commitment-makers in order to graphically demonstrate the problem of hunger and wasted food and the specific ways in which the Summit is addressing the problem.

Traditional keynote speeches could be eliminated in favor of incorporating presentations from VIPs into visual presentations of the commitments.

This session could have the look and a feel of a telethon -- only instead of raising money, we would be counting ways to recover food. The backdrop could be some large photo or graphic representing food recovery, with two large sets of number toteboards over the backdrop-- the toteboard could be labeled "goal for pounds of food recovered" and could have the number "500 million" under it.

The second toteboard could be labeled "progress towards the goal" and could have either digital or moveable numbers that increase as the presentations progress.

The session, which would be broadcast nationally on live satellite, could last two hour and a half hours (from 10:00 a.m. - 12:30 p.m.) and be broken down into three sub-pieces -- a) a five minute long introductory video 10:00 a.m - 10:05 a.m.; b) national commitments could last for one hour and 45 minutes (10:05-11:50 a.m.) and c) regional and local commitments, which could last for 40 minutes (11:50 a.m. - 12:30 p.m.).

a) Introductory video - The session could start with a five minute video that explains hunger in America, details the major points of food waste, and breaks down food recovery into its three major steps: "getting the food;" "preparing or sorting the food;" and "distributing the food." Principal spokespeople for all five groups could be featured in this video. The video would end by showing graphic representations for each of the three steps. (10:00 - 10:05 am.)

b) National commitments - The session would then be broken down into three, 35 minute- long, sub-sections reflecting the major steps: "getting the food" (10:05-10:40 a.m.); "preparing or sorting the food (10:40-11:15 a.m.); and "distributing the food" (11:15 -11:50 p.m.). Each sub-section would have the same basic format: short introductory video, followed by graphic representation of sub-section projected on screen, followed by personal testimony from audience members involved in that sub-section, followed by making of specific commitments to that sub-section that are then tallied on the toteboard. Each sub-section (and thus each of the three major food recovery steps) would have its own graphic identification --- either a photograph or a graphic icon. At the start of each of the three sub-sections, the graphic representation for that sub-sections would be projected behind the stage and then a five minute video would visually show and narratively detail the major issues regarding that particular food recovery step. These three sub-section videos would highlight the specific tools of food recovery critical to each of the three food recovery steps: public awareness; donate; collect; safety; transport; sort, prepare, and distribute; nutrition, capacity; barriers; reduce dependency; and recipients. After the video is show at the beginning of each sub-section, the lights could come up slightly and the sub-sections' graphic representation could still be projected above the stage as one or two people from the audience are highlighted to give personal testimony about their experience in working on issues related to the particular sub-section (food

recovery step). Then specific commitment-makers (including principals from the five sponsoring organizations) make brief (but specific) presentations on about commitments they are making to that sub-section (food recovery step). To ensure spontaneity and audience participation, many of the commitments would be made by audience members speaking from microphones in the audience (assuming enough cameras are available). As the commitments are made, the toteboard for progress would add, on a rolling basis, the numbers of pounds committed.

c) Regional and local commitments - This could last 40 minutes (11:50 a.m. to 12:30 a.m.) Each local and regional site watching the Summit by satellite could be able to call-in, through an audio bridge, to orally announce regional and local commitments. A map of the United States could be projected next to the stage and each site could be visually highlighted on the map when the site is announcing its commitments. All the regional and local commitments would also be added to the toteboard as the commitments are announced.

*** NOTE:** At the end of this session, the "progress" toteboard should have a number greater than the 500 million pounds on the "goal" toteboard. However, if we determine in advance of the Summit that the progress will be less, than the toteboard goal will be reduced; we would explain that the precise goal is to reach 500 million by the year 2000.

2) The Service project (Wednesday afternoon): Summit participants can physically collect food from a field, sort food at the Capital Area Community Food Bank, prepare meals at the DC Central Kitchen, collect food from a hotel kitchen, etc. The service activities would specifically be focused on highlighting the three key steps to food recovery spotlighted in the morning session. This is the part of the Summit in which the President, Vice-President, First Lady, or Mrs. Gore will be most likely to personally participate. It is possible that one or two of the services sites can have satellite trucks from which the broadcast the activities live; this would be the tail end of the national satellite transmission.

3) Awards ceremony (Wednesday evening): "Heroes of Food Recovery Rewards" would be given out to corporate leaders, religious organizations, private citizens, etc.

USDA Study Finds Wasting Of Food Supply

108 WSI 7/2/97
136

WASHINGTON (Reuter) - In tossing away uneaten vegetables, day-old bread and other pantry items, Americans are wasting one-fourth of the nation's total food supply, the U.S. Agriculture Department said.

If just 5% of the wasted food that is nutritious and safe was recovered from restaurants, grocery stores and pantry shelves, it could feed an estimated four million poor and homeless U.S. citizens, the new USDA study said.

Agriculture Secretary Dan Glickman released the study at a hunger-relief conference in San Diego. Mr. Glickman said he would hold a national meeting on food-recovery efforts Sept. 17-18. The meeting in Washington will bring together leaders from state and local governments, religious groups, large corporations and other groups to share ideas on how to get unused food to the hungry.

An estimated 96 billion pounds of food, or 27% of the 356 billion pounds of edible food available in the U.S., was wasted in 1995, the USDA study said.

The vast majority of the waste came from consumers who threw away uneaten vegetables, forgot foods in the back of a refrigerator until they spoiled, or discarded bread, milk and other dairy products more than a day or two old.

Many consumers also threw out food because they had trouble interpreting package-dating information, such as "sell by" dates or expiration codes, the study said. Smaller amounts of blemished food, perishable items and dented cans of food were discarded by grocery stores, restaurants, food processors and farmers, the study said.

In 1995, more than 16,000 new food products landed on grocery-store shelves, and industry experts estimate that most products fail to catch on and are discarded by retailers. "This is really a byproduct of our fast-food culture," said Marc Cohen, a researcher with Bread for the World Institute, a hunger-relief group. "At lunchtime, many fast-food restaurants make up hamburgers and if nobody eats them, they get tossed away because of strict quality standards."

Anti-hunger activists said they would like to see more financial incentives created for restaurants, grocery stores and other businesses to donate food. "The problem of wasted food at home could be

addressed much like the USDA has promoted its 'food pyramid of nutrition' in public and private schools," Mr. Cohen said.

Mr. Glickman launched a food "gleaning," or recovery, program last year to encourage federal agencies, private cafeterias and others to donate leftover food to local soup kitchens and food banks.

Last year, Congress also tried to encourage more donations by adopting a "Good Samaritan" law that limits the legal liability if someone were to become ill from eating donated foods.

In addition to feeding the hungry, recovering more of the nation's wasted food would cut down on the volume of material going into garbage landfills, saving tens of millions of dollars in solid-waste costs, Mr. Glickman said.

21% of U.S. food wasted, study finds

By Gaedig Bonabasse
THE WASHINGTON TIMES

108
A7
7/2/97
A quarter of the food produced in the United States ends up in the trash, the Department of Agriculture found when it counted leftovers, yogurt forgotten in fridges and crates of perished nectarines at grocery stores.

The study, which did not include losses from farms and wholesale stores, concluded that 27 percent of the 356 billion pounds of food produced in 1995 went to waste.

"On average, each of us consumes about 3 pounds of food a day. If even 5 percent of the 96 billion pounds were recovered, that would represent a day's food for 4 million people," Agriculture Secretary Dan Glickman said.

And recovering that 5 percent could save \$50 million in solid-waste-disposal costs for landfills, the report said.

Household food losses were blamed on "overpreparation, preparation discard, plate waste,

cooking losses, spoiled leftovers, breakage, spillage, and package failure."

Mr. Glickman said the study was motivated by people asking him "how much food is really wasted" whenever he spoke about the importance of food recovery.

The study, the first in 20 years, is supposed to help define where and how much food is wasted so that waste can be reduced.

"By recovering a fraction of this lost food, we could get food to those in need instead of tossing it into the Dumpster," Mr. Glickman said.

Speaking in San Diego at the annual meeting of Second Harvest, a nonprofit anti-hunger group, he also announced the National Summit on Food Recovery and Gleaning, to be held in Washington in September.

One of the sponsors, the Congressional Center for Hunger, is working on a bill that would make food donations tax-deductible. Executive Director John Morrill said, "We are going to try to make the

word 'gleaning' a regular kitchen household word."

Jose Meirelles, who manages Les Halles restaurant in Washington, said there isn't much food wasted in his restaurant.

"We buy all the fresh products on a daily basis, and we try to use what's left over in preparations like soup bases," he said.

"But it's true Americans might waste more than Europeans," he said. "I recall, when I was a kid, we would kill a pig once a year and nothing would go to waste. We would even use the blood and the feet. But here they only keep the good parts."

Barry Scher, vice president of public affairs for Giant Food Inc., said his company deals with the problem.

Perishable and nonperishable food is collected from Giant stores and warehouses every day. "Any food that is not sellable but safe we donate to the Capital Area Community Food Bank and the Maryland Food Bank," he said.

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What is wrong with this picture?

Food wasted, Congress cuts food to poor

The United States has become the land of wasted milk and honey. A startling report issued by the U.S. Department of Agriculture Tuesday says Americans discard more than a quarter of their annual edible food supply. People involved with feeding the hungry and homeless in Central New Jersey estimate the amount probably is much higher.

Meanwhile, in its well-intended zeal to overhaul the welfare system, Congress last year cut billions from food-stamp programs, and more troubling, from programs designed to nourish babies and children, such as the school-lunch subsidies. People who work with the poor estimate one in four American children is either undernourished, or in imminent danger of becoming so.

Something has gone terribly wrong with the priorities of this nation.

Fortunately, this is a problem every American can do something about.

On a practical level, consumers need to stop buying so much food and letting it go bad in their refrigerators. Or, they need to freeze more food.

On the political level, citizens must rally behind a bill dubbed the Hunger Has a Cure Act, which would restore \$8.2 billion of the \$27 billion cut from food and nutrition programs. The legislation would provide money for food stamps for job seekers, restore food-stamp eligibility to some legal, taxpaying immigrants, as well as for school lunches and the Special Supplemental Nutrition Program for Women, Infants and Children, also known as the WIC program.

For children, whose brains are developing, adequate nutrition is essential. The intellectual losses resulting from inadequate early nutrition are permanent. That robs children — and their communities — of their innate potential, and creates a costly burden on school systems.

The bipartisan bill now has 66 sponsors in the House, including Rep. Marge Roukema, R-5th Dist., one of its original sponsors.

Sadly, the bill still lacks a Senate sponsor. New Jersey residents should urge Sen. Robert Torricelli and Sen. Frank Lautenberg, both D-N.J., to step up to the plate.

Food funding

■ Want to voice your opinion on the Hunger Has a Cure Act? Call these numbers:

■ Sen. Robert Torricelli,
 D-N.J.: (973) 624-5555

■ Sen. Frank Lautenberg,
 D-N.J.: (973) 645-3030

TALKING POINTS ON FOOD LOSS STUDY AND NATIONAL SUMMIT ON FOOD RECOVERY

FOOD LOSS STUDY

New USDA study estimates that more than one quarter of all food produced in the nation is wasted. The study by the USDA Economic Research Service, the first of its kind in 20 years to examine and quantify food loss, found that, in 1995, about 96 billion pounds of food -- or 27 percent of the 356 billion pounds of the food available for human consumption in the United States -- were lost at the retail, consumer, and food service levels. Fresh fruits and vegetables, fluid milk, grain products, and sweeteners accounted for two-thirds of these losses.

The full extent of food loss is probably even greater. The study looked only at food loss by retailers, consumers and food service establishments. Pre-harvest, on-the-farm, and farm-to-retail, and wholesale losses were not measured; given that we know significant losses occur at each of these levels, the actual amount of loss is probably far greater than the 96 billion pound figure.

Not only is wasted food a tragedy because it could be eaten by hungry Americans, but food waste also harms the environment and increases local taxes. Municipalities across the country spend about \$1 billion a year in tax dollars to landfill or otherwise dispose of the 96 billion pounds of food waste.

While individual families do waste food, the study made the more important overall point that food is systematically lost in every single stage of the food production and distribution system. While it is true that individual families often throw out large amounts of food, it is more significant to understand that vast amounts of food are systematically lost on farms, at manufacturing plants, during distribution, at wholesale markets, at restaurants, at farmers' markets, at cafeterias, and at supermarkets.

Individuals, companies, government agencies, and organizations can all do more to recover food. USDA is NOT suggesting that, in order to fight hunger, some Americans ought to eat less. Rather, individuals can donate canned and boxed goods to food drives and can donate their time and money to food recovery organizations. Moreover, individuals can work with companies, government agencies, and non-profit organizations to change the systematic ways in which food is lost throughout the production and distribution system. The National Summit on Food Recovery will attempt to spur such systematic changes.

Even a small boost in food recovery could feed millions of hungry Americans. On average, each American consumes about 3 pounds of food a day. If even 5 percent of the 96 billion pounds now wasted were recovered, that would represent a day's food for 4 million people. If we recovered 10 percent or even 25 percent, that would provide food for 8 million, or 20 million people, respectively.

NATIONAL SUMMIT ON FOOD RECOVERY

The National Summit on Food Recovery will take place September 17-18 in Washington, DC and at sites throughout the nation. The main Summit site in Washington, DC will be linked by a live satellite broadcast to citizens throughout the nation participating in regional and local summits.

The Summit has a very concrete goal of eventually helping to feed 450,000 additional hungry Americans each day. Using specific commitments as milestones to mark progress, the National Summit on Food Recovery will help expand the growing national movement to use food recovery in the United States as an inexpensive means of helping to feed the hungry. The Summit will help develop a comprehensive national plan to implement a 33% increase, by the year 2000, of the amount of food recovered and gleaned and distributed through various emergency food assistance programs to Americans in need. This increase would provide an additional 500 million pounds of food a year -- enough food to support meals to some 450,000 Americans a day.

The Summit is a unique public/private partnership. USDA is joining with four leading national non-profit anti-hunger groups to sponsor the Summit: Second Harvest, the Chef and the Child Foundation, Food Chain, and the Congressional Hunger Center.

The Summit will encourage every sector of American society -- individuals as well as institutions -- to make concrete, measurable commitments to do more to recover excess food. The Summit is actively seeking the involvement of: large corporations and small businesses; faith-based organizations and religious groups; labor unions, trade associations, and professional organizations; Federal cabinet secretaries and Members of Congress; charitable foundations and non-profit organizations; state, tribal, and local elected officials; farmers, ranchers, and orchard growers; shipping, trucking, and railroad concerns; community and youth service organizations; food manufacturers and distributors; anti-hunger activists and food recovery practitioners; restaurants, cafeterias, caterers, and food service professionals, etc -- in short, anyone who is associated (or could be associated) with feeding people in this country.

The Summit will solicit a wide variety of means to increase food recovery. Commitments are likely to include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

While food recovery efforts will never be a replacement for a strong Federal safety net, recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans. The Federal government will always have a critical role in helping feed low-income Americans, but public/private food recovery partnerships need to be one tool to help supplement the traditional Federal role.

USDA Gleaning/Food Recovery Activities

- December, 1995 - Gleaning/Food Rescue Round Table Meetings with Secretary Glickman commence
- December, 1995 - Food Safety and Inspection Service (FSIS), in cooperation with the Chef and the Child Foundation of the American Culinary Federation, launches initiative to expand food safety training for people serving donated food to the needy
- April, 1996 - USDA launches a toll-free hot-line -- 1-800-GLEAN-IT -- through which callers will receive up-to-date information about USDA food rescue policies. Assistance in linking volunteers with local food distribution programs and guidance regarding establishing food recovery opportunities is also provided
- Summer, 1996 - USDA AmeriCorps conducts "Summer of Gleaning" projects in 20 States. Project designs ran the full gamut of gleaning and food rescue operations. 88 AmeriCorps members in the Summer Program recruited over 1600 noncompensated community volunteers who helped pick, sort, deliver, and prepare recovered foods
- October, 1996 - President Clinton signs the Bill Emerson Good Samaritan Food Donation Act into law. The Act encourages donation of food and grocery products by limiting the liability of good-faith donors and by providing for basic nationwide uniform definitions pertaining to donation and distribution of nutritious foods
- November, 1996 - President Clinton signs and Executive Memorandum directing federal agencies to promote gleaning and food recovery activities. The Memorandum designates the Secretary of Agriculture as the Chairperson of the Interagency Working Group on Food Recovery to Help the Hungry
- November, 1996 - USDA publishes, *A Citizen's Guide to Food Recovery*, to assist volunteers, State and local government officials, businesses and nonprofit organizations in establishing or expanding gleaning and food recovery activities around the country. 15,000 Guides were distributed. In May, 1997, a second printing of 15,000 copies will be undertaken.
- January, 1997 - USDA assists volunteers in gleaning and food recovery activities related to the Presidential Inauguration
- January, 1997 - USDA establishes internal task force charged with implementing the President's November Executive Memorandum on Food Recovery
- March, 1997 - USDA announces initiative to work with District of Columbia and Maryland high school students in meeting community service graduation requirements by coordinating volunteer activities at the Capitol Area Community Food Bank

- April, 1997 - USDA hosts initial meeting of the Interagency Working Group on Food Recovery to Help the Hungry, pursuant to the President's Executive Memorandum on Food Recovery
- April, 1997 - Secretary Glickman announces initiatives related to the planned September, 1997 National Food Recovery Summit, including a National Week of Gleaning, and USDA efforts to help match student food recovery volunteers interested in performing community service with food recovery activity opportunities
- May, 1997 - USDA prepares second printing of 15,000 copies of its publication, *A Citizen's Guide to Food Recovery*
- June, 1997 - Secretary Glickman announces creation of USDA anti-hunger task force, chaired by Shirley Watkins, Under Secretary designee for Food, Nutrition and Consumer Services. The purpose of this task force will be to focus the Department's efforts in addressing hunger issues in America, particularly in the context of Welfare Reform implementation
- June, 1997 - As a result of the interagency process, USDA works with Department of Energy, Department of Transportation and Health and Human Services to announce joint efforts at holding Farmers' Markets during the Summer and Fall, with food recovery as an integral part of each market. The initial market was held on June 27, 1997, with Secretaries Glickman, Pena, and Slater participating in the opening ceremonies
- July, 1997 - Secretary Glickman announces release of a USDA Economic Research Service Study examining and quantifying the extent of food losses in the United States. The ERS study, the first of its kind in twenty years, found that in 1995, about 96 billion pounds of food, or 27 percent of the 356 billion pounds available for human consumption in the United States were lost at the retail, consumer, and food service levels

09-312670/



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

March 11, 1997

Honorable Robert E. Rubin
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Bob:

I am asking your help in making sure that the millions of pounds of wholesome food which are thrown away every day are directed to the hungry in America. At a time when so many within our population are without the means to ensure consistent access to nutritious food and emergency feeding organizations are struggling to help meet their needs, we should take special care to avoid the unnecessary waste of food. Yet, the waste continues day after day—the food served in restaurants, cafeterias, schools, hospitals, and other institutional settings that is thrown away because too much was prepared; the fresh fruits and vegetables left in the fields to rot because they do not meet market specifications; and the non-perishable foods discarded by food retailers and distributors because labels are damaged or cans are dented. At last report, nearly one-fifth of all food produced for human consumption in this country is lost or wasted every year—an amount that, according to the General Accounting Office, would feed nearly 49 million people.

On November 23, 1996, President Clinton signed an Executive Memorandum directing Federal agency involvement in efforts to redirect excess wholesome food from their cafeterias, commissaries, food vendors, and other food service facilities to programs providing food services to those in need. Agencies are also directed to encourage food recovery among their contractors; State, local, and non-governmental partners; and grantees to ensure that they understand its important role in helping to feed needy individuals. I have enclosed a copy of the Executive Memorandum for your review.

I have been selected to head the Interagency Working Group on Food Recovery to Help the Hungry established by the Memorandum and I wanted to take this opportunity to share with you some information regarding the opportunities available to us as we embark on this project. I am also pleased to share with you a copy of the Department of Agriculture's (USDA) "A Citizen's Guide to Food Recovery." This publication represents one of the many efforts initiated by USDA aimed at galvanizing the commitment and energy of representatives from all sectors of the nation to help combat hunger in America by eliminating the waste of wholesome food.

Honorable Robert E. Rubin

2

Public education about our involvement in food recovery has thus far yielded some very positive results. For example, in December 1996, the Secretary of the Navy approved a partnership through which excess food prepared in the cafeteria at the U.S. Naval Academy will be donated to a local food recovery program. Procurement staff at the Department of Commerce are reviewing food vendor contracts for the purpose of incorporating an excess food donation clause. In Michigan, a Federal prison has requested information on how it can donate excess food to a local feeding program. These are exciting new ventures and we have only begun to scratch the surface.

One issue of concern to potential donors of food relates to the deductibility of such donations as charitable contributions. Perhaps one important way that the Department of the Treasury can help enhance food recovery efforts would be to publicize guidance on tax deductibility issues for potential food donors. This is especially important for smaller and non-corporate franchise food outlets donating perishable prepared food items and for individual farmers who permit gleaning activities in their fields or orchards. I would be most happy to host a meeting with you and your staff and members of the food recovery community to discuss this issue.

I will be in touch soon to discuss these activities and the work of the Interagency Working Group on Food Recovery to Help the Hungry with you further. I believe that if we are creative and if we exercise the will by forging partnerships with the private and non-profit sectors, we can be successful in redirecting to the needy much of the food that now goes to waste.

In the meantime, I hope that you will review the information in the publication I have enclosed. I am interested in hearing your thoughts and ideas on ways that we can advance this effort. Kevin Monroe of my staff and I are available and eager to talk with you or your staff if you need further information. We can be reached at (202) 720-3631.

Sincerely,



DAN GLICKMAN
Secretary

Enclosures

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN

FROM: TOM FREEDMAN, MARY L. SMITH

RE: BILL TO MAKE FOOD DONATIONS TAX-DEDUCTIBLE

DATE: JULY 5, 1997

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SUMMARY

According to a recent USDA study, 27% of the food produced in 1995 went to waste. The Congressional Center for Hunger is working on a bill that would make food donations tax-deductible. We recommend supporting this bill and providing Presidential support for the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., in September.

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STATISTICS

- A recent Department of Agriculture study concluded that 27% of the 356 billion pounds of food produced in 1995 went to waste. This study did not include losses from farms and wholesale stores.
- If even 5% of the 96 billion pounds were recovered, that would represent a day's food for 4 million people.
- If 5% of wasted food were recovered, it could save \$50 million in solid-waste-disposal costs for landfills.
- Household losses were blamed on "overpreparation, preparation discard, plate waste, cooking losses, spoiled leftovers, breakage, spillage, and package failure."

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BACKGROUND

Recently, Agriculture Secretary Dan Glickman spoke at the annual meeting of Second Harvest about the results of the USDA study regarding food waste. Secretary Glickman also announced the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., this September. One of the summits sponsors, the Congressional Center for Hunger, is working on a bill that would make food donations tax-deductible.

Giant Foods already collects any perishable and nonperishable food from its stores and warehouses every day and donates any food that is not sellable but safe to the Capital Area Community Food Bank and the Maryland Food Bank.

RECOMMENDATION

- Support the legislation being drafted that would make food donations tax-deductible. Also participate in the National Summit on Food Recovery and Gleaning to be held in Washington, D.C. this September.

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN
FROM: TOM FREEDMAN, MARY L. SMITH
RE: BILL TO MAKE FOOD DONATIONS TAX-DEDUCTIBLE
DATE: JULY 18, 1997

Handwritten notes:
Friedman
Reed
Kagan
Test it

SUMMARY

The USDA is very involved in encouraging the donation of food. The Secretary has requested Presidential support for the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., in September. In addition, the USDA is seeking support for a proposed bill to permit greater allowability of charitable tax deductions for donation of food, particularly by unincorporated businesses. The Congressional Budget Office is preparing a cost-analysis of this bill, which is not completed at this time.

According to a recent USDA study, 27% of the food produced in 1995 went to waste. We have attached some background materials, including a scheduling request to the White House for the National Summit on Food Recovery and Gleaning to be held in September.

STATISTICS

- A recent Department of Agriculture study concluded that 27% of the 356 billion pounds of food produced in 1995 went to waste. This study did not include losses from farms and wholesale stores.
- If even 5% of the 96 billion pounds were recovered, that would represent a day's food for 4 million people.
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- Household losses were blamed on "overpreparation, preparation discard, plate waste, cooking losses, spoiled leftovers, breakage, spillage, and package failure."

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Recently, Agriculture Secretary Dan Glickman spoke at the annual meeting of Second Harvest about the results of the USDA study regarding food waste. Secretary Glickman also announced the National Summit on Food Recovery and Gleaning to be held in Washington, D.C., this September. One of the summits sponsors, the Congressional Center for Hunger, is working with Rep. Tony Hall's office on a bill that would provide greater allowability of making food donations tax-deductible.

Giant Foods already collects any perishable and nonperishable food from its stores and warehouses every day and donates any food that is not sellable but safe to the Capital Area Community Food Bank and the Maryland Food Bank.

ENCLOSURES

- Copy of memo to Thurgood Marshall, Jr. dated July 8, 1997, regarding the Food Recovery Summit in September
- Copy of memo to Kitty Higgins dated May 12, 1997, regarding the Food Recovery Summit in September
- Rough draft of Communications Plan for the Summit
- New clippings related to USDA-ERS recently released study on food loss/waste
- Talking points on Food Loss Study and National Summit on Food Recovery
- Background chronology of events related to food recovery and gleaning
- Copy of letter from Secretary Glickman to Secretary Rubin regarding Interagency Food Recovery Efforts with request for possible review of tax policy with respect to food donations



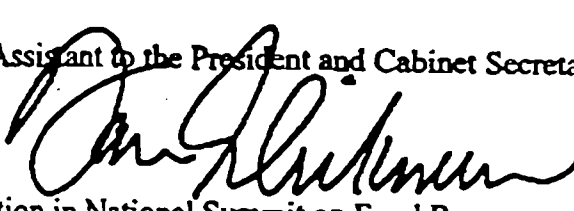
DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

July 8, 1997

SCHEDULING REQUEST FOR THE PRESIDENT

TO: Stephanie Streett, Assistant to the President and Director of Scheduling

THROUGH: Thurgood Marshall, Jr., Assistant to the President and Cabinet Secretary

FROM: Secretary Dan Glickman 

SUBJECT: The President's Participation in National Summit on Food Recovery

DATE: September 17- 18, 1997

SITE: George Washington Conference Center, Washington, DC

TIME: One hour

BACKGROUND:

Hunger has direct and adverse effects on the health, education, and safety of all those in need, but has particularly damaging impacts upon the physical, intellectual, and emotional development of children. Additionally, workers who are at risk of hunger have less ability to help America compete effectively in the global economy. In short, the threat of hunger greatly weakens America.

One means of making a significant impact on hunger in America is to decrease the amount of food that is wasted in this country each year through better gleaning and food recovery efforts. Such food recovery efforts will never be a replacement for a strong Federal safety net, but recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans.

In response to the President's November 23, 1996 executive memorandum that directed all Federal agencies to "seek to increase the quantity of excess wholesome food recovered and delivered to needy Americans," USDA has taken a number of significant steps to increase food recovery. In addition to publishing a "Citizen's Guide to Food Recovery" and establishing the 800-GLEAN-IT hotline, USDA is helping school districts involve students in food recovery volunteer activities, increasing food recovery in Empowerment Zones and Enterprise communities, and increasing food recovery at farmers' markets. ✓

This past week, I released a USDA study that indicates that over one quarter of all the food

produced in the nation goes to waste. With a significant number of American children and adults going hungry everyday, this a tragic loss in terms of the number of hungry Americans who could benefit from this food. The announcement of this study -- as well as the simultaneous announcement of more details about the National Summit on Food Recovery -- received widespread national and local media coverage, including stories on the ABC Evening News and CNN (See attached clips).

DISCUSSION:

I would like the President to deliver a brief address at the National Summit on Food Recovery, which will be held in Washington on September 17-18, 1997. The President would also have the option of participating in a large-scale food recovery service project with Summit participants at a farm in nearby Maryland or at the DC Central Kitchen in Washington.

The National Summit on Food Recovery is being sponsored by a unique public/private partnership between the United States Department of Agriculture and four leading non-profit anti-hunger groups: Second Harvest, Food Chain, the Congressional Hunger Center, and the Chef and the Child Foundation. Using specific commitments as milestones to mark progress, the Summit will help expand the growing national movement to use food recovery in the United States as an inexpensive means of helping to feed the hungry. The goal of the Summit is to develop a comprehensive national plan to implement a 33% increase in the amount of food recovered and gleaned and distributed through various emergency food assistance programs to Americans in need. This increase would provide an additional 500 million pounds of food a year -- enough food to support meals to some 340,000 Americans a day.

Every sector of American society -- individuals as well as institutions -- will be encouraged to make concrete, measurable commitments to do more to recover excess food. Such efforts include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

DECISION:

Approve: _____

Disapprove: _____



THE SECRETARY OF AGRICULTURE
WASHINGTON, D. C. 20250

cc: Kevin
Monroe

May 12, 1997

Memorandum from Secretary Dan Glickman

For: Kitty Higgins, Assistant to the President and Cabinet Secretary

Subject: The President's participation in the National Food Recovery Summit

SUMMARY:

I would like the President, Vice-President, First Lady, or Mrs. Gore to join me when I convene the National Summit on Food Recovery.

Announced during the President's Summit on America's Future, the National Summit on Food Recovery will be held in Washington during the week of September 1-7, 1997, under the auspices of the Department of Agriculture (USDA), the Congressional Hunger Center, and Food Chain, the national network of food rescue organizations.

BACKGROUND:

On November 23, 1996 -- in conjunction with the release of USDA's *Citizen's Guide to Food Recovery* -- President Clinton signed an executive memorandum directing Federal agencies to "seek to increase the quantity of excess wholesome food recovered and delivered to needy Americans" and directed me to chair an interagency working group on Food Recovery to Help the Hungry.

To fulfill the President's charge, prior to the President's Summit on America's Future, I announced the following new food recovery efforts:

- USDA will help school districts in the Washington, DC and Wichita, Kansas areas involve students in community service activities related to fighting hunger and recovering food.
- USDA will increase food recovery and gleaning activities in rural Empowerment Zones and Enterprise Communities.

Presidential Scheduling Request from Secretary Glickman
National Food Recovery Summit
May 12, 1997

- The Washington cafeterias of the Department of Justice, the Department of Energy, and the Office of Personnel Management will donate excess food to the DC Central Kitchen.

While attending the Presidents' Summit on America's Future in Philadelphia, I announced the following additional food recovery actions:

- USDA will sign a Memorandum of Understanding with the National Collaboration of Youth (NCY) — an umbrella group for youth organizations including the Boy and Girl Scouts, Big Brothers/Big Sisters, YMCA of America, and the Boys and Girls Clubs -- that will specify how the over 40 million members of NCY member organizations will be encouraged to volunteer to recover food.
- The Administration will declare a National Week of Food Recovery, during which food recovery volunteer projects will occur nationally.
- More food will be recovered from farmers' markets nationally, including farmers' markets held at Federal agencies.
- Working with the groups Rock & Wrap It Up! and Food Chain, USDA will help students recover food from the school lunch program, restaurants, and concerts.

THE NATIONAL SUMMIT ON FOOD RECOVERY:

Perhaps the most significant announcement USDA made at the Presidents' Summit on America's Future was that USDA, the Congressional Hunger Center, and Food Chain will co-sponsor a National Summit on Food Recovery. Modeled on the President's Summit on America's Future, all attendees to the National Food Recovery Summit will be asked to make specific commitments regarding food recovery prior to the event.

The Congressional Hunger Center, co-chaired by Congressman Tony Hall (D-OH) and Frank Wolf (R-VA), will invite members of Congress of both parties to the Summit. USDA will invite leaders from state, county, and city governments, Indian tribes, nonprofit organizations, religious groups, large corporations, and small businesses.

PRESIDENTIAL INVOLVEMENT:

I would like the President, Vice-President, First Lady, or Ms. Gore to start the

Presidential Scheduling Request from Secretary Glickman
National Food Recovery Summit
May 12, 1997

National Food Recovery Summit by giving a brief speech in Washington during the week following Labor Day 1997, September 1-7.

Other Federal agencies, USDA itself, and national non-profit groups and businesses will be able to make significant new food recovery commitments prior to the Summit, which any White House principal could announce at the Summit.

The precise date of the Summit could be based on the availability of any of the White House principals; however, the date must be set by May 20.

cc: Stephanie Street, Deputy Assistant to the President and
Director of Scheduling

7/9/97

ROUGH DRAFT OF COMMUNICATIONS PLAN FOR NATIONAL SUMMIT ON FOOD RECOVERY

I. COMMUNICATIONS GOALS FOR THE SUMMIT

1. To increase public awareness to help achieve the Summit's overall goal of increasing food recovery by 33% nationally by the year 2000.
2. To make the terms "gleaning" and "food recovery" household concepts as commonly known as the recycling of bottles and cans.
3. To ensure that all five partners involved in the Summit -- Second Harvest, Food Chain, USDA, the Congressional Hunger Center, and the Chef and the Child Foundation -- receive equal credit for their efforts to sponsor the Summit and boost food recovery.

II. MESSAGE OF THE SUMMIT

The National Summit on Food Recovery on September 17-18, 1997 -- co-sponsored by USDA, Food Chain, Second Harvest, the Chef and the Child Foundation, and the Congressional Hunger Center -- will serve as a springboard for a national effort to encourage every sector of society to help increase the amount of food recovered and gleaned and distributed to Americans in needs by 33% by the year 2000. This increase will produce an approximately 500 million additional pounds of food a year, providing food to an estimated 450,000 more low-income people daily.

With a significant number of American children in danger of going hungry, the issue of hunger in America is a complex one with innumerable ramifications for all segments of our society. Hunger has direct and adverse effects on the health, education, and safety of all those in need, but has particularly damaging impacts upon the physical, intellectual, and emotional development of children. Hunger also reduces income for American farmers and food-related businesses. Additionally, workers who are at risk of hunger have less ability to help America compete effectively in the global economy. In short, the threat of hunger greatly weakens America.

Yet in America today, over 96 billion pounds of edible, wholesome food --- more than one quarter of all food produced -- is thrown out. Not only is this a tragic loss in terms of the number of hungry Americans who could benefit from this food, but such waste also increases disposal costs by an estimated one billion dollars a year for municipalities across the nation.

One means of making a significant impact on hunger in America is to decrease the amount of food that is wasted in this country each year through better gleaning and food recovery efforts. **Such food recovery efforts will never be a replacement for a strong Federal safety net, but recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans.**

To reach the Summit's ambitious goal, every sector of American society -- individuals as well as institutions -- will be encouraged to make concrete, measurable commitments to do more to recover excess food. Such efforts include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

These new commitments will be broken down into three broad categories:

- 1) Getting the food.
- 2) Preparing or sorting the food.
- 3) Distributing the food.

III. USING THE SUMMIT PROGRAM TO COMMUNICATE THE MAIN MESSAGE

All portions of the Summit should be used to communicate its main message detailed above. The public communications from the Summit will be focused on Wednesday, September 17, through the three main portions of the program: 1) the commitment-makers session in the morning; 2) the service project in the afternoon; 3) and the awards ceremony in the evening.

- 1) **The commitment-makers session (Wednesday morning):** This session could seamlessly integrate the use of videotape, still photographs, and very brief presentations from commitment-makers in order to graphically demonstrate the problem of hunger and wasted food and the specific ways in which the Summit is addressing the problem.

Traditional keynote speeches could be eliminated in favor of incorporating presentations from VIPs into visual presentations of the commitments.

This session could have the look and a feel of a telethon -- only instead of raising money, we would be counting ways to recover food. The backdrop could be some large photo or graphic representing food recovery, with two large sets of number toteboards over the backdrop-- the toteboard could be labeled "goal for pounds of food recovered" and could have the number "500 million" under it.

The second toteboard could be labeled "progress towards the goal" and could have either digital or moveable numbers that increase as the presentations progress.

The session, which would be broadcast nationally on live satellite, could last two hour and a half hours (from 10:00 a.m. - 12:30 p.m.) and be broken down into three sub-pieces -- a) a five minute long introductory video 10:00 a.m - 10:05 a.m.; b) national commitments could last for one hour and 45 minutes (10:05-11:50 a.m.) and c) regional and local commitments, which could last for 40 minutes (11:50 a.m. - 12:30 p.m.).

a) Introductory video - The session could start with a five minute video that explains hunger in America, details the major points of food waste, and breaks down food recovery into its three major steps: "getting the food;" "preparing or sorting the food;" and "distributing the food." Principal spokespeople for all five groups could be featured in this video. The video would end by showing graphic representations for each of the three steps. (10:00 - 10:05 am.)

b) National commitments - The session would then be broken down into three, 35 minute- long, sub-sections reflecting the major steps: "getting the food" (10:05-10:40 a.m.); "preparing or sorting the food (10:40-11:15 a.m.); and "distributing the food" (11:15 -11:50 p.m.). Each sub-section would have the same basic format: short introductory video, followed by graphic representation of sub-section projected on screen, followed by personal testimony from audience members involved in that sub-section, followed by making of specific commitments to that sub-section that are then tallied on the toteboard. Each sub-section (and thus each of the three major food recovery steps) would have its own graphic identification --- either a photograph or a graphic icon. At the start of each of the three sub-sections, the graphic representation for that sub-sections would be projected behind the stage and then a five minute video would visually show and narratively detail the major issues regarding that particular food recovery step. These three sub-section videos would highlight the specific tools of food recovery critical to each of the three food recovery steps: public awareness; donate; collect; safety; transport; sort, prepare, and distribute; nutrition, capacity; barriers; reduce dependency; and recipients. After the video is show at the beginning of each sub-section, the lights could come up slightly and the sub-sections' graphic representation could still be projected above the stage as one or two people from the audience are highlighted to give personal testimony about their experience in working on issues related to the particular sub-section (food

recovery step). Then specific commitment-makers (including principals from the five sponsoring organizations) make brief (but specific) presentations on about commitments they are making to that sub-section (food recovery step). To ensure spontaneity and audience participation, many of the commitments would be made by audience members speaking from microphones in the audience (assuming enough cameras are available). As the commitments are made, the toteboard for progress would add, on a rolling basis, the numbers of pounds committed.

c) Regional and local commitments - This could last 40 minutes (11:50 a.m. to 12:30 a.m.) Each local and regional site watching the Summit by satellite could be able to call-in, through an audio bridge, to orally announce regional and local commitments. A map of the United States could be projected next to the stage and each site could be visually highlighted on the map when the site is announcing its commitments. All the regional and local commitments would also be added to the toteboard as the commitments are announced.

* **NOTE:** At the end of this session, the "progress" toteboard should have a number greater than the 500 million pounds on the "goal" toteboard. However, if we determine in advance of the Summit that the progress will be less, than the toteboard goal will be reduced; we would explain that the precise goal is to reach 500 million by the year 2000.

2) The Service project (Wednesday afternoon): Summit participants can physically collect food from a field, sort food at the Capital Area Community Food Bank, prepare meals at the DC Central Kitchen, collect food from a hotel kitchen, etc. The service activities would specifically be focused on highlighting the three key steps to food recovery spotlighted in the morning session. This is the part of the Summit in which the President, Vice-President, First Lady, or Mrs. Gore will be most likely to personally participate. It is possible that one or two of the services sites can have satellite trucks from which the broadcast the activities live; this would be the tail end of the national satellite transmission.

3) Awards ceremony (Wednesday evening): "Heroes of Food Recovery Rewards" would be given out to corporate leaders, religious organizations, private citizens, etc.

USDA Study Finds Wasting Of Food Supply

108 WSI 7/2/97
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WASHINGTON (Reuter) - In tossing away uneaten vegetables, day-old bread and other pantry items, Americans are wasting one-fourth of the nation's total food supply, the U.S. Agriculture Department said.

If just 5% of the wasted food that is nutritious and safe was recovered from restaurants, grocery stores and pantry shelves, it could feed an estimated four million poor and homeless U.S. citizens, the new USDA study said.

Agriculture Secretary Dan Glickman released the study at a hunger-relief conference in San Diego. Mr. Glickman said he would hold a national meeting on food-recovery efforts Sept. 17-18. The meeting in Washington will bring together leaders from state and local governments, religious groups, large corporations and other groups to share ideas on how to get unused food to the hungry.

An estimated 96 billion pounds of food, or 27% of the 356 billion pounds of edible food available in the U.S., was wasted in 1995, the USDA study said.

The vast majority of the waste came from consumers who threw away uneaten vegetables, forgot foods in the back of a refrigerator until they spoiled, or discarded bread, milk and other dairy products more than a day or two old.

Many consumers also threw out food because they had trouble interpreting package-dating information, such as "sell by" dates or expiration codes, the study said. Smaller amounts of blemished food, perishable items and dented cans of food were discarded by grocery stores, restaurants, food processors and farmers, the study said.

In 1995, more than 16,000 new food products landed on grocery-store shelves, and industry experts estimate that most products fail to catch on and are discarded by retailers. "This is really a byproduct of our fast-food culture," said Marc Cohen, a researcher with Bread for the World Institute, a hunger-relief group. "At lunchtime, many fast-food restaurants make up hamburgers and if nobody eats them, they get tossed away because of strict quality standards."

Anti-hunger activists said they would like to see more financial incentives created for restaurants, grocery stores and other businesses to donate food. "The problem of wasted food at home could be

addressed much like the USDA has promoted its 'food pyramid of nutrition' in public and private schools," Mr. Cohen said.

Mr. Glickman launched a food "gleaning," or recovery, program last year to encourage federal agencies, private cafeterias and others to donate leftover food to local soup kitchens and food banks.

Last year, Congress also tried to encourage more donations by adopting a "Good Samaritan" law that limits the legal liability if someone were to become ill from eating donated foods.

In addition to feeding the hungry, recovering more of the nation's wasted food would cut down on the volume of material going into garbage landfills, saving tens of millions of dollars in solid-waste costs, Mr. Glickman said.

21% of U.S. food wasted, study finds

By Gaedig Bonabesse
THE WASHINGTON TIMES

108
97
7/2/97

A quarter of the food produced in the United States ends up in the trash, the Department of Agriculture found when it counted leftovers, yogurt forgotten in fridges and crates of perished nectarines at grocery stores.

The study, which did not include losses from farms and wholesale stores, concluded that 27 percent of the 356 billion pounds of food produced in 1995 went to waste.

"On average, each of us consumes about 3 pounds of food a day. If even 5 percent of the 96 billion pounds were recovered, that would represent a day's food for 4 million people," Agriculture Secretary Dan Glickman said.

And recovering that 5 percent could save \$50 million in solid-waste-disposal costs for landfills, the report said.

Household food losses were blamed on "overpreparation, preparation discard, plate waste,

cooking losses, spoiled leftovers, breakage, spillage, and package failure."

Mr. Glickman said the study was motivated by people asking him "how much food is really wasted" whenever he spoke about the importance of food recovery.

The study, the first in 20 years, is supposed to help define where and how much food is wasted so that waste can be reduced.

"By recovering a fraction of this lost food, we could get food to those in need instead of tossing it into the Dumpster," Mr. Glickman said.

Speaking in San Diego at the annual meeting of Second Harvest, a nonprofit anti-hunger group, he also announced the National Summit on Food Recovery and Gleaning, to be held in Washington in September.

One of the sponsors, the Congressional Center for Hunger, is working on a bill that would make food donations tax-deductible. Executive Director John Morrill said, "We are going to try to make the

word 'gleaning' a regular kitchen household word."

Jose Meirelles, who manages Les Halles restaurant in Washington, said there isn't much food wasted in his restaurant.

"We buy all the fresh products on a daily basis, and we try to use what's left over in preparations like soup bases," he said.

"But it's true Americans might waste more than Europeans," he said. "I recall, when I was a kid, we would kill a pig once a year and nothing would go to waste. We would even use the blood and the feet. But here they only keep the good parts."

Barry Scher, vice president of public affairs for Giant Food Inc., said his company deals with the problem.

Perishable and nonperishable food is collected from Giant stores and warehouses every day. "Any food that is not sellable but safe we donate to the Capital Area Community Food Bank and the Maryland Food Bank," he said.

THE HOME NEWS & TRIBUNE

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What is wrong with this picture?

Food wasted, Congress cuts food to poor

The United States has become the land of wasted milk and honey. A startling report issued by the U.S. Department of Agriculture Tuesday says Americans discard more than a quarter of their annual edible food supply. People involved with feeding the hungry and homeless in Central New Jersey estimate the amount probably is much higher.

Meanwhile, in its well-intended zeal to overhaul the welfare system, Congress last year cut billions from food-stamp programs, and more troubling, from programs designed to nourish babies and children, such as the school-lunch subsidies. People who work with the poor estimate one in four American children is either undernourished, or in imminent danger of becoming so.

Something has gone terribly wrong with the priorities of this nation.

Fortunately, this is a problem every American can do something about.

On a practical level, consumers need to stop buying so much food and letting it go bad in their refrigerators. Or, they need to freeze more food.

On the political level, citizens must rally behind a bill dubbed the Hunger Has a Cure Act, which would restore \$8.2 billion of the \$27 billion cut from food and nutrition programs. The legislation would provide money for food stamps for job seekers, restore food-stamp eligibility to some legal, taxpaying immigrants, as well as for school lunches and the Special Supplemental Nutrition Program for Women, Infants and Children, also known as the WIC program.

For children, whose brains are developing, adequate nutrition is essential. The intellectual losses resulting from inadequate early nutrition are permanent. That robs children — and their communities — of their innate potential, and creates a costly burden on school systems.

The bipartisan bill now has 66 sponsors in the House, including Rep. Marge Roukema, R-5th Dist., one of its original sponsors.

Sadly, the bill still lacks a Senate sponsor. New Jersey residents should urge Sen. Robert Torricelli and Sen. Frank Lautenberg, both D-N.J., to step up to the plate.

Food funding

■ Want to voice your opinion on the Hunger Has a Cure Act? Call these numbers:

■ Sen. Robert Torricelli,
 D-N.J.: (973) 624-3555

■ Sen. Frank Lautenberg,
 D-N.J.: (973) 645-3030

TALKING POINTS ON FOOD LOSS STUDY AND NATIONAL SUMMIT ON FOOD RECOVERY

FOOD LOSS STUDY

New USDA study estimates that more than one quarter of all food produced in the nation is wasted. The study by the USDA Economic Research Service, the first of its kind in 20 years to examine and quantify food loss, found that, in 1995, about 96 billion pounds of food -- or 27 percent of the 356 billion pounds of the food available for human consumption in the United States -- were lost at the retail, consumer, and food service levels. Fresh fruits and vegetables, fluid milk, grain products, and sweeteners accounted for two-thirds of these losses.

The full extent of food loss is probably even greater. The study looked only at food loss by retailers, consumers and food service establishments. Pre-harvest, on-the-farm, and farm-to-retail, and wholesale losses were not measured; given that we know significant losses occur at each of these levels, the actual amount of loss is probably far greater than the 96 billion pound figure.

Not only is wasted food a tragedy because it could be eaten by hungry Americans, but food waste also harms the environment and increases local taxes. Municipalities across the country spend about \$1 billion a year in tax dollars to landfill or otherwise dispose of the 96 billion pounds of food waste.

While individual families do waste food, the study made the more important overall point that food is systematically lost in every single stage of the food production and distribution system. While it is true that individual families often throw out large amounts of food, it is more significant to understand that vast amounts of food are systematically lost on farms, at manufacturing plants, during distribution, at wholesale markets, at restaurants, at farmers' markets, at cafeterias, and at supermarkets.

Individuals, companies, government agencies, and organizations can all do more to recover food. USDA is NOT suggesting that, in order to fight hunger, some Americans ought to eat less. Rather, individuals can donate canned and boxed goods to food drives and can donate their time and money to food recovery organizations. Moreover, individuals can work with companies, government agencies, and non-profit organizations to change the systematic ways in which food is lost throughout the production and distribution system. The National Summit on Food Recovery will attempt to spur such systematic changes.

Even a small boost in food recovery could feed millions of hungry Americans. On average, each American consumes about 3 pounds of food a day. If even 5 percent of the 96 billion pounds now wasted were recovered, that would represent a day's food for 4 million people. If we recovered 10 percent or even 25 percent, that would provide food for 8 million, or 20 million people, respectively.

NATIONAL SUMMIT ON FOOD RECOVERY

The National Summit on Food Recovery will take place September 17-18 in Washington, DC and at sites throughout the nation. The main Summit site in Washington, DC will be linked by a live satellite broadcast to citizens throughout the nation participating in regional and local summits.

The Summit has a very concrete goal of eventually helping to feed 450,000 additional hungry Americans each day. Using specific commitments as milestones to mark progress, the National Summit on Food Recovery will help expand the growing national movement to use food recovery in the United States as an inexpensive means of helping to feed the hungry. The Summit will help develop a comprehensive national plan to implement a 33% increase, by the year 2000, of the amount of food recovered and gleaned and distributed through various emergency food assistance programs to Americans in need. This increase would provide an additional 500 million pounds of food a year -- enough food to support meals to some 450,000 Americans a day.

The Summit is a unique public/private partnership. USDA is joining with four leading national non-profit anti-hunger groups to sponsor the Summit: Second Harvest, the Chef and the Child Foundation, Food Chain, and the Congressional Hunger Center.

The Summit will encourage every sector of American society -- individuals as well as institutions -- to make concrete, measurable commitments to do more to recover excess food. The Summit is actively seeking the involvement of: large corporations and small businesses; faith-based organizations and religious groups; labor unions, trade associations, and professional organizations; Federal cabinet secretaries and Members of Congress; charitable foundations and non-profit organizations; state, tribal, and local elected officials; farmers, ranchers, and orchard growers; shipping, trucking, and railroad concerns; community and youth service organizations; food manufacturers and distributors; anti-hunger activists and food recovery practitioners; restaurants, cafeterias, caterers, and food service professionals, etc -- in short, anyone who is associated (or could be associated) with feeding people in this country.

The Summit will solicit a wide variety of means to increase food recovery. Commitments are likely to include donating more food; providing more transportation for recovered foods; giving more monetary and in-kind contributions to food recovery organizations; combining food recovery with job training; ensuring the safety of recovered foods; creating new food recovery programs; expanding the capacity of existing food recovery programs; increasing the ties between food recovery and nutrition education; publicizing food recovery efforts; and devoting more full-time national service and part-time volunteer hours.

While food recovery efforts will never be a replacement for a strong Federal safety net, recovered food can be a critical and nutritious addition to the diets of millions of low-income Americans. The Federal government will always have a critical role in helping feed low-income Americans, but public/private food recovery partnerships need to be one tool to help supplement the traditional Federal role.

USDA Gleaning/Food Recovery Activities

- December, 1995 - Gleaning/Food Rescue Round Table Meetings with Secretary Glickman commence
- December, 1995 - Food Safety and Inspection Service (FSIS), in cooperation with the Chef and the Child Foundation of the American Culinary Federation, launches initiative to expand food safety training for people serving donated food to the needy
- April, 1996 - USDA launches a toll-free hot-line -- 1-800-GLEAN-IT -- through which callers will receive up-to-date information about USDA food rescue policies. Assistance in linking volunteers with local food distribution programs and guidance regarding establishing food recovery opportunities is also provided
- Summer, 1996 - USDA AmeriCorps conducts "Summer of Gleaning" projects in 20 States. Project designs ran the full gamut of gleaning and food rescue operations. 88 AmeriCorps members in the Summer Program recruited over 1600 noncompensated community volunteers who helped pick, sort, deliver, and prepare recovered foods
- October, 1996 - President Clinton signs the Bill Emerson Good Samaritan Food Donation Act into law. The Act encourages donation of food and grocery products by limiting the liability of good-faith donors and by providing for basic nationwide uniform definitions pertaining to donation and distribution of nutritious foods
- November, 1996 - President Clinton signs and Executive Memorandum directing federal agencies to promote gleaning and food recovery activities. The Memorandum designates the Secretary of Agriculture as the Chairperson of the Interagency Working Group on Food Recovery to Help the Hungry
- November, 1996 - USDA publishes, *A Citizen's Guide to Food Recovery*, to assist volunteers, State and local government officials, businesses and nonprofit organizations in establishing or expanding gleaning and food recovery activities around the country. 15,000 Guides were distributed. In May, 1997, a second printing of 15,000 copies will be undertaken.
- January, 1997 - USDA assists volunteers in gleaning and food recovery activities related to the Presidential Inauguration
- January, 1997 - USDA establishes internal task force charged with implementing the President's November Executive Memorandum on Food Recovery
- March, 1997 - USDA announces initiative to work with District of Columbia and Maryland high school students in meeting community service graduation requirements by coordinating volunteer activities at the Capitol Area Community Food Bank

- April, 1997 - USDA hosts initial meeting of the Interagency Working Group on Food Recovery to Help the Hungry, pursuant to the President's Executive Memorandum on Food Recovery
- April, 1997 - Secretary Glickman announces initiatives related to the planned September, 1997 National Food Recovery Summit, including a National Week of Gleaning, and USDA efforts to help match student food recovery volunteers interested in performing community service with food recovery activity opportunities
- May, 1997 - USDA prepares second printing of 15,000 copies of its publication, *A Citizen's Guide to Food Recovery*
- June, 1997 - Secretary Glickman announces creation of USDA anti-hunger task force, chaired by Shirley Watkins, Under Secretary designee for Food, Nutrition and Consumer Services. The purpose of this task force will be to focus the Department's efforts in addressing hunger issues in America, particularly in the context of Welfare Reform implementation
- June, 1997 - As a result of the interagency process, USDA works with Department of Energy, Department of Transportation and Health and Human Services to announce joint efforts at holding Farmers' Markets during the Summer and Fall, with food recovery as an integral part of each market. The initial market was held on June 27, 1997, with Secretaries Glickman, Pena, and Slater participating in the opening ceremonies
- July, 1997 - Secretary Glickman announces release of a USDA Economic Research Service Study examining and quantifying the extent of food losses in the United States. The ERS study, the first of its kind in twenty years, found that in 1995, about 96 billion pounds of food, or 27 percent of the 356 billion pounds available for human consumption in the United States were lost at the retail, consumer, and food service levels

09-312670/



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

March 11, 1997

Honorable Robert E. Rubin
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Bob:

I am asking your help in making sure that the millions of pounds of wholesome food which are thrown away every day are directed to the hungry in America. At a time when so many within our population are without the means to ensure consistent access to nutritious food and emergency feeding organizations are struggling to help meet their needs, we should take special care to avoid the unnecessary waste of food. Yet, the waste continues day after day—the food served in restaurants, cafeterias, schools, hospitals, and other institutional settings that is thrown away because too much was prepared; the fresh fruits and vegetables left in the fields to rot because they do not meet market specifications; and the non-perishable foods discarded by food retailers and distributors because labels are damaged or cans are dented. At last report, nearly one-fifth of all food produced for human consumption in this country is lost or wasted every year—an amount that, according to the General Accounting Office, would feed nearly 49 million people.

On November 23, 1996, President Clinton signed an Executive Memorandum directing Federal agency involvement in efforts to redirect excess wholesome food from their cafeterias, commissaries, food vendors, and other food service facilities to programs providing food services to those in need. Agencies are also directed to encourage food recovery among their contractors; State, local, and non-governmental partners; and grantees to ensure that they understand its important role in helping to feed needy individuals. I have enclosed a copy of the Executive Memorandum for your review.

I have been selected to head the Interagency Working Group on Food Recovery to Help the Hungry established by the Memorandum and I wanted to take this opportunity to share with you some information regarding the opportunities available to us as we embark on this project. I am also pleased to share with you a copy of the Department of Agriculture's (USDA) "A Citizen's Guide to Food Recovery." This publication represents one of the many efforts initiated by USDA aimed at galvanizing the commitment and energy of representatives from all sectors of the nation to help combat hunger in America by eliminating the waste of wholesome food.

Honorable Robert E. Rubin

2

Public education about our involvement in food recovery has thus far yielded some very positive results. For example, in December 1996, the Secretary of the Navy approved a partnership through which excess food prepared in the cafeteria at the U.S. Naval Academy will be donated to a local food recovery program. Procurement staff at the Department of Commerce are reviewing food vendor contracts for the purpose of incorporating an excess food donation clause. In Michigan, a Federal prison has requested information on how it can donate excess food to a local feeding program. These are exciting new ventures and we have only begun to scratch the surface.

One issue of concern to potential donors of food relates to the deductibility of such donations as charitable contributions. Perhaps one important way that the Department of the Treasury can help enhance food recovery efforts would be to publicize guidance on tax deductibility issues for potential food donors. This is especially important for smaller and non-corporate franchise food outlets donating perishable prepared food items and for individual farmers who permit gleaned activities in their fields or orchards. I would be most happy to host a meeting with you and your staff and members of the food recovery community to discuss this issue.

I will be in touch soon to discuss these activities and the work of the Interagency Working Group on Food Recovery to Help the Hungry with you further. I believe that if we are creative and if we exercise the will by forging partnerships with the private and non-profit sectors, we can be successful in redirecting to the needy much of the food that now goes to waste.

In the meantime, I hope that you will review the information in the publication I have enclosed. I am interested in hearing your thoughts and ideas on ways that we can advance this effort. Kevin Monroe of my staff and I are available and eager to talk with you or your staff if you need further information. We can be reached at (202) 720-3631.

Sincerely,



DAN GLICKMAN
Secretary

Enclosures

FAX TRANSMISSION

U.S. DEPARTMENT OF AGRICULTURE

JAMIE L. WHITTEN FEDERAL BUILDING

WASHINGTON, D.C. 20250

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To: Ms. Mary Smith

Date: July 18, 1997

Fax #: (202) 456-7431

Pages: 19, including this cover sheet.

From: Kevin N. Monroe

Subject: Background on Tax Policy Re: Food Donations

COMMENTS:

Mary,

Pursuant to our phone conversation, I am enclosing background information on tax policy relating to gleaning/food donations as follows:

- Excerpt from 1977 GAO Report on Food Waste Relating to Tax Policy for charitable food donations (although dated, the excerpts relating to tax policy are still fairly relevant)
- Background memos obtained from Congressman Hall's office relating to more recent clarification of the IRS position on food donations

I hope this information is helpful to you. I will attempt to get current information from Second Harvest and Foodchain regarding quantities and, if possible, dollar values of amounts given to them. Please let me know if I can provide any additional information.

Regards,

Kevin N. Monroe
White House Fellow
U.S. Department of Education

REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Food Waste: An Opportunity To Improve Resource Use

Department of Agriculture

About one-fifth of all food produced for human consumption is lost annually in the United States.

In the world context of rising population, uncertain weather, and concern with the availability of resources, every opportunity should be taken to improve food system management in this country.

More attention should be directed at the causes of food waste, new management technology for reducing loss, and improvement of consumer understanding.

GPO 77-119

SEPTEMBER 16, 1977

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

FOOD WASTE: AN OPPORTUNITY
TO IMPROVE RESOURCE USE
Department of Agriculture

D I G E S T

About 20 percent of all food produced in the United States is lost or wasted in 1 year--some 137 million tons valued at \$31 billion. While all loss cannot reasonably be eliminated, reductions from the current level can lead to improved resource use.

Data on loss is available only in bits and pieces. In many instances GAO had to rely upon the best judgment of experts in the absence of hard data. Consequently, this assessment is based on a mix of statistics, estimates, and projections. (See ch. 3.)

To remedy this lack of comprehensive data on U.S. food loss, the Secretary of Agriculture should undertake a comprehensive study of both the magnitude and causes of loss.

SERIOUS IMPLICATIONS
FOR FEDERAL EXPENDITURES

Large losses occurred at the consumption level--institutional and household. These losses have important implications for the efficiency of Federal food expenditures.

Both the Department of Agriculture and the Congress recognize that uneaten food thrown away (plate waste) is a problem in the National School Lunch Program. The degree of waste is within the same range in all reported group feeding situations. In fiscal year 1977, the Department has estimated obligations of \$1.8 billion for feeding in an institutional setting. At this funding level, each 1 percent of plate waste would result in food loss of \$18 million.

The Department of Agriculture's food stamp program contains an allowance for some food to be discarded without jeopardizing the nutritional quality of the diet. The allowance is determined fairly arbitrarily. With 1977

estimated obligations of \$5 billion for the bonus value of food stamps (difference between value of food and price of stamps), each 1 percent of waste would result in food loss of \$50 million. (See ch. 4.)

The Secretary of Agriculture should determine the extent and causes of food waste among food stamp recipients and in all Department-supported institutional feeding programs and take appropriate remedial action.

RESEARCH TO REDUCE LOSS LIMITED

Research to develop new equipment and procedures that would make reduction of loss feasible economically has received only limited financial support from the Department. Of 24,000 research resumes contained in the Current Research Information System (a listing of ongoing and recently terminated research projects) only 107 dealt, at least in part, with food loss. Within the Agricultural Research Service's fiscal year 1977 budget, 3.6 percent of the dollars and 4.9 percent of the time dealt with research related to loss. (See ch. 5.)

The Secretary of Agriculture should review the priority given research activities devoted to loss reduction as part of an overall assessment of research priorities GAO previously recommended.

HOUSEHOLD FOOD WASTE OF SERIOUS CONCERN

Households discarded the most edible food—worth \$11.7 billion. Despite this, current information on the subject is rare. The University of Arizona at Tucson is, however, doing research on loss, including its causes. Results show that households with a strong knowledge of food safety have less waste. This study, which encompasses only Tucson, may not be representative of the Nation.

The Department has several publications on food safety which contain information for consumers on handling and storage practices that could reduce household food loss. It

does not have any publications whose primary focus is to reduce household loss. (See chs. 3 and 5.)

The Secretary of Agriculture should determine, on a national basis, the extent and causes of household waste and undertake broad educational campaigns if the causes are related to lack of knowledge of such subjects as food safety and efficient meal planning.

REDUCTION OF LOSS CAN CONSERVE RESOURCES

Reducing food loss is a way to

- improve the productivity and efficiency of the food system and
- increase food production at any given level of inputs of land, fertilizer, energy, and related factors.

At present, loss represents a large misallocation of resources. For 1974, about 66 million acres of land and 9 million tons of fertilizer were used to produce food ultimately lost. In energy, about 461 million equivalent barrels of oil were used to produce food ultimately lost. (See p. 38.)

LOSS AND HUNGER

Food lost represents a missed opportunity to feed the hungry. About 49 million people could have been fed in 1974 just from the lost food grains, meats, sugar, oilseeds, vegetables, and fruits. Nutritious food, that would otherwise be lost, could possibly be channeled to the needy. The logistics of transporting this food sometimes has been an obstacle, but these efforts have potential. (See pp. 38 to 40.)

IMPACT OF TAX POLICY

Before 1970, the Federal income tax law encouraged the donation of food to exempt charitable organizations. This incentive was eliminated by the Tax Reform Act of 1969, but was partially reinstated for corporations by

enclosed

the Tax Reform Act of 1976. However, the current law does not reintroduce the incentive found in the pre-1970 law for many farmers, because they are not incorporated. (See pp. 40 to 43.)

The Secretary of Agriculture should review opportunities for encouraging charitable donations of food that would otherwise be wasted, such as by extending the same tax benefits to unincorporated farmers that are already available to incorporated ones or by an equally effective alternative program.

AGENCY COMMENTS

The Department is concerned that the estimates in the report will provide a false impression of loss.

It agrees that GAO's recommendation to undertake a comprehensive study is justifiable but believes that other inferences and recommendations should wait until the recommended study is completed. GAO believes that the Department does not give enough credit to the considerable attention the report gives to the availability and reliability of data and to the procedures used to arrive at estimates. Having identified food loss as an important area, exploring some of its ramifications is both appropriate and useful.

a processor who did not wish to incur the costs of carrying them. The group was able to pick the potatoes up and distribute them directly to the recipients. A second example involved a field of about 65 million pounds of potatoes. The farmer had been told by a processor that it could not use them and had no other market for them. In this instance the offer could not be utilized because the logistics could not be arranged to handle the crop before frost destroyed it.

If channels were to be established to gather and distribute otherwise lost food, a number of points would have to be addressed. These include

- which groups and individuals the food would go to,
- how it would be harvested and channeled, and
- avoidance of damage to the crop producing plant.

EFFECT OF TAX POLICY ON CHANNELING FOOD TO THE NEEDY

Testimony before the Senate Finance Committee, 94th Congress, indicated that the tax law, as amended in 1969, was having an effect on donations of appreciated property, such as food, to certain charitable organizations. Although the Washington State group indicated that farmers were willing to open their fields to gleaning, it is important to examine the effect of tax policy on channeling food to the needy at a national level.

Pre-1970 law

Prior to the enactment of the Tax Reform Act of 1969, farmers' donations of crops they raised to a qualified charity were treated as charitable contributions of the fair market value of the property at the time of the gifts. This type of property is called "income producing property." Income-producing property generally appreciates in value for some reason while held by the donor (i.e., the growing crops become more valuable as harvest approaches, a finished painting is more valuable than its components), but the holder has not realized the benefit of such appreciation so that it would be appropriate to tax that value. Neither the harvesting nor the donation of crops is considered an appropriate action upon which tax should be imposed. No taxable event having occurred, taxable income is not realized. So, when farmers donated this property to a charity, they were entitled to deductions based on its appreciated fair market value, but were not liable for any income tax. Thus, the allowable deductions and subsequent tax savings, in many instances,

exceeded the donors' comparatively minimal costs to produce the items. In fact they often were raising a net tax deduction rather than a net tax liability. If they chose, the taxpayers were allowed a business expense deduction, limited to the costs of producing the items, usually less than the fair market value of the fully grown crops. Both the business and charitable deductions were allowable simultaneously, entitling the farmers to multiple benefits.

According to the congressional committees that considered the 1969 Tax Reform Act, this situation caused two serious inequities. First, it allowed a greater tax deduction for this type of appreciated property than for a similar contribution of cash. Because of the income-producing property concept described above, this allowed unrealized appreciation of certain assets to go untaxed, yet be taken into account for purposes of allowing a charitable contribution deduction. Since cash does not appreciate, two classes of property available for contribution, each treated unequally, were available for donation under the law, producing inequitable results.

For example, compare the pre-1970 tax benefit of a \$50 cash contribution for a taxpayer in the 70-percent bracket (i.e., \$35: 70 percent of the \$50 contribution), with this example posed by the House Ways and Means Committee in its report:

"* * * Thus, in some cases it actually is possible for a taxpayer to realize a greater after-tax profit by making a gift of appreciated property than by selling the property, paying the tax on the gain, and keeping the proceeds. This is true in the case of gifts of appreciated property, which would result in ordinary income if sold, when the taxpayer is at the high marginal tax brackets and the cost basis of the ordinary income asset is not a substantial percentage of the fair market value. For example, a taxpayer in the 70-percent tax bracket could make a gift of \$100 of inventory [read harvested crops] (\$50 cost basis) and save \$105 in taxes (70-percent of the \$50 gain if sold, or \$35, plus 70-percent of the \$100 fair market value of the inventory, or \$70)."

Thus, for the same \$50 cost one asset nets a \$35 benefit, while another, with the same cost basis, nets a \$105 benefit.

The Committee believes that cash gifts and those of appreciated property should be treated equally and that any contrary result was unintended. It also thought that the

charitable contributions deduction was not meant to provide an after-tax benefit so close to, or even greater than, the after-tax benefit that would be realized if the item were sold for a profit. With such a substantial tax benefit as the law then allowed, the Committee believed that the attractiveness of the tax savings, not charity, was the motive for the contribution.

1969 revision

To equalize the treatment of contributions of cash and appreciated property, the 1969 Tax Reform Act added section 170(e) to the Internal Revenue Code of 1954. This provision, among others, limited the charitable contribution deduction to the fair market value of the appreciated property at the time of the donation minus an amount which, if the property were sold, would be treated as ordinary income or short-term capital gain. Since the proceeds of a sale of previously unharvested crops in the hands of the farmer-grower constitutes ordinary income, this amount is deducted from the fair market value of the crops to determine the allowable charitable contribution deduction. This means that generally there is no allowable charitable deduction at all for donated crops, since the proceeds of the sale of crops, if sold, and the fair market value of those crops are the same.

The farmer is presently allowed, as an ordinary and necessary business expense deduction, the costs and expenses of producing the donated property. This seems to be the only tax benefit left for farmers who donate harvested crops to charities after the 1969 Tax Reform Act. Thus, the windfall deductions described above are no longer available and, the strong encouragement to donate this property to charity no longer exists.

Present law

The rule enacted in 1969 not only eliminated the abuses we have examined but apparently resulted in diminished contributions of appreciated property to certain charitable organizations, especially those providing food, clothing, and medical products to the needy. This led some groups to call for changes in the law to reintroduce an allowable deduction based, at least in part, on the appreciated (yet unrealized) value of the donated property.

The Senate Finance Committee agreed that certain modifications in the law were needed to accomplish that purpose. According to the Committee's report.

"Reasons for change

"The rules that provide that the donor of appreciated ordinary income property can deduct only his basis in the property have effectively eliminated the abuses which led to their enactment; however, at the same time, they have resulted in reduced contributions of certain types of property to charitable institutions. In particular, those charitable organizations that provide food, clothing, medical equipment, and supplies, etc., to the needy and disaster victims have found that contributions of such items to those organizations have been reduced.

"The committee believes that it is desirable to provide a greater tax incentive than in present law for contributions of certain types of ordinary income property which the donee charity uses in the performance of its exempt purposes. However, the committee believes that the deduction allowed should not be such that the donor could be in a better after-tax situation by donating the property than by selling it."

The Committee adopted revisions to enable a corporation (other than those corporations that are treated by the tax law similarly to partnerships) to take a deduction for the total of its basis (generally its cost to acquire the property) in the contributed appreciated property (inventory and property held for sale or exchange in its business) plus one-half the unrealized appreciation; with a ceiling of twice its basis. Only property donated to charities for free distribution to infants, the needy, and the ill are eligible for this special treatment. This provision was adopted by the conference committee and later enacted into law.

The ceiling of twice the basis of the donated property assures that, at present tax rates, the tax benefit of the donation will not exceed the donor's basis. This is because the maximum corporate tax rate, 48 percent, multiplied by twice the basis, equals a maximum tax benefit of almost, but not more than, the taxpayer's entire basis in the property. If this provision were to be extended to individuals it would have to be modified to reach the same result. Since the maximum individual tax rate is presently 70 percent, a deduction of twice the property's basis would yield a tax benefit of more than the property's basis. Such a situation would allow the same abuses that led to the 1969 revision of the law.

energy. Opportunities are missed to conserve existing resources by increasing output at any level of inputs.

Losses from farm to retail appear to be based on economic grounds, and as such are difficult to reduce. In most instances the cost of reducing loss is greater than the value of the saved product. Reductions in loss will be dependent upon the extent to which it becomes good business. This can occur through the development and implementation of new equipment and techniques and through the effect of laws and regulations which impose new requirements, such as in the pollution area. These types of developments serve to change the economics of loss. To the extent that they serve to make loss reduction economically viable, reductions should occur.

Tax policy affects channeling food. Prior to 1970, the Federal income tax law regarding charitable deductions strongly encouraged farmers to donate harvestable products to tax exempt charitable organizations. This was eliminated by the Tax Reform Act of 1969. Some of the harsh consequences of the 1969 act have been corrected by the Tax Reform Act of 1976, which reinstated an allowable deduction to corporations for qualified appreciated property donated for use by a qualified charity to provide aid to the needy, the ill, and infants without charge. However, the change does not reintroduce the incentive found in the pre-1970 law for many farmers because they are not incorporated and thus not affected by the 1976 revision.

RECOMMENDATIONS

Food loss is not a subject that lends itself to simple solutions. Its reduction involves significant tradeoffs of sometimes conflicting objectives and poses difficult value judgments. There are, however, a number of areas that could benefit from increased attention. We recommend that the Secretary of Agriculture

--undertake a comprehensive study of both the magnitude and causes of loss to rectify the current lack of knowledge and to focus research attention in the most promising areas;

--determine the extent and causes of food waste (1) among food stamp recipients and (2) in all Department supported institutional feeding programs and take remedial action as appropriate;



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

MAR 18 1997

The Honorable Tony P. Hall
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Hall:

Commissioner Richardson has asked that we respond to your letter concerning the tax treatment of charitable donations of food. The tax treatment of such donations flows from the law, as noted below.

The National Council of Chain Restaurants has expressed its concern to you that many obstacles block restaurants' donations of food to feed the needy. You share the Council's view and question the Service's position regarding this type of charitable donation. You state that the law generally encourages the donations of appreciated property by allowing a deduction for the appreciated value of the property while the appreciation escapes taxation. You state that the Service has taken a different position, however, on the donation of food.

Internal Revenue Code § 170 provides an income tax deduction for gifts to charities. Section 170(e) sets forth a number of rules that reduce the amount of the deduction below the fair market value of the property contributed. Generally, the charitable deduction is limited to basis when ordinary income property such as inventory, which would include a restaurant's food, is contributed to charity. § 170(e)(1). In contrast, the fair market value is deductible when real property that is long term capital gain property (i.e., an appreciated capital asset held for more than one year) is contributed to a public charity or private operating foundation. See § 170(e)(1).

A special rule for contributions of inventory by regular corporations to charity is provided, however, when the property is to be used by the charity solely for the care of the ill, the needy, or infants and when several other specific statutory requirements are met. § 170(e)(3). Under this special rule, the allowable deduction is basis plus one half of the appreciated fair market value of the property except to the extent one half of the appreciation exceeds twice the basis of the property. § 170(e)(3)(B).

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Further information regarding the valuation of charitable gifts is set forth in Treasury Regulation § 1.170A-1(c):

(c) Value of a contribution in property.--(1) If a charitable contribution is made in property other than money, the amount of the contribution is the fair market value of the property at the time of contribution reduced as provided in section 170(e)(1) and paragraph (a) of § 1.170A-4, or section 170(e)(3) and paragraph (c) of § 1.170A-4A.

(2) The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. If the contribution is made in property of a type which the taxpayer sells in the course of his business, the fair market value is the price which the taxpayer would have received if he had sold the property in the usual market in which he customarily sells, at the time and place of the contribution and, in the case of a contribution of goods in quantity, in the quantity contributed. The usual market of a manufacturer or other producer consists of the wholesalers or other distributors to or through whom he customarily sells, but if he sells only at retail the usual market consists of his retail customers.

(3) If the donor makes a charitable contribution of property, such as stock in trade, at a time when he could not reasonably have been expected to realize its usual selling price, the value of the gift is not the usual selling price but is the amount for which the quantity of property contributed would have been sold by the donor at the time of contribution.

You question what amount of charitable deduction is allowed when food that can not be sold through normal distribution is contributed to charity for use solely for the needy. Assuming the donor is a regular corporation and the other requirements of § 170(e)(3) are met, the contribution will qualify for a deduction in an amount greater than basis if the fair market value of the property is greater than basis. Subparagraph (3) of Reg. § 1.170A-1(c), quoted above, states that if property could not have been expected to realize its usual selling price, then the value of the gift is not the usual selling price but is the amount for which the property would have been sold at the time of contribution.

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As suggested by this regulation, the Service does not have a position that simply because contributed property could not be sold at its usual selling price, the amount of the deduction is limited to the property's basis. See Rev. Rul. 85-8, 1985-1 C.B. 59 (which allows a deduction under § 170(e)(3) for a contribution of pharmaceutical products shortly before their expiration date, after which the products could not legally be sold, based on a fair market value between the usual selling price and basis.) More specifically, for donations of food to charity the donor is allowed a deduction larger than basis under § 170(e)(3) if the donor can show a fair market value for the property in excess of basis.

We hope this information is helpful to you. If you have any questions concerning the law in this area, please contact Michael D. Finley at (202) 622-4930. If you or your staff would like a formal briefing on this issue, please call Floyd Williams at (202) 622-3720.

Sincerely,

Assistant Chief Counsel
(Income Tax & Accounting)

By: Michael D. Finley
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MEMORANDUM

TO: National Council of Chain Restaurants
Tax Officials

FROM: Tracy J. Power

DATE: November 22, 1995

RE: Tax Issues Associated with the Charitable Donation of Food
Inventory

Secretary of Agriculture, Daniel Glickman, spoke at last month's NCCR Fall Membership Meeting on the issue of food waste, calling upon the chain segment of the restaurant industry to become actively involved in the donation of food to feed the needy. The Secretary cited examples in both the restaurant industry and retail supermarket industry where nutritious food no longer up to industry standards for resale to the public is thrown away. In an effort to facilitate the distribution of food that would otherwise be discarded, the Secretary is planning round table meeting sessions to explore ways to overcome obstacles to the provision of food to the needy. Some of the problems noted by the Secretary included state and local health codes, and transportation and distribution logistics. Although not mentioned by the Secretary, the IRS's enforcement policy with respect to the tax treatment of charitable donations of food can also be problematic. We have received a number of requests to explain the issue.

In general, in an effort to encourage charitable giving of appreciated property, a taxpayer is entitled to a charitable deduction for the full fair market value of donated, appreciated property while the appreciation escapes taxation. For example, a taxpayer who donated property with a fair market value of \$100,000 which was originally purchased for \$40,000 would be entitled to a deduction for \$100,000. The \$60,000 increase in value would escape taxation.

In the case of appreciated property such as inventory and property held primarily for sale to customers in the ordinary course of a

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trade or business, the amount of the charitable deduction is reduced by $\frac{1}{4}$ of the appreciation. The law specifically provides in the case of property held primarily for sale to customers in the ordinary course of business, the allowable charitable deduction is equal to the basis of the property plus $\frac{1}{4}$ of the appreciated value, not to exceed twice the basis of the property. The $\frac{1}{4}$ appreciated value of the property donated is not treated as taxable income. The taxpayer is not entitled to both a charitable deduction and an expense deduction for the cost of goods sold; cost of goods sold must be reduced by the taxpayer's basis in the property.

A problem exists with the IRS regarding the determination of the appreciated value in connection with the donation of restaurant food. Typically in the food industry food is donated for reasons such as expired shelf life, improper weights, misorders, overruns, incorrect dates, etc. When a company's internal standards do not permit a product to be sold to the public because of expired shelf life or when a company as a matter of course automatically prepares food in excess of daily requirements which can not be sold in the normal distribution channels, a question arises as to the appreciated value of the property.

The IRS has taken the position that when the food would not or could not be sold through normal distribution and marketing channels an appreciated value for the food does not exist and the taxpayer's deduction is limited to its cost basis. The Service's position is documented in a coordinated issue paper and identified as a coordinated issue, meaning that a deduction for food inventory will be examined and scrutinized during an audit and, in all likelihood, challenged if a claim is made for appreciated food inventory that under internal control standards would not be sold to the public.

Presently the determination of the amount of appreciated value is being litigated in the Tax Court in Lucky Stores, Inc. v. Commissioner where the Service has challenged the amount of the deduction for charitable donations of bread inventory, where the bread is donated one day prior to the shelf expiration date. Although success in Lucky Stores would establish favorable precedent for the concept that food inventory has appreciated value, notwithstanding a company's own internal standards which would prevent normal resale, the actual determination of the amount of appreciated value will be factually specific to individual taxpayers.

Establishing a procedure for the systematic donation of food inventory to the needy is a time consuming and often costly undertaking for many companies. Since a company would be entitled to full deduction for the cost of producing the food it throws away in any event, there is little motivation to undertake such a costly

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effort in the absence of additional incentives designed to offset some of the costs incurred.

Consideration should be given as to whether there should be industry support of an effort to change IRS policy. While many companies make an effort to donate food inventory for altruistic reasons, strong, publicly appealing arguments can be made that there should be a clear tax incentive in order to overcome the significant cost, time and effort associated with such efforts.

Please call if you have any questions.

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MEMORANDUM

TO: National Council of Chain Restaurants
Tax Officials

FROM: Tracy J. Power

DATE: January 11, 1996

RE: Tax Court Sustains Taxpayer's Right to Charitable Deduction
Based Upon Full Retail Value of Donated Food Inventory

We recently reported on the Internal Revenue Service's enforcement policy with respect to the tax treatment of charitable donations of food inventory in light of the Department of Agriculture's efforts to encourage the chain segment of the restaurant industry to donate food to the needy.

At the risk of oversimplification, the IRS's position is that food which would not or could not be sold through normal distribution and marketing channels has no appreciated value and a taxpayer's deduction for the donation of such food is limited to its cost basis (see November 22, 1995 NCCR memo). The IRS's position is documented in a coordinated issue paper meaning any deduction for donations of food inventory in excess of cost basis will likely be challenged by IRS.

The Service's position was significantly undermined late last month by a Tax Court ruling in Lucky Stores, Inc. v. Commissioner holding that the taxpayer was entitled to a charitable deduction based upon the full retail value of bread inventory that the company normally donated to charitable organizations rather than offered for sale to the public on the fourth day of shelf life.

Although the decision was based upon a factually specific determination that the appreciated value of the bread was full retail value because some four day old bread was actually sold at full retail value, the holding is favorable precedent for the concept that food inventory does have appreciated value notwithstanding a company's internal standards which would prevent

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normal resale. The Court also specifically rejected the IRS's position as "unduly restrictive and inconsistent with Congressional intent" and emphasized that Congress in adopting the provisions allowing for a charitable deduction in excess of the cost basis in property, specifically sought to encourage contributions to "those charitable organizations that provide food, clothing, medical equipment and supplies to the needy" and to provide a greater tax incentive for contributions of certain types of ordinary income property which those charities use in their exempt purposes. The Court found that Lucky's bread donations were certainly the type of donation that Congress specifically meant to encourage.

Although the factually specific nature of the holding probably will not eliminate IRS's efforts to seek a contrary ruling based on different factual circumstances, the Court's holding that the charitable donation provisions of the Code "should not be interpreted in such a restrictive way as to unnecessarily inhibit donations of the type Congress meant to encourage" may provide an opportunity to pressure a change in IRS policy.

Efforts are already under way by NCCR to seek such a change. Last month several NCCR members attended a round table meeting hosted by the Secretary of Agriculture where the IRS enforcement policy with respect to the charitable donation of food inventory was explained and identified as a significant impediment to a more organized effort to provide unused food inventory to the needy. The Secretary of Agriculture was sympathetic to the industry's concerns and seemed willing to assist in an effort to change IRS policy. Member companies have also written individual letters to both Secretary of Agriculture Glickman and Secretary of Treasury Rubin urging a change in IRS policy.

If you are involved in charitable food donation programs, you may wish to write a letter to the Secretary of Agriculture and the Secretary of Treasury urging a change in IRS enforcement policy in light of the Tax Court's reaffirmation of Congressional intent with respect to the donation of food inventory.

If you would like to discuss the issue further, we would be happy to do so.

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