Is ‘Food Waste’ Really Such a Waste?

The optimal amount of waste is not zero.

By Marc F. Bellemare
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When it comes to food, many people think “waste not, want not” is an effective public policy. “Up to one third of all food is spoiled or squandered before it is consumed,” the United Nations Food and Agriculture Organization says. “It is an excess in an age where almost a billion people go hungry.” Two years ago, the U.S. Department of Agriculture announced the “first-ever national food waste reduction goal, calling for a 50-percent reduction by 2030.”

But is food waste that big of a deal? Start with the basic meaning of the term. The U.N. definition covers any “discarding or alternative (nonfood) use of food that is safe and nutritious for human consumption along the entire food supply chain.”

Under that expansive meaning, giving your dog table scraps or putting them in your garden as fertilizer counts as “wasting” food, even though you’re putting it to productive use.

How much does this overstate true waste? In a recent article for the American Journal of Agricultural Economics, my colleagues and I suggest a new definition, one that simply covers food that has no productive use—in other words, it ends up in a landfill. We then show how widely cited official figures for food waste are both inconsistent with one another and may be significantly overstated.

Moreover, the optimal amount of food waste is not zero. Even the most efficient supply chain isn’t frictionless. If you are like me, your purchases of fresh fruits and vegetables more often than not reflect how you’d like to eat rather than how you actually eat. When you go out for dinner, you might end up not liking your meal, or you might order too much and not bring the leftovers home. Some of these issues may be solvable in theory, but the closer we get to zero waste, the more expensive trying to eliminate waste altogether would become.

This is especially important to understand given that “saving” edible food from going to waste is not the same thing as sending it to feed the hungry. Popular discussions often seem to implicitly assume that wasted food could be somehow reallocated to feed the poor at little to no cost. But if lower levels of food waste have any positive effect on food security, it’s far from obvious. The U.N. says that the 5.9 billion people who live in developing countries and the 1.2 billion in industrialized ones waste roughly the same amount of food—about 715 million tons a year. As food becomes an increasingly small fraction of a household’s budget, wasting food becomes cheaper relative to other expenditures.

The reason all this matters is—if you’ll allow me to wax economist again—resources are scarce and trade-offs exist. If governments spend money campaigning against food waste, that’s less funding for other programs. President Trump’s recent budget, for instance, proposed cutting the USDA’s discretionary spending by 21%. So if we truly care about feeding the poor, is fighting waste the best use of the government’s next dollar, or would that money be better spent on food stamps and school lunches?
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