



## Media release

### Food wastage costs the world 2.6 trillion dollars each year

**What are the costs to society of food wastage and which preventive measures make macro-economic sense? FAO has now unveiled a study produced by FiBL's scientists which reveals the social costs. The scale is huge, running to some USD 2.6 trillion per year. Action against food waste would be worthwhile in many cases.**

(Frick, 1 October 2014) About a third of global food production is not consumed – it is either discarded or is lost at some point along the value chain. This wastage of immense quantities of food also has major negative environmental impacts and associated costs to society. FAO first quantified the amount of food waste in a study in 2011. A further study in 2013 calculated the environmental impacts.

The study now released, which FiBL produced together with FAO and researchers at the London School of Economics, puts a figure for the first time on the macro-economic costs of this food wastage. It also determines the costs and benefits of exemplary preventive action.

#### Four per cent of gross world product

The study reveals that the direct costs of lost production amount to about one trillion US dollars, to which are added environmental costs of around 700 billion and social costs of around 900 billion. This totals USD 2.6 trillion, which translates into some four per cent of gross world product.

Greenhouse gas emissions and water consumption for irrigation in areas suffering water scarcity are prime contributors to the environmental costs. The social costs result mainly from health costs, conflicts and welfare losses due to a dwindling resource base.

While the direct costs can be estimated relatively reliably, the environmental costs depend greatly upon the assumptions made, such as the damage costs of one ton of greenhouse gas emissions, or of water scarcity in specific regions. By far the greatest uncertainties attach to the social costs, however, which depend on the estimated welfare losses of the different sections of the population.

The study's authors further stress that although they used the best available data, the remaining data gaps are numerous and some of these are substantial. It can therefore be assumed that the cost estimates made in the study represent the lower boundary.

#### The primary goal must be to prevent food wastage at source

An ancillary study has quantified the costs and benefits of various specific actions to reduce food waste and loss. This supplements the global cost estimates, providing tangible

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case studies on possible measures and robust estimates of the cost savings and reductions in environmental impact that such measures may deliver.

This shows that the impacts of measures depend very greatly on the type of food waste in question, and upon the indicators considered. The overall trend, however, is clear: Preventing food wastage at source must be the primary goal because this delivers greater benefits than recovery, even where the latter can be organized very efficiently.

### **FiBL's studies for FAO online**

The main study: Food Wastage Footprint: Full Cost Accounting, Final Report

<http://www.fao.org/3/a-i3991e.pdf>

The ancillary study: Mitigation of Food Wastage: Social Costs and Benefits

<http://www.fao.org/3/a-i3989e.pdf>

### **Further information**

FAO's Food Wastage Footprint video, based on the study's findings

<https://www.youtube.com/watch?v=RytEgwymDr0>

FAO's webpage on the theme

<http://www.fao.org/nr/sustainability/food-loss-and-waste/en/>

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### **This media release online**

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