

## THE CAUSES OF WASTE IN DISTRIBUTION

In distribution we can count a number of causes that generate high waste and losses. These causes not always generate waste inside shops and supermarkets. Therefore these causes can be divided into two categories, according to the place where waste and losses happen. So we will have losses and waste happening inside retail locations and losses and waste happening outside the retail locations.

In the first category:

- **Difficulty in estimating produces demand.** This issue is heavily influenced by many factors such as the climate, the season, specific marketing campaign, new products launches, promotions, holidays, etc. these difficulties can bring unsuitable orders that cause products shelving because they're either close to their expiry date or close to their natural deterioration (especially true for fruit and vegetables).
- **Overflowing shelves.** The majority of retailers assume that customers will buy more if the shelves are overflowing with goods (abundance effect) and that they would prefer their apples from a huge stack rather than from a scarcely full box. That is why shelves are always full, damaging this way goods which are on the lower level, especially fruit and vegetables.
- **Esthetical perfection.** Many consumers buy their products solely on aesthetic factors, especially for fresh or very fresh produces (fruit, vegetables, cheeses, meat, etc.). Therefore retailers feel that they must expose goods which have perfect dimensions and colours. And so all the produces that don't have these qualities are discarded.
- **Availability of fresh produces and ready meals until closing time.** Supermarkets offer more and more ready meals, prepared in their own delis. If on one hand, this could be a good way to use some of the "non standard", imperfect, damaged or close to their expiry date products, on the other hand the need to show filled fridges until the very last moment can cause overproduction of fresh foods that must be partly thrown away at closing time, because it can't be sold the following day.
- **Expiry dates and consumers' preferences.** Products are withdrawn from sales before they reach the expiry dates on their labels. It varies from retailer to retailer but it usually happens 24 to 48 hours before the date in supermarkets, and 48 to 72 hours before in superstores.
- **Damaged products in the packaging and expired promotions.** Damaged products in their packaging (partially unglued labels, thorn cling film, etc.) and residues from finished promotions, are withdrawn from sales and discarded because they haven't been bought (the first ones) or can't be bought (the second ones), even though they're still perfectly edible.
- **Inadequate professional training of salespersons.** In some cases the salespersons don't display the goods on the shelves in the right way and don't follow the stock rotation procedures, causing a bad handling of products and therefore producing waste.

Beside the reasons mentioned above, there is a number of reasons linked to marketing strategies or commercial agreements that can determine the production of waste outside retail, both upstream and downstream.

Among these we can count:

- **Marketing strategies.** Often promotions like 2 for 1 (buy 2 pay 1) or 3 for 2 (buy 3 pay 2) focus on the sale of almost expired products or try to solve problems such as excessive supplies. This kind of sale though, can move the risk of waste from the retailer to the final consumer.

- **Quality standard.** The esthetical requirements dictated by the great distribution can cause for some products not to be picked and left in the fields because they don't respect these requirements.

- **Contractual agreements between producers and distributors.** Distributors apply strict supplying conditions (non valid contracts if those are failed) and therefore farmers often grow bigger surfaces of land to make sure that they can supply the amount of produces entered in the contracts. This can cause excessive production that will then be left to rot in the fields.

- **Contractual agreements between suppliers and distributors.** For example, the "take back" clauses expect the right for the sellers to return unsold goods that have been on the shelves for a defined amount of time.