

Do not discard

From apples that are slightly dated to items returned by members, Costco takes steps to keep perfectly usable products out of local landfills. Through partnerships with various groups, these goods end up in needy communities where they're put to good use.

by Mark Ray



Costco produce supervisor Alex Rohrer prepares a pallet for donation. PHOTO: MIKE SIEGEL

On an early Wednesday morning at a Costco in Louisville, Kentucky, foods manager Jim Weixler is examining a package of organic apples. His first impulse is to send the fruit to the composting bin, but then he decides that one bad apple doesn't necessarily spoil the whole bunch. "It has some really good apples," he says of the package. "I would give this batch to them."

"Them" is Dare to Care, a local food bank that partners with a national organization, Feeding America, to get edible foods from Costco to the needy. Within an hour, the package of apples will be on a Dare to Care truck, headed for its distribution center. Within a day or two, it will be helping to feed people across greater Louisville.

"The produce that was donated today at Costco will be out in the community by Friday," says Annette Ball, Dare to Care's chief programs officer and a Costco member. "We try to get it out as quickly as we can because it's perishable and because there's a high demand for it in the community."

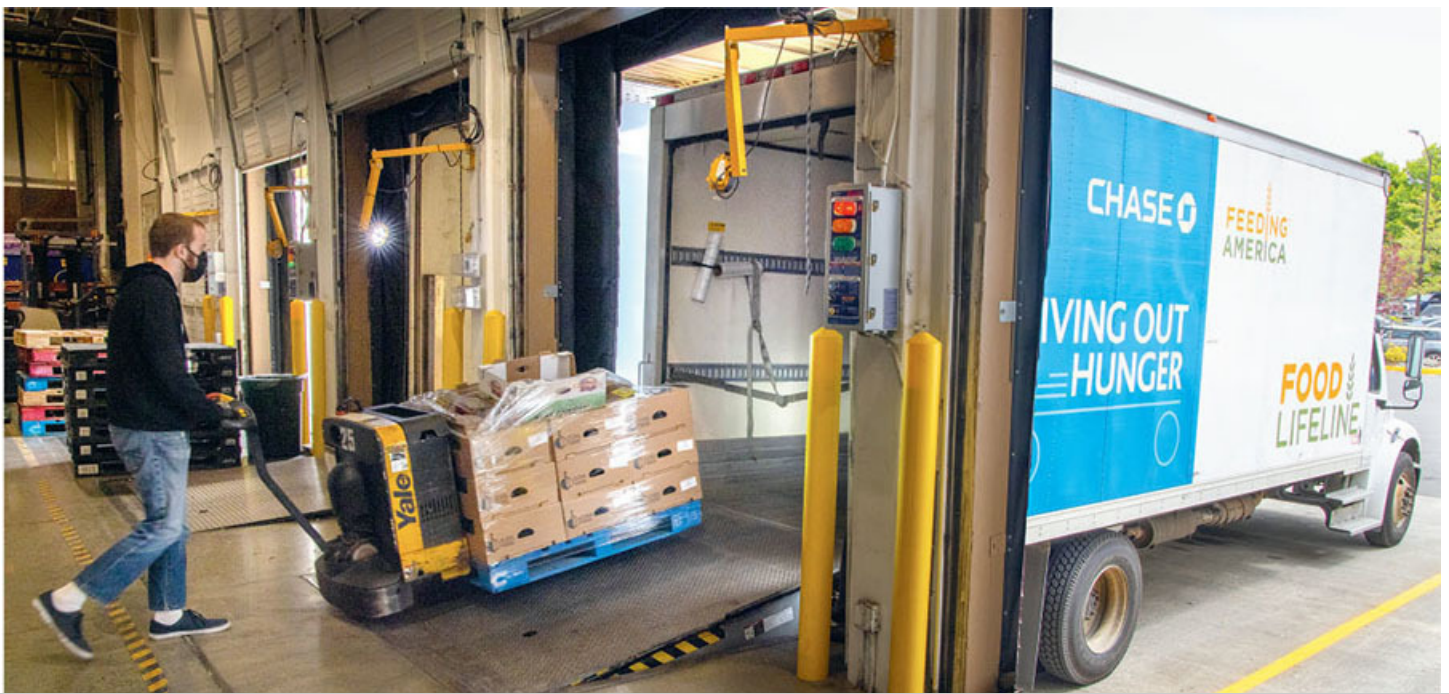
Last year, Costco's two Louisville warehouses donated 404,400 pounds of food—77% of it produce—to the agency, which supplies 33% food pantries, shelters and kitchens in a 13-county region. That's a 33% increase over 2019. And with the pandemic, demand has never been greater.

Working with Feeding America is one of the ways that Costco puts goods that are safe, but unsellable, into the hands of people who can use them. These efforts, involving several key partner organizations, keep millions of pounds of goods—from fresh produce to furniture—out of landfills, which is not only good for needy people and the environment, but also dramatically reduces expensive trash disposal fees.

Feeding communities

Costco's partnership with Feeding America is now in place in most of the 560 Costco warehouses across the country. Over the course of a year, it adds up to a tremendous amount of food—67.7 million pounds in 2020, says Tony Pupillo, managing director of food industry partnerships for Feeding America. That translates to 56.4 million meals distributed through local charitable organizations that partner with Feeding America.

Overseeing the Feeding America partnership at Costco headquarters in Issaquah, Washington, is Sarah Spinelli, Costco's waste minimization manager in the Global Sustainability and Compliance Department. A former warehouse clerk in the returns department, she remembers being disappointed as she watched edible food going to waste. "We had been donating bread and nonfood items for years, but there was a hesitation about donating perishable goods," she says. "That all changed in 2017 when our San Diego region Fresh Foods and Food Safety Department teamed up to begin this program. Doing the right thing is ingrained into our culture, so it is important to us to help those in need and keep food out of landfills."



Produce is loaded onto a food bank truck at a Seattle-area Costco MIKE SIEGEL



Feeding America distributes the goods MIKE SIEGEL



monitoring inventory. COURTESY OF FEEDING AMERICA



COURTESY OF FEEDING AMERICA

The process is integrated into the busy daily operations in the warehouses. When stockers rotate produce in the cooler each morning, they handle each box and can spot brown lettuce or moldy fruit. Similar checks happen as stock is refreshed throughout the day.

These foods are scanned for inventory tracking, stacked on pallets and, if necessary, stored in roll-in coolers to await pickup. The next step varies, depending on location. In Louisville, Dare to Care visits Costco's local warehouses every Monday, Wednesday and Friday morning. Some other warehouses have enough volume to require pickups five or even six days a week.

In some markets, Feeding America's enabled agencies pick up directly from Costco. When that happens, donated food can be distributed to an agency's clients the same day.

What makes food safe but unsellable? Perhaps there's one fuzzy strawberry in a 2-pound container. Perhaps a box of cereal has been mangled. Perhaps a bag of bagels has reached its sell-by date. If it's safe to eat, it's fair game—even if it no longer meets Costco's high standards for the products it sells.



COURTESY OF WORLD VISION

Small products, huge impact

For most Americans, a bicycle is for exercise or recreation. But in developing countries, they are an important mode of transportation that can make a huge improvement in people's lives.

For women and girls in particular, bikes mean educational, economic and social empowerment. Trips to school and the market to sell produce and goods are easier and safer with a bike.

One good example is in rural Zambia. World Vision delivered bikes from Costco to the Chipapa primary school, where student Mary (above) used to walk 9 miles to school. Now, she can ride to school, freeing her up to do homework, help at home and be with friends. Her chances at success in life are greatly improved, thanks to her new bike.

—Tim Talevich



Through World Vision, excess goods such as school supplies and furniture go to classrooms and homes. PHOTOS COURTESY OF WORLD VISION



From floor to feeding program

In fiscal year 2020, 37% of Costco's donations nationwide were produce, which aligns with Feeding America's goal of providing more healthy food. "Our network craves nutritious foods to sustain the diet of our neighbors in need," Pupillo says. "Costco's continued efforts to ensure the most produce, dairy and protein is being donated is deeply impactful to the food bank network."

Take, for example, South Louisville Community Ministries, which receives produce from Costco's Northeast Louisville warehouse. Each Wednesday morning, 75 to 100 families visit the agency to pick up free produce that Dare to Care delivered that morning.

"The average household income of the families we serve tends to be around \$360 to \$400 a month, although they might receive food stamps on top of that," says assistant director Kate Husk, a Costco member. "When you're shopping with food stamps, you try to get stuff that will last the month, and fresh produce isn't necessarily one of those things."

Chairs, bikes and much more

A similar process takes place with nonfood items in the warehouses. Costco and suppliers work together on the best low-cost options for member returns. Some items are sent back to the supplier; others can be designated for donation. That's where World Vision, a global humanitarian organization, comes in.

Using an established network of carriers and volunteers, World Vision distributes thousands of products, from office and classroom chairs to soap, shampoo and diapers, to communities across the country and overseas. Everything is usable, explains Ann Rivers, an assistant vice president who oversees the program for Costco. "We don't donate damaged or broken goods," she says.

As with fresh food, the process is integrated into Costco's distribution network for efficiency and cost savings. Member returns are set aside in the warehouses; when a Costco truck makes a merchandise delivery to the warehouse, these returned goods (as well as recycled cardboard and plastic) are loaded into the emptied trailer before it returns to the local Costco distribution depot.



World Vision distributes goods like boots domestically



and coolers globally.

From there, World Vision picks up the items and distributes them both domestically and overseas to its network of 3,000 schools, churches and other nonprofit organizations.

"We're giving goods to people that need them and that otherwise would be wasted," says Rivers. "Even if these goods were destroyed responsibly, it would be a waste because they wouldn't be used for their original purpose, or by people who really need them."

The program involves a tremendous amount of goods. Donated products were valued at nearly \$80 million in 2020, benefiting over 4 million people in 32 countries. World Vision uses these goods as resources for its programs and for charitable organizations (see "Small products, huge impact" below).

"It's a win-win-win partnership," says Jennifer Hawley, World Vision's liaison with Costco. "But the biggest win is for the people in need whom we're helping out."

Donated products help World Vision more readily achieve its mission to support needy communities. "Instead of spending money on needed office furniture for a clinic or on supplies for a shelter, we can spend the money on a vaccine or a scholarship," Hawley says. "It's a huge boost."

Programs to minimize waste are part of Costco's Sustainability Commitment ([go to Costco.com and search "sustainability"](#)), which covers the company's policies and procedures to minimize environmental impacts. "As one of the largest retailers in the world, we understand our potential impact on the waste stream and greenhouse gas emissions caused by waste," says Sheri Flies, Costco vice president of global sustainability and compliance. "Our goal is to continually decrease the amount of our waste going to landfills."

And, whenever possible, making sure those products are put to good use.

Mark Ray is a Costco member and freelance writer based in Louisville, Kentucky. *Connection* editorial director Tim Talevich contributed to this report.

Reducing waste

One effective step in reducing food waste is to find creative uses for certain products. Many of Costco's food items in the deli section come from other products sold in the warehouses. For example:

- Unsold rotisserie chicken meat ends up in these deli items: chicken noodle soup, chicken enchilada bake, chicken alfredo and chicken potpies.
- Ground beef from the meat department goes into stuffed bell peppers; in Canada, it goes into shepherd's pie as well.
- In Japan, ripe melons go into smoothies for sale in the Food Courts.—*TT*



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Other programs

Depending on their location, Costco warehouses can divert inedible food for different uses. For example, nearly 12 million pounds of food went to feed cattle and hogs last year. In Japan, an innovative program sends coffee grounds to be repurposed as cattle feed.

Other foods are recycled into products such as organic fertilizer, biofuels and electricity. Costco works with a variety of companies in these areas. For example, millions of pounds of meat and bone scraps from meat departments in the warehouses are processed through rendering programs. And more than 17 million pounds of food was recycled last year at anaerobic digestion facilities in four marketplaces near Costco buildings.

Complete details on all these programs can be found in Costco's Sustainability Commitment. [Go to Costco.com and search "sustainability," then click on "Operations" and "Waste Minimization."](#)

—MR