

Reducing Food Waste in Ontario's Produce Industry Apple Factory – A Case Study

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As part of the Ontario Produce Marketing Association's (OPMA) food waste reduction initiative, Value Chain Management International (VCMI) has been working with four businesses across the value chain (one retailer, one distributor and two producer/packers) to identify ways to not only reduce waste, but also improve overall efficiencies and increase sales – resulting in increased margins and profitability.

The second of four case studies (one for each business) has now been completed and published ([CLICK HERE](#) to access study). The most recent case study describes process improvements for The Apple Factory, an independent grocery store located in Brampton, Ontario. This store's popularity stems from engaging consumers with an entertaining and satisfying shopping experience (www.applefactory.com). The report shows how tracking shrink enables retailers to improve their merchandizing mechanics, potentially leading to increased sales and less need to discount products.

The case study identified that by using straightforward process improvement tools and publicly available online software, Apple Factory is able to target a \$32,000 reduction in annual shrink, plus associated costs, while simultaneously improving merchandizing arrangements and sales.

The study began with Apple Factory staff participating in a food waste reduction workshop hosted by OPMA and conducted by VCMI at the Toronto Food Terminal. During the workshop, targeted improvements and project scope were determined. Subsequent visits to the Apple Factory provided greater background on challenges and opportunities, which guided the recording system's design and overall architecture. Data produced by the system was then analyzed. Further testing of the system to reduce shrink and increase the effectiveness of merchandizing mechanics is ongoing.

Jim Hurt, Store Buyer/Operations Manager for The Apple Factory stated: "The Apple Factory attended an OPMA workshop in regards to waste reductions. It then started to work with Value Chain Management International one on one to initiate a better way of recording waste and waste causes to reduce the amount of waste on a consistent basis, while keeping with our Quality First approach. This has proven to be a successful testing of a consistent tangible recording system to aid in limiting the amount of waste for our Produce Department. In the near future we will extend this to all departments. Thank you to both VCMI and the OPMA for both insight and direction."

The two remaining case studies are close to completion. Updates are available at theopma.ca.

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