

INNOVATIONS & COLLABORATIONS AGAINST HUNGER

PARTNERSHIPS IN FOOD RESCUE - David Ring

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Stephen Lauer

Program Coordinator - World Food Prize Foundation

Thank you, Matt. Our next presenter will be representing Kwik Trip, spelled with a K, K-W-I-K Trip. Mr. David Ring is their community relations manager. They've been doing a lot of great work starting in Northeastern Iowa but really expanding to most of the state now, on food rescue. And so Dave is going to share about that. Welcome.

PARTNERSHIPS IN FOOD RESCUE

David Ring

Community Relations Manager, Kwik Trip

Morning, everybody. How are you doing? Does everybody need to stand, stretch your legs at all for a second? Feel free to do so. You guys have been sitting there for a long time. Well, while you guys are stretching, I'm just going to give you a little background on Kwik Trip. But before I do so, Kwik Trip with a "K," we're based out of Lacrosse, Wisconsin, and we're a servant leader-driven organization. So I just want to thank each and every one of you and your organizations, whether you're a volunteer, for what you do. You guys are the true servant-leaders, the game-changers and difference-makers that are helping reduce and hopefully end hunger. So thank you for what you guys do on a daily basis as well.

I don't know if you know a lot about Kwik Trip. I'll just kind of run through this in rapid format, but as I said, we're based out of Lacrosse. We operate 500 stores in Wisconsin, Minnesota and Iowa. We employ 16,000 coworkers, we serve 5 million guests a week. Our owners are very generous – they give back 40% of the pretax profits back to the coworkers annually in the form of profit-sharing. We have five production facilities, so we're very unique. We have our own dairy, we have our own kitchen commissary, our own bakery, our own beverage and ice plant, so we produce our own soup, salads, sandwiches; and we also produce our own milk line. We produce 200 tons of ice a day, so we could control our quality along with the pricing and also pass along those savings to the consumer.

We have a golden triangle we talk about, or we talk about a three-legged stool, however you want to view it. People, food and vertical integration. Don Zietlow, the president and CEO, always tells us our people are our greatest asset. And that is obviously true in your organization. Those are the people that deliver the product. They're the ones that service the guests. We have added 500 jobs annually over the last ten years. This year we have hired a

thousand people, we're building 35 new stores in the Wisconsin, Minnesota and Iowa marketplace. You'll start to see us operate more in the Iowa area. We go by Kwik Star in Iowa and Kwik Trip in Wisconsin and Minnesota. We operate by Kwik Star, because of QuikTrip with a "Q," some naming rights issues. So in 1993 we unilaterally changed our name to Kwik Star. It's the same brand; it's the same company. So you'll start seeing us in the Des Moines and Ames and Charles City and Mason City markets, and we're already pretty fully invested in the eastern part of the state as well.

In terms of food, we deliver fresh food to our stores daily. We offer fresh food, we offer healthy foods, fruits. We have 38 cents a pound for bananas, baking potatoes and onions – that's not an advertisement, it's just that in terms of the bulk that we buy, those are very affordable prices. And we're very conscious in terms of the food deserts in which we operate, to make sure that people have affordable, healthy options. In terms of vertical integration, I touched on that, but that really does give us a sustainable, competitive advantage. I really put it as one of the reasons we're able to offer the food rescue program within our company.

In terms of our mission statement, I just want to touch in the last slide, because this is really the driving force behind our food rescue program – to make a difference in someone's life. And Don Zietlow said there's two things that will prevent us from fulfilling that mission: one, a decay in the culture where our coworkers don't take care of each other or take care of the guests; or two, a foodborne illness. So in 2008 we created a state-of-the-art food safety lab on our campus. We hired Jay Ellingson who's got a PhD in molecular microbiology (say that fast three times), and so Jay used to work for the USDA and for Marshfield Clinic in Wisconsin. So we hired four people from Marshfield Clinic, excuse me, seven people, and we have four of our own. So every day we conduct 3,000 swab tests throughout all of our production distribution facilities. So they're testing air, they're testing the ground, they're testing the raw materials, the intermediate product and the finished goods to make sure any product that we make, ship, store and sell, has been vetted to make sure it's completely safe for the consumer.

So about our food rescue program, just a quick comment – There was a quote from the World Economic Forum and the United Nations, which says – 70 billion pounds of edible food is lost in the United States each year. It's really not about the supply; it's about redirecting that excess food to those people that need it. And that is really where we had this discussion in 2011 with our management team and our retail group. They were saying they were very frustrated to see food being thrown out, even after the expiration date when it could still be consumed. So we met with Channel One Food Bank in Rochester, Minnesota – they're affiliated with Feeding America – and he said, "Let's do a test pilot to see which products are eligible for the program, and let's see if you have enough volume that would make it worth our while." Well, they did the food pilot project throughout all of our stores and found they had very low volume, which was good for us, since we're not wasting a lot; but you have a lot of products that really fill the void and needs for those that desire to get those at the Food Banks that are participating in the Feeding America network.

So we looked at Feeding America. They have the strict standard guidelines that we were looking for. Each one of the participating Food Banks has to adhere by their guidelines. They do third-party audits to make sure that the supply chain is safe. And then we looked at, okay, which ones of our products are eligible, which ones are not. And then we wanted to look at the

liability factor. As you can imagine, if we're going to be donating products to Food Banks, we want to make sure that each one of those participating Food Banks can hold us harmless from any liability going forward, which they did.

And then we also talked about product delivery. The Food Banks come and pick up these products that we have available at our stores weekly or sometimes more frequently. We have this set aside in specific totes, and then we do an annual review with each one of the participating Food Banks to make sure that we're all on the same page, that the compliance standards are up to snuff.

In terms of the Feeding America Network, they have 200 participating Food Banks throughout the country. And we started with Channel One in Rochester in 2011. We added Second Harvest Heartland in Minneapolis in September 2012, along with Feed My People Food Bank in Eau Claire. And then in 2012 we added the Northeast Iowa Food Bank out of Waterloo and the Second Harvest Food Bank in Southern Wisconsin based out of Madison. And then 2013 we added the Milwaukee Green Bay marketplace, and then in 2014 the Duluth Superior area, where we're adding a lot of new stores. And then just this year we added the River Bend Food Bank in Davenport where we're starting to add more stores. So we continue to look to expand our presence with Food Bank partners as we expand our store growth in all three states.

These are just kind of a little rundown of the items that are acceptable and not acceptable. Obviously, if the product is visibly bruised, rotting or molding, we're not going to, obviously, donate that. If there's problems – the packaging is dented or compromised or has severe freezer burn, we don't donate that. And this is just kind of a rundown of items within our cooler in our backroom. It gives you kind of a flavor of what we donate – water, juice, all milk products, pudding, Jell-O's, chips, bananas, including spotted bananas. And I'll run through this – if you have any questions, feel free to ask me. And then in the freezer items, all meat products, fresh case sandwiches, flour tortillas, bread, buns and bagels and muffins. And then these are items that we do not donate, as you can imagine – hot food items off of our roller grills, condiments, yogurt, parfaits. We get a lot of questions – “Why won't you donate apples, oranges and pears?” We have those out, obviously, for sale; and once they become bruised or not edible, we just don't think it's a safe thing to do. We're always reevaluating that, so we will certainly work with our Food Banks if there are any changes in that area. And in terms of donation, we obviously package it, we label it, we make sure it's in a temperature-controlled environment to make sure that it's safe and edible for the consumer.

This is just a quick pie chart, which shows kind of the breakdown; 98% of our food donations go to the five Food Banks that we first initiated a relationship with, but we're continuing to expand that in different markets, as I mentioned. This gives you kind of a bar graph, which shows you the continued increase in our donations. We saw a spike in July of this year. The bottom graph is just an aggregate total of all the food pounds donated to all the Food Banks. So we're continuing to add more storage and obviously contribute more food items to the Food Banks, which we're very proud of.

In terms of our food rescue programs, this is just a summary. Today we have eight Feeding America Food Bank partners. We've donated 1,250,763 pounds this past fiscal year. To date, we've donated almost three million pounds of food to all eight Food Banks, which we're very proud of. Here's kind of a side benefit – we didn't do it for this reason, but we've also saved

\$58,000 in diverting that food away from the dumpsters. So I'd say for those companies who are looking at the win-win, there it is.

But the real bottom line is – we've looked at, how can we make a difference in people's lives? We have edible food. We're producing it. We need to share that with people in need. So we're very proud of the fact that Feeding America has been our partner in all of the different Food Banks.

So one last thing is, we have annual meetings throughout all three states; this year we will be having 22 of them. We have food drives where all of our coworkers are encouraged and do bring nonperishable food items to those year-end meetings, and they're donated to the regional Food Banks in which they were contributed. And then in the past two years we've raised \$150,000 just through a coin canister campaign, and then this year we have the icon sale, which we'll be doing in the foreseeable future for two months in February where any guest that wants to come into our store can donate a dollar or a five dollars, and then we contribute money in addition to that.

Jim Bressi, who is our director of Food Research and Product Development is the chairman of the board of directors of the Channel One Food Bank in Rochester. And I'm proud to say we have 472 stores participating in the food rescue program.

So I'll just leave you with this quote from Winston Churchill, and I think this certainly embodies the spirit of what you guys do day in and day out. *We make a living by what we get, and we make a life by what we give.* So, thank you, guys, for what you do day in and day out to help reduce hunger.