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Plastics Regulatory Affairs Division Environment and Climate Change Canada <u>plastiques-plastics@ec.gc.ca</u>

Subject: Response to consultations on the Pollution Preventing Planning Notice for Primary Food Plastic Packaging

On behalf of **Food and Beverage Canada – Aliments et boissons Canada (FBC-ABC)**, thank you for the opportunity to respond to the consultations on the pollution prevention planning notice for primary food plastic packaging. We acknowledge the governments commitment to reducing plastic waste and share the goal of promoting environmental sustainability.

The food and beverage manufacturing industry in Canada is composed of nearly 8,000 businesses, primarily small and mid-sized enterprises, which are vital for transforming agricultural products into consumable goods for both domestic and international markets. These companies are conscious of the necessity to develop strategies for minimizing plastic waste, particularly in the realm of single-use plastic products (including food packaging). Many of these companies are actively engaged in industry initiatives such as the Canada Plastics Pact and/or are working towards their own sustainability targets.

Impact on supply chain relationships and other unintended consequences

While we align with the government's objectives in plastic waste reduction, we would like to voice our reservations about potential unintended consequences stemming from the current approach. Although the primary responsibilities under the proposed Pollution Prevention (P2) notice would fall upon large grocery retailers, we have apprehensions related to the proposed contents of the notice.

One significant concern pertains to the potential impact on supply chain relationships, and the impact on suppliers as various grocery retailers formulate individual plans. As previously discussed in our response to the Competition Bureau's market study on Competition in Canada's Grocery Sector, a power imbalance exists between the concentrated grocery retail sector and Canada's small and midsized food and beverage manufacturers. While the intent behind retailer plans to reduce plastic packaging is laudable, an unintended outcome could involve suppliers needing to adjust their products or modify their product lines to comply, and increased tensions in retailer-supplier relationships.



It is also important to acknowledge the potential side effect of reducing primary plastic packaging for food – an increase in food waste. For example, the current plastic packaging used for meat in retail is designed with consideration for freshness and quality, food safety, flexibility for restocking, and for providing the consumer with the ability to inspect the product inside. Transparent multilayer packaging enables consumers to inspect products, while the material itself boasts low gas permeability, promoting extended shelf life. Currently, no viable alternatives exist, but the blood and tissue often remaining on packaging after its disposal would still make it unrecyclable regardless.

In an article by <u>Value Chain Management International Inc.</u>, it was found that the carbon emissions from food loss and waste in landfills exceeds that of plastic food packaging's environmental footprint, with packaging equating to approximately 5% of food's total carbon footprint. The article suggests that less effective packaging could result in a 10% increase in food loss and waste, meaning efforts to reduce food waste must be a central focus of climate policy. This prompts the question: Are stakeholders, including food and beverage manufacturers, retailers, and consumers, prepared to accept potential trade-offs in shelf life to reduce our dependence on plastics?

Balancing quality, environmental impact, and affordability

Transitioning to more recyclable packaging (based on current existing alternatives) could impact food quality. One of our member companies provided the example of how, after replacing its packaging with one that is more recyclable, the product remained stable from a food safety perspective – however, from a food quality standpoint, the products colour and flavour were impacted, leading to a decrease in quality and a shorter shelf life. While we support efforts to reduce a reliance on plastics for primary food packaging, we raise concerns about the extent to which crucial aspects related to food preservation and waste have been adequately assessed.

It is also important to consider the unintended environmental consequences of reducing plastic packaging for food, especially when adequate alternatives do not exist. Plastic packaging is notably lightweight. The adoption of alternatives, traditionally heavier (such as cardboard), could result in increased transportation loads and subsequently, higher transport requirements, leading to greater greenhouse gas emissions. Additionally, if these packaging alternatives are not readily accessible in the Canadian market, and food and beverage manufacturers are compelled to source recyclable materials from overseas, it raises the question of whether the packaging's eco-responsibility is compromised by the environment impact of long-distance transportation.

Another concern is the lack of appropriate alternatives to plastics for some primary food packaging. Although many food and beverage manufacturers are interested in alternatives like biodegradable materials or other recyclable plastics, the lack of availability, as well as a lack of incentives for packaging manufacturers to develop alternatives that support shelf life and quality for food, make it difficult for our companies to strike a balance between sustainable practices and product integrity.

Additionally, due to a lack of availability and an increase in demand, many of these alternatives are more costly, and inflationary pressures often hinder their adoption. These alternatives frequently entail higher costs, which are likely to be passed on to the consumer at a time when high food prices are already a concern. Given that the majority of Canada's food and beverage manufacturers are small to mid-sized enterprises, these businesses lack the capacity to absorb the increased costs until sustainable packaging materials become more competitively priced and readily available.



Differences in jurisdictional requirements

Finally, our members have expressed concerns about disparities in both regulations and recycling capabilities across provinces and municipalities, including differing reporting requirements for plastic usage. For example, in the Extended Producer Responsibility (EPR) in Ontario, Producer Responsibility Organizations are only required to recycle 25% of flexible plastics by 2026, and 40% by 2040. The proliferation of overlapping and at times contradictory regulations across different levels of government poses challenges for small and mid-sized manufacturers, impeding their ability to operate and remain competitive.

Conclusion

In conclusion, before moving forward with this P2 notice and other efforts to reduce plastic packaging in food, we urge the government to consider providing incentives for research into recyclable packaging materials, as well as incentives to produce these materials specifically for primary food packaging. We also urge the government to consider the creation of recycling standards at the federal level, in hopes that this will lead to greater consistency at the provincial and municipal levels. Finally, we ask that the government consider the need for greater consumer education. While companies are marking strides in enhancing recyclability and reducing plastic content, without adequate consumer understanding of recycling processes, these efforts may be rendered ineffective.

We appreciate your time and attention to our concerns and look forward to continued collaboration towards sustainable solutions for plastic waste reduction in the food and beverage manufacturing sector.

Sincerely,

Kristing Farrell Chief Executive Officer Food and Beverage Canada – Aliments et boissons Canada (FBC-ABC)

613.322.9235 kristina.farrell@fbc-abc.com

