



Hon. Steven Guilbeault  
Minister of Environment and Climate Change Canada  
Sent by email to: [ec.ministre-minister.ec@canada.ca](mailto:ec.ministre-minister.ec@canada.ca)

Hon. Marie-Claude Bibeau  
Minister of Agriculture and Agri-food Canada  
Sent by email to: [aafc.minister-ministre.aac@agr.gc.ca](mailto:aafc.minister-ministre.aac@agr.gc.ca)

June 30, 2023

Re: ADDRESSING A PROPOSED REGULATORY BAN ON NON-COMPOSTABLE PLU LABELS

Dear Ministers,

On behalf of the Canadian fresh fruit and vegetable industry, I am writing to you regarding the proposal included in Environment and Climate Change Canada's (ECCC) [Recycled content and labelling rules for plastics: Regulatory Framework Paper](#), which raises a number of significant concerns impacting not just the viability of the domestic industry but also food security for all Canadians relative to fresh produce availability. Specifically, a major concern references the statement: *All plastic Price Look-Up [PLU] produce stickers would be required to be compostable (therefore prohibiting non-compostable plastic produce stickers)*.

The Canadian Produce Marketing Association (CPMA) is in a unique position as an organization representing companies from the farm gate to the dinner plate, spanning the entire produce industry. The Association's members include major growers, shippers, packers and marketers; importers and exporters; transportation and logistics firms; brokers, distributors and wholesalers; retailers and foodservice distributors; and fresh cut operators and processors. In fact, CPMA's more than 830 domestic and international members are responsible for 90% of fresh fruit and vegetable sales in Canada.

The Government is aware of the importance of the PLU (Price Look Up) stickers to ensure accuracy of price at the retail check-out/point-of-sale and to support store inventory control. The stickers are used in all major retail outlets across multiple countries and are applied in any exporting country that services these markets. The International Federation for Produce Standards (IFPs) PLU system is a global produce identification scheme that assigns numbers for use on small stickers placed directly on bulk fruits and vegetables to identify the item at the retail checkout and charge the consumer the relevant price by weight.

**Simply put, PLU identification on these stickers is the only efficacious way to enable the continued offering of bulk produce in retail stores. Without this capacity, all produce will need to be packaged to capture the required produce identification thereby introducing additional packaging into the environment.** Furthermore, it is critical to recognize that, for many Canadians, seniors and families,

purchasing produce in bulk is central to ensuring their spending power goes as far as possible, while also minimizing food waste.

The Canadian industry recently created a document to guide transition to industrially compostable PLU stickers – this document is being considered in multiple international markets; however, transition will be gradual, as inventory, cost of labels and the availability of certified compostable labels evolves.

It should be noted that in other jurisdictions, such as France, initial regulatory proposals banning all non-compostable PLU stickers, once considered from a business and trade perspective, were revised to address only certain parts of the label composition – resulting in regulations that, in effect, no longer ban non-compostable labels. This is a cautionary tale in terms of the efficacy of Canada moving to a complete ban at this time.

**Implications of ECCC’s proposed ban include:**

- Canada is not a major market when compared to the U.S., China, the E.U. and others. Given there are already substantive regulations (including existing labelling regulations) that make it difficult for shippers to comply and differentiate product bound for Canada, some major shippers have already indicated that mandating compostable PLU stickers could make Canada an undesirable or secondary market, thereby **greatly impacting the supply of fresh fruits and vegetables in Canada with inevitable negative consequences on both availability and price**. This is of particular concern, as it is estimated that approximately \$4 out of every \$5 spent on fresh produce in Canada is spent on imported produce – **should that supply be jeopardised, Canada’s food security would be put at risk**.
- The industry response to the ban could result in various implications including:
  - An **increase in packaging** to avoid the need to comply with the PLU regulations (both domestically and internationally),
  - Product shipped to Canada without labelling, which would result in the need for Canadian companies to repack the product at receipt to add PLU labels (adding an **estimated 30-40% additional cost to the product** – costs which would inevitably be **passed along to Canadian consumers**), or
  - A **decision by companies not to ship to Canada**.
- **Serious consideration must be given to the fact that the unintended consequences of increased packaging and a move away from the sale of bulk produce will include a direct impact on food affordability, as well as an increase in food waste**, as consumers would no longer be able to purchase only the amount of produce needed. Particularly in the current inflationary environment, there is also significant concern that these factors will lead Canadians to choose to eat less fresh fruits and vegetables, with further negative impact to overall health and well-being.
- The proposed approach insufficiently differentiates between PLU stickers composed of plastic and other materials (i.e., paper, others). Consequently, the proposed approach introduces **significant risk that non-plastic, non-compostable PLU stickers will be adopted** to avoid the mandatory regulations for compostable plastic stickers, significantly undermining the industry’s efforts to address the underlying concern with non-compostable PLU stickers – the contamination of industrial composting systems in Canada.

- Greatly compounding the problems inherent in implementation at this time is that, as yet, **there is no international industrial composting standard**. This acts as a barrier to adopting industrially compostable stickers – even **domestic producers would need to have stickers that meet multiple standards depending on their export market destination**. Time is needed to ensure the existing multiple standards are synthesized into one global standard that would ensure a “label once, ship anywhere” approach.

The fresh produce industry, and all food industries in Canada, recognize the importance of a move to more sustainable packaging. This must, however, be done with an economic, societal and environmental lens that ensures the sustainability of the agri-food industry, access to food by all Canadians and an approach that does not unintentionally add additional packaging to the Canadian food supply.

Thank you in advance for your consideration of this communication. We would welcome the opportunity to discuss this important issue with you further.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line.

Ron Lemaire  
President  
Canadian Produce Marketing Association

CC: Francis Drouin, Parliamentary Secretary to the Minister of Agriculture and Agri-food