CPMA ACDFL

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RE: Towards Canada-wide rules to strengthen recycling and composting of plastics through accurate labelling

The Canadian Produce Marketing Association (CPMA) and its members welcome the opportunity to provide comments in regard to the Environment and Climate Change Canada Discussion paper on proposed Canada-wide rules to strengthen recycling and composting of plastics through accurate labelling.

The CPMA and its members are supportive of the government's intentions to strengthen recycling and composting of plastics through accurate labelling. However, given the critical role of packaging in ensuring the safe and effective transportation of fresh produce from the field to the consumer's table, the following summary comments are provided to highlight key considerations of the potential impacts of the proposed labelling changes to the produce sector. Responses to select consultation questions are also provided.

Strengthening Recycling Through Accurate Labelling

The produce sector is unique amongst many of the sectors reliant on recyclable packaging due to the high perishability of our fresh fruits and vegetables and the need to ensure food safety, minimize food waste and maintain food quality and affordability all the while seeking to minimize the environmental impact of packaging. The fact that fresh produce is highly sensitive to the exposed environment during transit highlights the importance and challenges of selecting produce packaging which meets environmental, social and economic criteria. Consequently, the introduction of environmental labelling requirements for produce packaging must take into account the following key considerations:

Produce distribution and related supply chains are both national and international in nature. Therefore, labelling requirements which seek to account for regional variances in "what is recyclable" will introduce significant risk in produce supply chains.

- The proposed approach to identify packaging as recyclable (or not) based on region or province will be highly problematic for the produce sector.
- Produce packaging and distribution is very time-sensitive given the limited life of fresh produce. When combined with national and international sourcing serving dynamic real-time market demands, this results in a complexity in fresh produce supply that ensures that goods arrive at the desired locations in a timely manner.
- Consequently, any requirement to label produce packaging as recyclable based on the Canadian region of destination (which is not necessarily known in advance) would require considerable capital investment and logistical coordination which would be prohibitively expensive.

Produce packaging varies in shape, size and format based on the category of fresh produce. Consequently, the amount of available real estate for any mandatory labelling requirements can vary significantly and be very limited in select circumstances.

- Fresh produce packaging varies considerably based on produce type to ensure produce quality and to minimize produce waste in transit. Consequently, packaging shape, size and format will vary significantly, limiting in some cases the available packaging real estate for recycling-related labelling.
- Given the limited real estate in select instances, any recycling-related labelling requirements should be minimized as much as possible, while remaining effective in conveying the current state of packaging recyclability.
- In addition, any labelling requirements should be standardized and consistent, providing the produce industry with predictable and consistent requirements for packaging design and planning.
- In some instances, the chasing arrow logo and other recycling-related information is currently imbedded in packaging (i.e., during the package manufacturing process) and would be virtually impossible to change from region to region or "on demand".

Labelling requirements could lead to trade implications and other international supply chain impacts.

- The CPMA estimates that 4 out of 5 dollars spent on fresh produce in Canada is on produce imported from up to 150 countries. Any mandatory labelling requirements must account for the international nature of the fresh produce supply chain, and the substantive volume of fresh produce which is imported – much of which is already pre-packaged and pre-labelled.
- There is a risk that international shippers may choose to limit shipping or choose not to ship to Canada outright due to mandatory labelling requirements which cannot be readily operationalized, particularly if such labelling requirements are regional in nature (i.e., having to account for regional variances in "what is recyclable").
- Regulations must not impede trade or be seen by other countries as trade barriers. At risk is the availability of fresh produce in Canada of both products not grown in Canada and during seasonal periods when Canadian production is not feasible.

Labelling compliance must be consistent with international best practices, sensitive to labelling change cycles, and respect the cost-sensitive nature of the fresh produce sector.

- There are currently several labelling practices and approaches (e.g., HowToRecycle, others) that also promote and identify the recyclability of packaging. Labelling requirements for Canada need to account for, and ideally coordinate with existing practices to ensure that consistent messaging is conveyed both within the produce sector and ultimately with consumers. There is significant risk that divergent labelling requirements lead to increased confusion and undesired consumer behaviour at the time of package disposal.
- Accounting for any changes in recyclability in order to maintain compliance is a concern. The ways in which the produce sector will be notified of changes in the status of "what is recyclable" (either at a national or regional level) – in either cases of packaging becoming or ceasing to be recyclable due to decisions affecting the nature of recycling facilities or curbside pickup – will determine how responsive the sector can be to updating labelling to accurately reflect the actual state of the waste management system.
- On a related point, the implementation timelines provided to allow industry to use any existing inventory of labelled packaging will need to account for the estimated 1 to 2 years of inventory common for both produce sector packaging and/or relevant labelling. Although in some cases the impacts are limited to discreet labels that are adhered to packaging, many forms of packaging utilize direct printing which would be rendered non-compliant through changes in labelling requirements – potentially leading to undesired waste arising from packaging with non-compliant labelling.
- Given the cost-sensitive nature of the fresh produce sector, and the ongoing concerns with ensuring food affordability, any labelling requirements, including compliance requirements, need to reflect the imperative of minimizing any downstream impacts on the cost of food.

Fresh produce sector recommendations to strengthen recycling through accurate labelling

To account for the key considerations outlined above, the following points are recommended as the Government of Canada examines options to strengthen recycling through more accurate labelling:

- Government should work closely with Canada's produce sector to ensure that any labelling requirements avoid any unintended and adverse impacts on the affordability or availability of fresh produce, notably given the significant portion of fresh produce originating from outside of Canada.
- Consider a national program for key sectors such as fresh produce and food to mitigate supply chain risks. A regional approach as currently proposed will introduce undue and potentially unmanageable risks for the produce sector and potentially other food sectors.
- Consider allocating a different recyclability threshold for fresh produce packaging – a threshold that permits a national approach to be implemented.
- Encourage a stronger collaboration between key industry sectors and Material Recycling Facilities (MRFs) across the country to maximize the recycling rates of more critical packaging applications, such as fresh produce.
- Given the international nature of the supply chain for fresh produce, it is recommended that international dialogue be established with key trading partners such as the U.S., as well as other jurisdictions to ensure that international labelling requirements and best practices are accounted for and reflected in Canadian labelling requirements. Significant efforts are underway to develop

standardized and consistent labelling approaches with the goal of supporting and fostering international trade – ISO[1], UL[2] and Consumers International[3] being but a few recent examples. Canada should seek to fully leverage such international best practices to the greatest extent possible to ensure that Canadian labelling requirements support and promote cross-border trade. In addition, implementation of labelling changes need to recognize and align with the timeframes for implementation of other government department regulations (e.g. CFIA and Health Canada).

- Updates to packaging labelling requirements which accurately reflect any changes in the state of Canada's waste management system must seek to avoid creating undue industry and ultimately consumer confusion about "what is recyclable". The Government is strongly encouraged to work closely with the fresh produce sector, and other sectors, to ensure that updates to packaging labelling achieves the desired policy outcome of increasing recycling rates in Canada.

Strengthening Composting Through Accurate Labelling

Although compostable materials currently account for a very small percentage of fresh produce packaging, there are applications where compostable materials are emerging as the leading option to mitigate environmental impacts – with the potential for industrially compostable PLU stickers being the leading produce sector use case for compostable materials.

More broadly, the whole domain of compostable materials, and by extension biodegradable materials, is rapidly evolving, defined by the availability at scale of packaging-compatible compostable materials as well as research and innovation in materials science which can lead to novel options for sustainable produce packaging. Compostable packaging options are of interest for the produce sector given the overlap between packaging design and application and the desire to minimize or avoid undue disposal of food waste in landfills due to packaging limitations. The current challenges arising from food waste being directed to landfills – and not to industrial composting facilities – due to the packaging limitations, is one which could be addressed through an increased adoption of compostable materials.

Labelling requirements should consider the need to ensure that innovation in the use of compostables and biodegradables is not hindered.

Accounting for application-specific use cases for compostable and biodegradable materials, such as the PLU produce sticker example outlined above, should be a key consideration when developing composting labelling requirements to avoid undue and adverse impacts on the adoption of sustainable packaging alternatives.

Currently, standardization of what constitutes a "compostable" material in Canada relates to "industrially compostable" end-of-life pathways, and is defined through existing standards (e.g., BNQ) and industry-accepted material testing based on standardized testing protocols (e.g., ASTM). The adoption of labelling

[1] https://www.iso.org/obp/ui/#iso:std:iso:14021:ed-1:v1:en
[2] https://www.ul.com/services/textile-exchange-standard-services-grs-and-rcs?utm_mktocampaign=softlines_sustainability&utm_mktoadid=612849208536&campaignid=17863362898&adgroupid=139650756219&matchtype=b&device=c&creative=612849208536&keyword=recycled%20claim%20standard&gclid=EAIaIQobChMItIC7uMnJ-gIV3smUCR3DCwnaEAAYASAAEgKZFfD_BwE
[3] https://www.consumersinternational.org/media/352255/canirecyclethis-finalreport.pdf

requirements for “compostable” and/or other equivalent terminology must provide clarity in terms of the applicable composting regime – which is industrial in Canada (not home composting) – and be accompanied by clear guidelines with respect to applicable standards and test methodologies. On a related point, the Government of Canada is strongly encouraged to focus on industrial composting as the desired end-of-life pathway for any form of compostable packaging given that home composting conditions in Canada are not ideal for compostable packaging materials due to our climate limitations.

Although most packaging applications provide sufficient real-estate to include a recyclable or biodegradable notice or symbol, select fresh produce-specific applications such as PLU produce stickers have very limited available space. In these instances, alternatives to a discreet logo or statement should be considered, or a labelling exemption considered in exchange for industry-wide practices being adopted to demonstrate composting industry compliance when requested.

Lastly, some materials and material science innovations are emerging that can be either recyclable or compostable (e.g., PLA, PBS, PHA, etc.). There is considerable interest in such materials due to their innovative properties and their potential to enable new forms of sustainable packaging. In such instances, labelling requirements will need to account for the current state of waste collection and management infrastructure to determine what constitutes the most appropriate or suitable form of labelling – recyclable or compostable – or both, notably if waste management practices permit proper sorting and triaging of such materials.

Produce sector recommendations to strengthen composting through accurate labelling

To account for the key considerations outlined above, the following points are recommended as the Government of Canada examines options to strengthen composting through more accurate labelling:

- Support and enable strategic collaboration between Canada’s industrial composting industry and key industry sectors that rely on, or are potential adopters of, compostable packaging, to identify opportunities to mitigate the impacts of packaging on current composting systems (e.g., migrating to compostable PLU stickers), while also identifying opportunities where compostable packaging could lead to an increased redirection of food waste to the composting systems.
- Support Canada’s industrial composting industry to explore innovations where compostable packaging materials can become a welcomed input to current and future composting systems, with the goal of redirecting packaging from landfills. This exploration should include working with the waste management sector, including MRFs, to improve the sorting of compostable and recyclable materials – increasing trust in both the waste management and industrial composting systems in Canada.
- Work closely with the produce industry to address instances where packaging labelling real-estate is severely limited (e.g., PLU sticker) to avoid any undue and adverse impacts on the availability, cost and quality of fresh produce sold to Canadians.

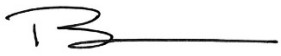
In closing, the CPMA strongly encourages the Government of Canada to work closely with Canada’s fresh produce sector to ensure that labelling requirements achieve the desired environmental benefits while not adversely impacting key produce-sector considerations, including ensuring fresh produce safety, minimizing food waste, and ensuring that produce remains available and affordable to Canadians.

Regarding ongoing and emerging challenges facing the fresh produce and broader food sector, the CPMA's Plastic Packaging Working Group has been active in this area since early 2019 and is one of Canada's leading industry groups eager to share insights and provide the necessary guidance to the Government of Canada.

On behalf of its members, the CPMA thanks you for the opportunity to provide comments on the Environment and Climate Change Canada Discussion Paper *Towards Canada-wide rules to strengthen recycling and composting of plastics through accurate labelling*.

Please advise if you have any questions regarding the above comments.

Regards,



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About CPMA

Based in Ottawa, the Canadian Produce Marketing Association (CPMA) is a not-for-profit organization representing companies active in the marketing of fresh fruit and vegetables in Canada, from the farm gate to the dinner plate, spanning the entire produce industry. The produce industry generates over $17 billion annually in economic activity throughout the supply chain and supports over 249,000 jobs across Canada. 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. Founded in 1925, CPMA is today proud to represent over 840 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

Response to Select Consultation Questions of Interest to the CPMA

In addition to the above comments, the following are provided in response to a select set of the consultation questions deemed of relevance to Canada's produce sector.

Question	Response
Are there any other objectives the Government should be seeking to achieve as it develops labelling rules for recyclability?	• Provide consumers with clarity of end-of-life pathways for packaging, notably via recycling, composting, or managed disposal. • Minimize the risk of consumers directing packaging and related materials to inappropriate end-of-life pathways. • Promote the adoption of increasingly recyclable materials, designs and forms – leading to an increasing use of "recycle ready" designs and materials.
What is the process and timeline for designing and implementing changes to labelling (e.g., lifespan, costs, marketing considerations, and implementation timelines)?	• The produce sector typically holds from 1 to 2 years of inventory in packaging, which can include one or more of the following: blank packaging (no labels applied), labelled packaging (labels applied), printed packaging (direct printing of label information on package), or discreet labels to be applied to packages. • Any changes to labelling in one of more of the above formats considers current inventory levels, rates of depletion and timelines for substitution in order to minimize waste. • ECCC must align labelling changes with regulatory labelling changes in other government departments such as CFIA and Health Canada.
Are there any other factors that can impact a plastic item's recyclability, beyond the factors listed above?	• To achieve the necessary packaging performance characteristics, a range of material types, mixed construction and form factors have been developed. Key performance factors include barrier properties that provide the desired environmental conditions (e.g., oxygen transfer, gas exchange, light blocking, etc.) along with mechanical properties necessary to maintain produce quality, maximize shipping efficiency and consumer convenience, for example. • Consequently, in select applications, produce packaging may not be recyclable due to the complex packaging construction required to meet the above packaging performance requirements. • The produce sector recognizes that food contamination can also adversely impact the recyclability of packaging. In select circumstances, packaging design can seek to mitigate the potential for food contamination.
Are there any other objectives the Government should be seeking to achieve through compostability labelling rules? If so, what are they and why are they important?	• Composting labelling should seek to increase the direction of food waste to industrial composting facilities, and away from landfills and/or fugitive disposal. • Composting labelling should reinforce that different end-of-life pathways are possible based on the packaging application, illustrating that sustainable end-of-life pathways such as composting can coexist alongside other sustainable pathways (e.g., recycling) to help reduce the overall environmental impacts of plastic packaging. Increased consumer awareness of the validity of diverse end-of-life pathways could contribute to more accurate sorting and disposal by consumers.
If an obligatory system is adopted, what should the Government consider in order to minimize burden on industry while maximizing environmental outcomes (e.g., appropriate timelines, cumulative impacts of different labelling requirements)?	• Provide clear and consistent guidelines on logos and other labelling requirements. • Provide sufficient timelines for adoption to allow for existing inventory to be effectively depleted. • Provide clear guidelines for revisions to labels (addition or removal) due to changes in the state of the applicable recycling systems.

Are there any other kinds of plastic items that may warrant special rules or exemptions from labelling rules under an obligatory system? Why?	• Packaging with limited or insufficient labelling real-estate to include visible and clear labelling should be exempt from labelling. • Packaging which intrinsically cannot be rendered recyclable due to the complexity of the packaging application should be exempt from mandatory labelling indicating it is not recyclable. Examples include multilaminate materials required to establish the necessary barrier properties to provide the ideal environmental conditions to maximize fresh produce quality and minimize food waste in transit. • The government's proposal to require mandatory labelling of "not recyclable" alongside "recyclable" will unfairly label packaging for which there are no readily available pathways to recyclability – creating the impression the issue lies primarily with the packaging per se, and not the broader system which is shaped by the packaging material choice and design, as well as the technical and logistical capabilities of the waste management system.
If a technical committee of experts is established, what should be its composition and what should be its role in the development of tools and guidance?	• The Committee should be composed of a balanced group of experts from across the plastics system – plastics manufacturers, packaging manufacturers, consumer behavior experts, waste collection, and reprocessing experts. • The Committee should also include key experts from select industry sectors which have a critical reliance on packaging to ensure the timely and safe delivery of their goods, such as the fresh produce sector. • The Committee should also be supported or supplemented by horizontal stakeholders such as CPP and other leading industry/stakeholder groups with insights and expertise in the current state and ongoing evolution of the plastics system.
How should the Government work with partners and stakeholders to spread awareness and promote compliance with labelling rules, including disclosure requirements?	• Government should support a national industry information and consumer education campaign, developed in partnership with key industry stakeholders. This should include engagement from applicable national and provincial industry associations, as well as leading national brands with high consumer visibility by way of their packaged products which would be subject to new labelling requirements. • Government should also reference international alignment with global standards or best practices in awareness and promotion messaging, notably regarding packaging central to the shipping and distribution of products to/from Canada. Alignment with key international and regional labelling practices will be of particular interest to industry stakeholders seeking to ensure that packaging used for shipments into Canada are compliant.