

August 31, 2023

Right Honourable Justin Trudeau
Prime Minister of Canada
80 Wellington Street
Ottawa, Ontario
K1A 0A2

Sent by email to: Pm@pm.gc.ca

Re: Response to the Pollution Prevention Planning Notice for Primary Food Plastic Packaging – Impacts on Access, Affordability, Waste and Safety of Fresh Fruits and Vegetables

Dear Prime Minister Trudeau,

We are writing to you on behalf of the fresh produce industry and our collective memberships who represent the fresh fruit and vegetable supply chain in Canada and abroad, from growing and processing, through to the distribution and sale of fresh produce to Canadians across the country. We wish to bring to your attention very significant concerns our members and stakeholders throughout the industry have regarding the impacts of Environment and Climate Change Canada's (ECCC) *Pollution prevention planning notice (P2 Notice) for primary food plastic packaging: Targets for reduction, reuse, redesign, and recycled content*. This is in addition to significant concerns with the labelling and recycled content framework draft regulations which already propose changes which are nearly impossible for our sector to achieve at this time and **will put extreme stress on an already challenged food supply, including adding cost at a time when Canadians are under pressure simply to feed their families**. The very limited time provided is insufficient for the CPMA and its members to complete the research required to provide comprehensive data to demonstrate the impact of the proposed objective. Therefore, our comments are based primarily on the data that already exists around food waste and other key packaging considerations.

We refer you to the major food industry associations' letter dated August 24, 2023, in terms of the general concerns of the proposed P2 Notice in regard to: control of global food supply chains, creating a landscape of fairness with primary stakeholders, the need for life cycle strategies, mitigating unintended consequences (food waste, food insecurity and increased GHG emissions), and driving balanced life cycle approaches and investments. Our members are aligned with and support the overarching concerns outlined in the food industry associations' letter.

Building on the above, we wish to highlight the very significant and adverse impacts the P2 Notice's proposed risk management objectives will have on Canada's fresh fruit and vegetable (produce) industry, and on Canadians' access to diverse, high-quality, affordable and safe fresh produce year-round.

Our combined associations and members have been active in reducing plastic packaging waste, with a strong focus on eliminating unnecessary and problematic packaging, increasing recycled content, considering alternative packaging solutions such as compostable packaging or biobased alternatives, as well as adopting innovative solutions which reduce plastic packaging.

In support of the Federal Government’s strategy to reach 50% recycled content by 2023, the fresh produce industry has been a leader in reducing plastic packaging waste through increased recyclability and actual recycling, incorporating recycled content, and even elimination where appropriate. The sector has supported and endorsed many key initiatives in support of sustainable packaging, including supporting the launch of the Canada Plastics Pact, and endorsing and adopting the Golden Design Rules as outlined by the Consumer Goods Forum.

Consequently, the fresh produce sector associations and its members were deeply concerned to learn of ECCC’s proposed risk management objectives specific for fresh produce packaging, as outlined on page 9 of the P2 Notice Consultation Paper:

Fresh fruits and vegetables are distributed and sold in bulk and/or in plastic-free packaging – at least 75% by 2026; at least 95% by 2028.

This risk management objective has been received by both domestic and international fresh produce industry stakeholders as highly problematic, if not reflecting a total lack of understanding of current and evolving realities of the fresh produce sector supply chain, both domestic and international. As noted by one retail member: **Approximately 65% to 75% of all fresh produce is currently sold in plastic packaging, with upwards of 40% of that fresh produce not suitable for bulk distribution or sale.** (Items such as strawberries, blueberries, raspberries, packaged salads, baby carrots and many others simply cannot be sold bulk.) Consequently, the proposed target is seen by many as indicative of a serious lack of due diligence on the part of ECCC. This is undermining the Department’s credibility, and by extension the Government’s broader commitment to working with industry to pragmatically addressing the challenges of plastic waste.

Furthermore, the apparent lack of due diligence is compounded by the fact that the fresh produce industry at large was consulted in August - one of its busiest months of the year - with only 30 days to fully comprehend the complexities of the P2 Notice as a policy instrument, and fully assess the impacts the proposed risk management objectives and their potential impacts on the fresh produce sector. Since it is anticipated that the Regulatory Impact Analysis Statement (RIAS) that will accompany the *Canada Gazette I* state of this effort will reflect actual industry impacts, it is crucial that it reflect the realities of those impacts, including data from industry – 30 days during the domestic growing season is vastly insufficient to amass and aggregate that data.

In addition to fresh produce being segregated from food and the target being simply unattainable, **there is significant concern given the apparent change in the government’s Zero Plastic Waste Agenda as it applies to fresh produce packaging.** The proposed risk management objective for fresh produce packaging fundamentally disregards the Zero Plastic Waste policies and related circular economy strategies that have shaped the packaging industry’s efforts over the past several years. Proposing that upwards of 95% of fresh produce should, by 2028, be distributed and sold in bulk or plastic-free packaging ignores the fresh produce industry’s commitment and investments to increasing the use of fully recyclable plastic packaging – a leading sustainable packaging strategy for the fresh produce sector both in Canada and abroad. Given **fresh produce packaging is only 2% of total plastic waste in Canada**, this objective is both baffling, and, it would appear from recent conversations with ECCC officials, unsupported by data and impact analysis. Seeing Canada’s fresh produce sector being subject to a fundamentally different policy outcome than other packaging categories – including other foods as well as non-foods – seems both arbitrary and very ill-advised. The proposed risk management objective would isolate and severely

limit the fresh produce sector's ability to adopt cost-effective packaging technologies that allow for the effective and safe distribution and sale of fresh produce.

The signatories are significantly concerned by the consequences and impacts of the proposed application of a Pollution Prevention Notice and the related fresh produce packaging risk management objective leading to adverse impacts on fresh produce waste, quality and availability, affordability, and safety. Unintended consequences are also of significant concern to the fresh produce industry.

Given the limited consultation period, we've summarized our key concerns below.

Impact on Fresh Produce Waste

Fresh produce packaging plays an integral role in enabling the effective transportation of fresh produce from the farmer's field to Canadian homes. Fresh produce packaging performs several important functions, ensuring that food safety is maintained, while also seeking to minimize food waste in transit, during storage, on store shelves, and in Canadians' homes. Significant investment has been made in the assessment, selection, and optimization of fresh produce packaging to deliver the desired packaging performance.

Substantive and near elimination of current plastic packaging technologies – many of which are increasingly sustainable as measured by their recyclability and actual recycling rates – would lead to significant increases in fresh produce waste. The current level of fresh produce waste is approximately 11% within the retail sector – with many fresh produce commodities seriously concerned that the near total removal of plastic packaging and transition to bulk and/or non-plastic materials would dramatically impact the capacity to ensure freshness and avoid undue loss of moisture, thus leading to significant loss of produce quality to the point of the produce being unsuitable for consumption. Furthermore, **tests conducted by produce industry stakeholders assessing non-plastic produce packaging have shown upwards of 30% additional cost to the consumer, while also seeing increased food loss within the supply chain.**

Additionally, a not so obvious impact of migrating away from plastic to non-plastic packaging is the impact on increased produce waste arising from consumers being unable to visually inspect produce prior to purchase. There are several examples in which adopting non-plastic/non-transparent packaging has reduced consumer purchasing due to the inability to see and inspect the produce, leading to a net increase in food waste on store shelves. This effect on consumers should not be underestimated when considering packaging alternatives.

It must also be noted that **the fresh produce industry is increasingly taking action to mitigate GHG emissions through changes in its operations, the selection of appropriate packaging materials and designs, as well as in the minimization of fresh produce waste.** GHG emissions that arise from increases in fresh produce waste – waste which is frequently directed to landfills, leading to increased methane emissions – are an important component of the fresh produce's overall GHG emissions. The proposed risk management objectives present a significant risk in increasing GHG emissions through a return to bulk transportation and/or the adoption of non-plastic packaging which increases fresh produce loss during transit, in storage, or on store shelves.

Unfortunately, organics recycling (i.e., industrial composting) facilities are not ubiquitous across Canada – and are therefore not available to help mitigate this impact.

Increased fresh produce waste is both a societal concern due to the aversion to food waste, as well as an economic one. Costs incurred through the loss of fresh produce inventory in transit, in storage or on store shelves would be amortized over the balance of fresh produce sold. **It is estimated that every 1% increase in food waste would result in a financial loss of at least 4% in revenue. Any such cost impacts would exacerbate existing and growing concerns with food affordability – on top of the adverse environmental impacts of increased food waste.**

Impact on Fresh Produce Quality and Availability

Canadians spend \$4 out of every \$5 on imported fresh produce, due in large part to our limited growing seasons for fresh produce, as well as a climate which can only support certain types of produce. Consequently, Canadian harmonization with global fresh produce packaging and supply chain best practices provides Canada with access to high quality and diverse array of fresh produce year-round. Substantive changes to Canada’s fresh produce packaging requirements as proposed in the P2 Notice would significantly and adversely impact the availability of high-quality produce to Canada.

Canada’s already very problematic, and often unnecessary, labelling regulations have already placed significant pressure on exporters to Canada; the fresh produce objective in the P2 Plan represents a tipping point for many international shippers. **Initial discussions with foreign and international produce stakeholders have indicated that the adoption of the proposed risk management objectives for fresh produce packaging would very likely result in major fresh produce suppliers choosing to no longer ship to Canada, or they would add significant premiums to the product to account for operating separate packing and inventory lines to serve the Canadian market.** Compliance with the proposed targets for many is seen as nearly impossible. With Canada representing only a portion of the business for some foreign growers, many suppliers would withdraw from Canada given bulk shipping is not an option, there are no viable non-plastic packaging options, or non-plastic packaging would incur upwards of a 30% cost increase over plastic – a cost Canadian retailers would not absorb nor flow down to consumers.

There would also be adverse impacts on domestic fresh produce producers who rely on recyclable plastic packaging to deliver high-quality produce to Canadians. Some domestic production would very likely transition to export markets where the cost to export would be cheaper with no restrictions on packaging. The erosion of both domestic and international fresh produce availability would lead Canadians to seek alternatives in other types of food, potentially moving to more prepared/processed foods – **a move that would have adverse impacts on Canadian’s health and wellbeing.**

Impact on Fresh Produce Affordability

Canadians are significantly concerned with the cost of living, most notably the cost of quality foods such as fresh produce. The proposed risk management objectives would result in an increase in fresh produce waste, and a loss in fresh produce availability – both of which would

result in a significant increase in cost to Canadians as a net loss in total available fresh produce would drive up prices.

Furthermore, investments made in fresh produce packaging technology and materials such as fully recyclable plastic packaging would require replacement with alternative packaging equipment, as well as the purchasing of alternative packaging forms and materials, many of which are currently more expensive than leading recyclable plastic packaging. Additional costs such as the need to modify or supplement operating facilities to accommodate the change in packaging processes – bulk processing or non-plastic packaging processes – would lead to **increased costs for growers and ultimately consumers**. It should be noted that many fresh produce grower/packers have already made significant financial investments in packaging lines and other equipment to enable packing in more sustainable plastic packaging as part of their overall sustainability efforts. **At a time when there are significant concerns about the long-term viability of the Canadian farm as farmers retire and struggle to enable business continuity, nullifying these investments will put further financial pressure on farmers, undermining an already challenging situation in Canada.**

Additional costs would also be incurred if imported fresh produce was shipped in plastic, requiring repacking in Canada, adding significant repacking costs through re-packers – costs which would flow to the end consumer – while also leading to delays in the supply chain, impact to product quality and freshness, as well as an increase in food spoilage.

Although discussions are preliminary, it is estimated that cost impacts could range in the tens to hundreds of millions of dollars per year. These costs would be passed on to the consumer.

Impact on Fresh Produce Safety

Ultimately, food safety is of paramount importance in the growing, cultivation, distribution, storage and sale of fresh produce. Fresh produce packaging plays an integral role in ensuring that food is safe and of a quality that Canadians have come to expect.

The proposed risk management objectives propose a move away from the current portfolio of fresh produce packaging which has been assessed, selected, and optimized to minimize food waste and maximize shipping efficiencies – all while ensuring that fresh produce remains safe for consumption. The potential risks arising from an increase in bulk distribution and sale would have to be mitigated through significant changes in supply chain practices which would lead to substantial cost increases.

At this stage of discussion with produce sector stakeholders, **there is a concern that the proposed risk management objectives could significantly hinder industry's capacity to meet food safety requirements embodied in the *Safe Food for Canadians Regulations*.**

Unintended Consequences

The diversity of fresh produce means each produce type is a packaging challenge that must be optimized to minimize food waste while ensuring food safety. The proposed risk management objective effectively bans the use of plastic packaging for fresh produce – requiring the industry to

make trade-offs within a complex packaging portfolio which would lead to unintended risks, costs and impacts on domestic and international supply chains. The subsequent impacts on both imports and exports of fresh produce in and out of Canada would likely result in trade issues for growers across Canada.

Secondly, the proposed risk management framework would impact Canada's foodservice industry, including foodservice available in store (e.g., fresh cut produce products, salad bags, etc.) which Canadians have come to rely on to conveniently access fresh produce. For those Canadians who rely on fresh cut produce due to disabilities, restricting packaging as proposed could lead to a loss of access and/or loss in ease of use. Given a significant part of Canada's food services industry relies in large part on fresh produce packaged using retail packaging, the application of the proposed risk management objectives would have a direct impact on the access, cost and produce waste produced.

Lastly, **there is ongoing concern that the migration from recyclable plastic packaging to non-plastic packaging may produce no net environmental benefit – or may in fact lead to a worse outcome.** The fresh produce industry is increasing its reliance on Life Cycle Analysis to assess the total carbon footprint of packaging options – thereby ensuring that packaging alternatives minimize overall GHG emissions, from production through to disposal. Non-plastic packaging is not necessarily a superior choice, especially when complex paper/fiber compositions are required to provide performance equivalent to plastic packaging. In addition, the adoption of non-plastic packaging does not guarantee recycling or redirection of discarded packaging from landfills. The recyclability of non-plastic packaging is a function of the packaging composition AND the state of local waste collection and material recycling facilities. In addition, food contamination can result in non-plastic packaging being directed to landfills.

Recommendations

The fresh produce industry in Canada is seriously concerned that the proposed P2 Notice and the specific risk management objectives outlined in the consultation document, if adopted, would significantly disrupt, if not irreparably damage Canada's fresh produce sector. The livelihood of the Canadian fresh produce sector, and access to fresh produce for Canadians, is at risk if the P2 Notice proceeds as proposed.

Consequently, **we strongly recommend that fresh produce packaging be exempt from the P2 Notice process pending more comprehensive due diligence** to understand the realities of the fresh produce supply chain in Canada.

Collectively, we are ready, along with our members, to meet with ECCC officials to ensure that any risk management objectives applied to fresh produce packaging reflect the realities of the fresh produce supply chain in Canada and around the world and consider the significant efforts already underway by the sector to achieve zero plastic waste.

The fresh produce supply chain is a complex system within which packaging plays an integral and critical role in ensuring that high-quality fresh produce is available, affordable and safe for Canadians – all the while minimizing the overall environmental impacts of GHG emissions and

plastics waste. We would welcome the opportunity to meet with you so that we can work together to ensure that Canada is a leader in sustainable packaging.

Sincerely yours,



CC:

Katie Telford, Chief of Staff, Office of the Prime Minister (katie.telford@pmo-cpm.gc.ca)