



September 30, 2019

Ministry of Environment and Climate Change Strategy
Recycling Regulation Amendments
PO Box 9341 Stn Prov Govt
Victoria, BC V8W 9M1

Via email: plastics@gov.bc.ca

Re: Clean BC Plastics Action Plan

The Western Dairy Council is the trade association for companies processing dairy products in western Canada. The Council was incorporated in June 2017 following the amalgamation of the British Columbia and Alberta Dairy Councils and the expansion of operations to the provinces of Saskatchewan and Manitoba. Today, our twenty member-companies account for more than \$3 billion in annual sales, provide direct employment for over 6000 Canadians and process more than 97% of the milk produced in the four western provinces, including more than 98% of the milk produced in British Columbia.

On behalf of the Council, thank you for the opportunity to provide comments on the proposed *Clean BC Plastics Action Plan*. Our membership shares the concerns of British Columbians about the impact of plastic packaging and single use containers on wildlife and ecosystems and we are committed to seeking policy options that address these concerns and protect the environment for generations to come.

The Policy Consultation Paper provided to stakeholders identifies several important policy options for consideration. While some of these options will have a direct bearing on the marketing of milk and dairy products in British Columbia, we believe that effective solutions for the protection of the environment can be incorporated into a Clean BC Plastics Action Plan while ensuring that the resulting framework is cost-effective, clear and efficient for all stakeholders (consumers, dairy producers/processors, retailers and waste managers).

One of the policy options outlined in the Consultation paper is the proposal to include milk and milk substitutes in the deposit-refund system for used beverage containers. As you know, in the past it has been the dairy industry's position that used milk containers should not be included in government-mandated deposit-refund systems. Early objections focused primarily on the high costs to consumers as well as the complexity that would come with trying to distinguish between milk and other dairy products (e.g., is whipping cream in liquid form a food or a beverage?) and the mandatory return-to-retail

provisions of the regulation, to which many of our supply chain customers (i.e., retailers, distributors, etc.) strenuously object, mainly for food safety-related reasons.

But the landscape has changed considerably in the two decades since the province expanded the Beverage Container Recycling Regulation (as it was known then) in 1998. Most notably, the 2014 decision to include all dairy product packaging, including milk containers, in the multi-material collection system was supported by the dairy industry in part because it helped to solve these key issues. This system was simple and easy to understand.

That said, if the province decides that an integral part of the *Clean BC Plastics Action Plan* is to move milk containers to Schedule 1 of the BC Recycling Regulation, we believe that a number of key factors would have to be addressed in order to minimize disruption in the marketplace, both for dairy products and for their attendant waste streams. We've outlined these factors below along with ways we believe that the related concerns could be addressed to make the deposit-refund system work, based on our experiences in other jurisdictions:

1. Deposits and recycling fees must be visible and separate from the product price. In an industry governed by supply management, pricing is administered with extreme precision and is closely monitored by dairy processors and their customers. It is extremely important that costs associated with recycling not intrude on normal commercial relationships between processors, their customers and the consumers who buy their products.

Visible fees apply to beverages currently included in the deposit-refund system. We would expect the same treatment if milk were moved to Schedule 1.

2. The implementation of deposits and recycling fees should be aligned with the dairy industry's normal price adjustment cycle. In concert with the supply management system, price changes are calculated and implemented just once per year, which in turn minimizes disruption to supply chains and information systems. We would not want to see multiple changes as the result of an arbitrarily-chosen implementation date for deposits and refunds.
3. In conjunction with the appropriate stewardship agencies, the dairy industry would need to develop a robust plan to prevent hoarding of used milk containers prior to their inclusion in the deposit-refund system in order to prevent tens of thousands of refund claims for containers on which no deposits have been paid and thereby avoid a huge cost to dairy industry stakeholders. We were able to do this in Alberta, for example, when the dairy industry worked with Alberta Beverage Container Recycling Corporation (ABCRC) to mitigate this risk through a combination of labeling (identifying which containers were eligible for refund) and depot education (training operators not to refund containers on which deposits had not been paid). While the process required extensive planning, logistical precision and time, as well as significant costs associated with labeling new containers and removing older ones from inventory, ultimately this approach facilitated the transition of milk containers into the province's deposit-refund system.
4. The mandatory return-to-retail provisions in the regulation would need to be repealed. This element is extremely important for our customers and consumers as the management of returned milk containers represents both a significant food safety risk and serious cost implications associated with handling high volumes of milk containers given the frequency with which fluid milk products are purchased and consumed.

While these issues are most critical to the dairy industry, there are other factors that will need to be taken into consideration and resolutions found, among them:

- The distinction between “milk” and “dairy products” (as mentioned above) which would determine whether a product is governed by the deposit-refund system or by the multi-material collection system. To cite another example, if a container of drinkable yogurt were classified as “milk,” it would carry a 5¢ deposit and 3¢ recycling fee (at current rates); if it were classified as yogurt it would carry a fee of approximately 1¢.
- The treatment of milk containers distributed for food service use versus retail consumption – e.g., should a plastic jug of milk sold to a coffee shop to make coffee beverages be subject to deposit?
- The treatment of self-managed deposit systems such as those used by some companies to recover their own refillable glass milk bottles.
- The inclusion of paperboard milk cartons in the deposit system as part of a “*Plastics Action Plan.*”

While these issues are very important and would need to be addressed to minimize food safety risks and mitigate unnecessary costs for the dairy industry supply chain, they are not insurmountable, and we are committed to working with industry stewardship organizations such as Encorp Pacific to address them and contribute to the success of the Action Plan.

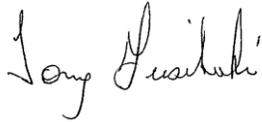
The *Clean BC Plastics Action Plan* Policy Consultation Paper invites feedback on several other plastic waste issues. While all of them are important, some touch the dairy industry more closely than others. Accordingly, we will limit our comments to the following:

- **Bans on single-use plastic packaging:** This concept continues to draw a lot of attention in various jurisdictions where it focuses on certain high-profile products (e.g., plastic straws) for which obvious alternatives exist. The Consultation Paper asks how exemptions should be applied if such bans were implemented in BC. The dairy industry makes extensive use of plastic packaging across its full line of products - from milk and cream through yogurt and cheese. In all cases, packaging choices are dictated by the need to meet the highest standards for food safety, product integrity and efficiency through the entire supply chain, right through to the end consumer. These standards generally prohibit the re-use of dairy packaging. That said, the dairy industry is committed to working with the packaging industry to find sustainable solutions without compromising these standards. Until appropriate alternatives have been developed, dairy packaging should be exempt from any such bans.
- **National recycled content performance standards:** Again, dairy processors are required to only use food-grade packaging which, to date, has severely limited recycled-content options. (Having said that, used dairy packaging is widely used as feedstock for the manufacture of other non-food grade plastic goods; HDPE milk jugs are among the most valuable forms of recycled plastic in the marketplace). Again, the dairy industry is committed to working with the packaging industry to find sustainable packaging solutions and to pursue advances in dairy packaging technology as well as subsequent recognition by federal and provincial health and food product marketing regulators. Dairy products should be exempt from recycled-content standards and targets until approved alternatives are available.

We trust that these comments are of value to the Ministry and would be pleased to elaborate if you have questions or require further information.

Sincerely yours,

WESTERN DAIRY COUNCIL

A handwritten signature in black ink that reads "Tony Gusikoski". The signature is written in a cursive style with a large initial 'T' and 'G'.

Tony Gusikoski
Chair