

Packaging waste: prepare for extended producer responsibility

Many growers, retailers, manufacturers, and suppliers will be affected, and likely see their costs go up, and/or have to record and report on their packaging waste.

EPR is a Policy that makes 'producer' responsible for the full net cost of packaging waste, as a single point of obligation. Packaging includes plastic, paper, card, wood, steel and glass. EPR does NOT cover beverage containers – this is the Deposit Return Scheme.

EPR is NOT the same as the Plastic Packaging Tax (PPT) which came into force in April 2022. The key differences are:

- PPT is a tax from HMRC whereas EPR is a packaging waste legislation change from Defra.
- PPT is a tax on **imported filled plastic packaging only** and EPR applies to all packaging materials.
- PPT has a threshold of 10 tonnes or more of plastic packaging and EPR thresholds start from 25 tonnes or more of packaging handled annually.
- Finally, PPT is for plastic packaging that contains less than 30% recycled content whereas EPR fees are determined by the material's recyclability, not recycled content.

Plastic packaging tax (PPT) is **an environmental tax designed to provide a financial incentive for businesses to use recycled plastic in the manufacture of plastic packaging.**

EPR is to encourage the use of packaging that can be recycled or is sustainable

Recycled plastic

Plastic packaging components containing 30% or more recycled plastic are not chargeable for the Plastic Packaging Tax (PPT). However, they still count towards the 10-tonne threshold for packaging you manufacture or import in a 12-month period, and you must still keep records of it.

For the purposes of Plastic Packaging Tax, all plastic is assumed to be made using non-recycled (virgin) material, unless there is evidence that recycled material has been used. Need to collect and save data.

Thresholds for EPR

There are two thresholds to be aware of:

1. Producers with a turnover of at least £2 Million *and* that place

at least 50 tonnes of packaging on the market

2. Producers with a turnover of at least £1 Million

and that place at least 25 tonnes of packaging on the market

Producers below the lower threshold do not have to report or pay fees, producers between the two thresholds must report but not pay fees, and producers above the higher threshold must both report and pay fees.

There will be 6 types of producer, and businesses may fit into more than one type:

- Brand owners or packer/fillers
- Importers
- Distributors
- Online market places (OMP)
- Sellers
- Service providers

Brand owners or packer/filler

- Businesses who either put goods into packaging, or have goods put into packaging, and place those goods on the UK market under their brand name. If packaging is unbranded (particularly transit packaging) it is the responsibility of the packer/filler.

Importers

- Businesses who are responsible for the import of filled packaging into the UK for sale. Where the importer is not based in the UK, it will be the first UK based owner of the packaging who takes this obligation.

Distributors

- Businesses who sell unfilled packaging to producers who are below the de minimis threshold for paying fees take on the obligation for that packaging. This may be wholesalers/distributors, importers or any other business who sells directly to unobligated producers.

Online market places (OMPs)

- Businesses based in the UK who operate a website, or any other means by which information is made available over the internet, through which persons based outside the UK, other than the operator, are able to offer filled packaging for sale in the UK. Amazon & Ebay

Sellers

- Businesses in the UK who sell any filled packaging to the end user. This includes all types of packaging, so could be, for example, garden centres in relation to any packaging around goods sold to consumers (primary, secondary, transit or shipping packaging).

Service providers

- Businesses who supply reusable packaging to a user of that packaging where the supply is made by hiring out or lending the packaging.
- For packaging that is reused, the fee will only apply the first time it is purchased by the service provider.

Key questions to consider

- What activities do you do which fit into the categories of producer?
- Does your customer (or the end user) remove the packaging you have added and if so would it be placed into household waste streams or business waste streams? **More questions than answers**
- What is your annual turnover and weight of packaging handled in a year?

Check if you need to take action DEFRA

<https://www.gov.uk/guidance/packaging-waste-prepare-for-extended-producer-responsibility>

The regulations will apply to all UK organisations that handle and supply packaging to consumers and to businesses.

You must take action to comply if **all the following apply**:

- you're an individual business, subsidiary or group (but not a charity)
- you have an annual turnover of £1 million or more (based on your most recent annual accounts)
- you're responsible for over 25 tonnes of packaging in a calendar year (January to December)
- **you carry out any of the packaging activities**

Packaging activities

You may need to act if you do any of the following:

- supply packaged goods to the UK market under your own brand **products with supermarket branding are the responsibility of supermarket, is this just the handle/label and not the pot?** A brand includes any of the following: a logo a trademark any distinctive mark
- package goods for another UK organisation **unbranded packing ie trays sleeves, labels, pots**
Potting plants in pots & trays you are a packer/filler
- use 'transit packaging' to protect goods during transport so they can be sold to UK consumers
- import products in packaging **young plants**
- own an online marketplace
- hire or loan out reusable packaging **chep pallets**
- sell empty packaging

Packaging definition

Packaging is any material that is used to cover or protect goods that are sold to consumers. It makes handling and delivering goods easier and safer. It includes anything that's designed to be filled at the point of sale, such as a coffee cup.

Packaging also makes goods look appealing and it may display a company's logo or brand. 'Goods' could include raw materials or processed items.

On the nursery this is likely to be

Plant pots, bedding packs, labels, handles, sleeves, canes, cane caps and care cards.

Household waste

Marketing or carry trays if you recycle these or they are not supplied to the final customer

Business waste

The Packaging Waste Recovery Note (**PRN**) or Packaging Waste Export Recovery Note (**PERN**) is a tradeable certificate used to record and identify packaging waste

Typical product timeline

You buy plug plants, when they are delivered you are responsible for the plug tray, box & shrink wrap **fee may be payable, Business waste, PRN (30%) the importer pays, could it be you.**

If you propagate your own plug plants and reuse the trays you only pay for the tray on first use



Plants are potted **You are the packer/filler or perhaps brand owner**

The pot is classed as packaging and the label, handle, canes or supports, care instructions etc are additional packaging.

The tray is also packaging but might be returned & reused **only a fee when it is sent to waste**



Plants delivered & invoiced

Final product

- Will end up in household waste stream – PRN cost and EPR ‘top-up’ fee at this point
Additional packaging (stickers, labels etc.)
- Will end up in household waste stream – PRN cost and EPR ‘top-up’ fee at this point
- **Fee payer is brand owner or packer/filler**



Retailers responsibility

Fees for most packaging have already been paid at this point.

If product carries retailer brand name, they would be responsible earlier in the supply chain.

You should check your contract with suppliers and customers – you may have a contractual agreement to take responsibility for packaging waste costs.

If consumer takes your multipack trays home, these need to be recorded as entering household waste stream.

This needs to be reported back by the retailer to original filler of tray, (packer/filler) who must report and pay EPR fee on top of previous PRN fee.

Retailer must also keep records of all primary packaging they are selling (plant pot, sticker, labels, sleeves) to report. **They may come to their suppliers (nurseries) to get records of this.**

Household and non-household waste

You must submit the weight of packaging that ends up (or is likely to end up) as household waste.

When calculating your waste management fees for the financial year 2024 to 2025, the scheme administrator will treat all primary and shipment packaging as household waste, **unless you have clear evidence that some or all of the packaging is unlikely to become household waste.**

Packaging that is unlikely to become household waste is classed as non-household waste.

If any of your packaging is non-household waste, you'll need to demonstrate that you supplied the packaging to a business that consumed and discarded it before the product was supplied to a customer.

Stage of supply chain	Waste stream	Nursery obligations	Retailer
Import	business	Record data pay PRN if needed need 30% recycled to avoid tax	none
Growing stage	business	If packaging is disposed record data and pay PRN if needed	none
Final product labels, supports, sleeves, boxes & trays	Household waste unless you can prove otherwise. Trays could be returned	The nursery is the packer/filler or brand owner, data record, pay PRN and EPR fees	If retailer is the brand owner, data record, pay PRN and EPR fees

Stage of supply chain	Waste stream	Nursery obligations	Retailer
Loading & Transport stage	Business waste stream PRN payment possible shrink wrap, trolley covers & POS Household if multi-tray taken by consumer	Nursery or packer/filler is 'filling' unbranded packaging, data record, pay PRN and EPR fees	No obligations unless multipack trays are branded with retailer's brand
Retail space	All packaging already accounted for – data recording and reporting only	No obligations (unless direct retail – then record primary packaging and pay PRN and EPR fees for shipment - below)	Data record primary packaging, particularly any that may end up in household waste stream

Collecting and submitting your packaging data

Your organisation should start preparing now to capture your packaging data.

Your data submission must include the weight of:

- individual materials in the packaging you handle and supply
- materials used in your 'primary', 'secondary', 'shipment' and 'transit' packaging
- packaging likely to become household or non-household waste
- packaging likely to end up in street bins

The scheme administrator will use your 2023 data to calculate your waste management fees for the financial year 2024 to 2025.

The regulator will use your 2023 data to calculate the amount of PRNs and PERNs you must buy to cover your recycling obligations for the 2024 calendar year.

Primary packaging

Primary packaging is the individual container that you store goods in to sell to consumers. This is called a 'sales unit'. **Pots or packs**

Secondary

Secondary packaging is for grouping several 'sales units' for selling or shipping purposes. **Multipacks**

Shipment packaging

Similar to secondary packaging could be marketing trays

Transit packaging

Transit or tertiary packaging is used to group secondary packaging units together to protect them while being transported or handled. **This is likely to be danish trolley so transit packing would be trays, shrink wrap, labels perhaps POS**

Timeline

2023 – January – data recording needs to begin from 1st January (you could do this retrospectively, but it will be easier for you to ensure you have the right data recorded monthly as a minimum).

- 2024 – April – data reporting begins and first unmodulated fees paid.
- 2024 – October – recyclability assessments introduced.
- 2024 – December – nation-specific reporting for January to December 2023 (this will occur in June from 2025 onwards).
- 2025 – April – modulation of fees begin (PRN costs remain).
- 2026 – March – mandatory label of recyclability on packaging (except flexibles).

How much will EPR cost to businesses?

EPR will change the way that costs of compliance are spread throughout the supply chain. Under the current system, costs are shared throughout the supply chain, with percentage responsibility allocated to different points:

- 6% to manufacturers of packaging materials
- 9% to businesses that convert those raw materials into packaging
- 37% to businesses that pack fill that packaging (primary, secondary, and transit)
- 48% to businesses that sell that filled packaging to end users (primary, secondary, and tertiary packaging)

EPR will replace all of the above with a single point of compliance that levies 100% responsibility for a piece of packaging onto one business Most often this will be the pack filler, or the business that specifies the pack filling.

The biggest change in financials under EPR is the move to fund the full net costs of collection of household packaging as well. The costs of this are estimated at roughly £1.4 billion, so when spread amongst all the brand owners that produce household packaging, costs for these brand owners are likely to exceed 5 times the cost of their current compliance, but also, as the new single point of compliance they will now take 100% responsibility for their packaging, so real time costs might be as high as 13 to 15 times their PRN costs.

Coming Up

The BPOA 2023 conference will be held at the NFU conference centre, Stoneleigh

Wednesday 1st February 2023

Technical conference ticket prices:

Early bird in-person/virtual (offer ends 06.01.23) – £50+VAT

In-person/virtual – £60+VAT

Member discount code for the technical conference: use this code when you book on Eventbrite.

BPOA Poinsettia Conference

BRITISH
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Meet the first of our confirmed speakers:



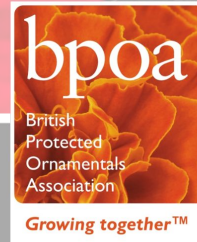
Neil Bragg, Bulrush Horticulture Ltd



Andrew Fuller, Bridge Farm Group

24 November 2022

Neame Lea Nursery Ltd



Primrose monitoring scheme



Horticulture

Scroll down to find information on all of AHDB Horticulture's levy-funded work, which includes research projects, guides, factsheets and tools across all crop sectors. Also access the most recent material on cross-sector work programmes including EAMUs and crop protection, GreatSoils, Strategic Centres, GrowSave and more.

Horticulture programmes



EAMUs

Plant protection products for minor uses in horticulture



GrowSave

Energy management in protected cropping



GREATsoils

Managing soil productivity



Westland factory visit 22nd November

An afternoon visit to the Westland compost factory at Ellesmere Port for our Grower members on 22nd November 2022 at 2PM.

Please note places are limited and are available on a first come first served basis.

This event is only available to **grower members**



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GROWING MEDIA RANGE**

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THE TRANSITION TOWARDS PEAT FREE.
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The advertisement features a central green banner with white text. On the left and right sides of the banner are images: a greenhouse filled with rows of small green plants on the left, and a hand holding a plant with a large, dark, peat-free growing media block on the right. Below the banner, three logos are displayed: 'westland' in a green leaf shape, 'OHAS' with a green checkmark, and 'Sinclair' in a green oval.

Arrive 2pm

Factory visit

Technical meeting

Peat free

Discussion on current production

How many growers are peat free already.

Have customers asked for peat free.

Have you passed on the increased cost to customers.

Overview of retail market, we are concerned the public may struggle with peat free.

Technical update

Peat alternatives current and potential

Retail ban. How will retail ban affect growers and the availability of peat free.

Nutrition of peat free compost

The microbiology of peat free is different and we may need time to understand how this affects growth, disease and nutrient levels.

Peat free structure, some growers have found problems with flowability and slumping after potting.

Watering peat free requires a different approach

Slow release fertilisers in peat free, rates & longevity.

Finishing with a meal provided & hosted by Westand