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Chair

Mr. Harold Albrecht

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• (1530)

[English]

The Chair (Mr. Harold Albrecht (Kitchener—Conestoga, CPC)): I would like to call to order meeting number 32 of the Standing Committee on Environment and Sustainable Development. This morning for the first hour we have a witness from Food and Consumer Products of Canada, Ms. Rachel Kagan, vice-president, environmental sustainability. Welcome, Ms. Kagan. We normally proceed with a ten-minute opening statement from you, followed by questions from our members.

Please go ahead.

Ms. Rachel Kagan (Vice-President, Environmental Sustainability, Food and Consumer Products of Canada): Good afternoon, and thank you for inviting Food and Consumer Products of Canada to appear before you today. We are pleased to be able to contribute to this important and timely study on the management of waste in Canada. While we know you are studying different areas, our remarks will mostly focus on waste diversion and extended producer responsibility, or EPR, as it relates to provincially mandated and legislated packaging stewardship programs.

FCPC and its members support waste diversion and producer responsibility that is based on the principles of fairness and shared responsibility, and that result in environmental benefit. I'll start by telling you a bit about FCPC, our industry, and our role in packaging EPR programs. FCPC is the largest national industry association in Canada representing companies that manufacture and distribute food and consumer products. Our industry operates 6,000 facilities in 170 federal ridings across the country, and we employ close to 300,000 people. What is EPR, and how does it impact food and consumer product manufacturers?

EPR, or stewardship as it's sometimes referred to, shifts the financial and/or the physical responsibility for recycling from municipalities to businesses, including FCPC members. In Canada these programs are regulated by provincial governments and often municipalities retain their role of providing recycling services as part of their overall waste management responsibilities. Food and consumer product manufacturers that supply packaging materials to consumers in provinces that have legislation—that would be British Columbia, Saskatchewan, Manitoba, Ontario, and Quebec—are obligated to be part of a program, submit reports containing the type and quantity of packaging materials they make, and pay fees that are used to pay the costs associated with municipal recycling programs. I should note that fees are paid for all designated packaging materials regardless of whether or not they're recycled.

FCPC's role is to help our members comply with stewardship obligations. We also develop policy positions and participate in government consultations where new legislation is being considered. Given our experience, we're pleased to be able to share some of our insights with you. Today I'd like to provide an overview of some of the challenges with the current approach to EPR, namely the lack of harmonization, the need for better data, the misconception that EPR fosters packaging design changes, and the need for a broader view of sustainability.

I'll also be offering some suggestions on how the federal government may be able to help resolve some of these issues, which we hope you'll consider as part of your study. I'll now just take a minute to talk about our current perspective on EPR. In practice EPR in Canada has mostly focused on shifting only costs of recycling programs, and not responsibility. To us responsibility means a role for businesses in the decision-making related to program operations. In most provinces that role and responsibility is held by municipalities only, but to businesses simply being regulated to fund a portion of municipal cost is not extended producer responsibility. It is FCPC's view that if businesses are to help fund these programs then they must have a role in decision-making. A starting point for industry is to forge a truly shared responsibility model that would see businesses having a role in the decision-making with municipalities about the collection, processing, and sale of materials, and overall program operations.

Now I'd like to talk about harmonization and the role of the Canadian Council of Ministers of the Environment. FCPC is concerned by both the current patchwork approach of EPR programs, and the CCME's continued push for what have become disjointed and rushed programs and regulations. We have disparate provincial and municipal approaches because decisions are made by province or by individual municipality. We believe that greater harmonization of how programs are regulated and managed, as well as a more national and coordinated approach to the decisions related to the collection, processing, and sale of recycled packaging materials, will lead to greater efficiencies and economies of scale, and ultimately to increased waste diversion and recycling.

How does CCME fit in? Provincial governments are likely feeling pressure to introduce EPR legislation because of the CCME. In an effort to create a harmonized approach the CCME developed their Canada-wide action plan on EPR in 2009, which calls for provinces to implement packaging EPR programs by 2015. Last November CCME conducted a consultation to ask if their plan had provided the impetus required for a harmonized approach. In FCPC's view, it had not.

• (1535)

We believe CCME's role is limited in this regard as they do not have the legislative authority to mandate governments to work toward achieving harmonization, which is evident in the patchwork approach that we have today. Other stakeholders who participated in the consultation agreed in a letter dated April 15 from the CCME to FCPC in response to our comments. It says, "A significant number of responses indicated that the [Action Plan] has not been successful in promoting harmonization of these programs and noted that some provinces closely follow [Action Plan] principles while others follow a different set of principles."

However, in August CCME published a report, which stated that:

.... jurisdictions have been successful in working towards the objectives of CAP-EPR, while working towards a harmonized approach to EPR through the coordination and implementation of policies and programs across the country.

Clearly, there is a bit of a disconnect, and while we support what CCME attempted to do, they were not successful. Since approving the action plan, programs have become more complex, more rushed, more expensive, and have left little time for what is working well and what is not. That said, at the recent CCME meeting in September, ministers agreed that governments will continue to implement EPR as agreed to under the action plan. It would appear that CCME is more interested in rushing to have provinces adopt an EPR regulatory approach in absence of a well-defined and informed approach of what EPR can and should look like in Canada.

FCPC does not believe that provincial governments should follow their recommended timelines for introducing the packaging programs. We believe, and we hope this committee would agree, that the CCME needs to slow down the rush toward this fragmented approach and take the time to assess how packaging EPR programs should operate before making any further decisions. We also believe those decisions must be supported by sound data, which I'll speak to next.

Based on our experience, there is much learning and FCPC has many recommendations for packaging EPR programs. A critical one is the need for better data. I know you have heard this before. When CCME was here in June, Michael said that, "lack of data is a real problem. It's a problem for governments; it's a problem for industry; it's a problem for all stakeholders". We certainly agree with him.

Peter Hargreave, from the Ontario Waste Management Association, who was here, also spoke to the need for data. He said:

Statistics Canada is currently the only source of broad-level information on the movement of waste materials....it does miss large portions of data, and it lacks detail that would allow businesses and policy-makers to make more informed decisions.

Again, we agree.

How can we develop effective policies unless they are based on facts? We need sound data, such as current waste generation and diversion statistics, information on collection and sorting capabilities and information on the state of the infrastructure that exists to process those materials in addition to information of where end markets exist to sell those materials once they have been processed. As municipalities have been the deliverers of these programs, it's very important that they share their historical program performance information and their cost data. This information is needed to develop effective programs when governments legislate these types of EPR models. We recommend this committee consider national and provincial data needs as part of its study.

Next I'll speak to design for environment, which is when businesses incorporate environmental considerations into the design of their products and packaging. Governments have linked EPR legislation to design for environment saying that EPR fosters packaging decisions, but we don't believe that's the case. A recent report from the European Commission said that there's no clear evidence of a strong positive impact of EPR in the eco-design of the products.

Furthermore, we believe that packaging design must be viewed through a broader sustainability lens. While recyclability is an important factor, it's one of several considerations. Others exist, such as water, energy and carbon. If possible, all these considerations must be considered as long as they are balanced within the context of the overall function of packaging, which is to preserve and protect the product and to provide consumers with important information about content.

It's also important to note that packaging is seldom designed for a provincial market. More often it is designed for a North American or global distribution system.

Due to the lack of harmonization among provincial packaging EPR programs, it is difficult for some companies to make informed decisions. It's not always clear which materials are compatible with which recycling facilities across municipal and provincial borders. EPR, as it stands today, does not wholly foster packaging design changes.

In closing, we believe environmental sustainability should naturally align with business productivity and competitiveness if the right conditions exist. While we agree with the desire to shift to a circular economy, as suggested by the National Zero Waste Council, which also appeared before you a few months ago, we question if that's possible and if those conditions do exist, given that the focus in Canada seems to be on shifting funding from municipally run recycling programs to industry, which, as we mentioned earlier, we don't believe is EPR.

● (1540)

I don't want to focus just on cost here but there are a few things wrong with the notion that EPR in Canada means only shifting costs. First, just because it's called producer responsibility does not mean that producers are the only ones responsible. Waste diversion and recycling are a shared responsibility. For them to achieve true, meaningful environmental benefit, everyone has a role to play: businesses, waste management companies, government, legislators, and consumers.

Second, for EPR to really be EPR we have to see more than just a financing arrangement. Businesses need to have decision-making powers when it comes to the oversight of these programs. We know there are opportunities to use resources more efficiently but we won't be able to get there if we continue to focus only on recycling. We need to step back and ensure we are working together with the same understanding, objectives, and knowledge base of how these programs can and should operate in the most harmonized and efficient way to achieve greater environmental benefit. It can't be overstated how important the consumer role is in the success of recycling programs. Ultimately, it is consumers who decide how to dispose of their recyclables. Programs will only be successful if residents are aware of and understand their role in sorting waste from recyclables. At the end of the day if we as a country want to manage waste more effectively we need to have a more coordinated approach, with government creating the conditions necessary to encourage the most efficient use of all resources across the entire supply chain.

Thank you.

The Chair: Thank you very much for that opening statement.

We'll move now to the opening round of seven minutes each.

We'll begin with Mr. Carrie.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

I found your opening remarks quite interesting.

I had the privilege of attending the CCME in Charlottetown. I was quite interested to see how they work. You mentioned the challenge with lack of harmonization. Even in the discussions there they were saying how some provinces are doing a very good job and in other provinces it's just horrible. I could see the challenges too with being provincial, or let's say a jurisdiction that is not federal. How can we help?

Do you have any insight regarding best practices? What have other jurisdictions done, whether in North America or around the world? What have you seen as best practices?

Ms. Rachel Kagan: That's a great question.

Everyone is a little different. North America doesn't have these types of legislated EPR programs. A lot of them are doing it the way we used to do it. As you know, whether or not there is a legislative program, you're getting recycling services. Local governments will always provide those services to their residents. It's just a matter of whether the government is going to legislate an EPR-type model. In the U.S. I think maybe one or two states have gone into EPR. I'm

talking now just about packaging, blue-box materials and not other products. The U.S. is not interested in having these mandated programs. They want to continue with the way it is now. In Europe I think 25 EU states have mandated EPR programs and as far as I know they have very similar issues. There's a lack of a coordinated approach and some of the programs are competitive. Some only have one group running the program, so there are pros and cons for both. We're certainly looking at other jurisdictions.

You asked specifically about best practices. It's really difficult to look at some of the better programs. Often people will say Belgium has a very good approach. We're looking at that closely and would be happy to share with you later. I think it depends on what kind of best practices you're looking for: municipal best practices, how they are sorting.... I think you'll talk to certain municipalities that have made a lot of investments and they have the Cadillac version of a recycling facility. You can go somewhere else, and it's the opposite. Business best practices would be closer to looking at how the packaging is made, and how the consumer uses it at the end of the day, considering all the different things that go into it. Some companies are excellent at that. There are a lot of different ways to answer it. It's not the clearest answer.

I'll just leave you with the thought that there's no one clear silver bullet here of the best model, and that is the difficulty.

● (1545)

Mr. Colin Carrie: Okay.

When looking at packaging and waste management, everybody talks about the four Rs: reduce, reuse, recycle, and recover. You talked a little about recycling.

Which methods do you see as the most effective in managing waste, or is it the combination of all of them? Should we be focusing on one or the other?

Ms. Rachel Kagan: At FCPC we tend to focus a lot on recycling because of these legislative programs. So it does force you to say, wait a minute, let's step back. As I mentioned in my remarks, I personally believe that focusing just on recycling, as these programs tend to do, takes away from other issues such as water usage and energy usage, which our members do look at when creating their packaging.

But unfortunately, the way of the world right now is that there are limited resources at companies in any way you work, and those resources are going to be forced to look at certain things. Where there are provincial governments that have these mandated programs, you're going to be forced to look at the recyclability of packaging and maybe that means you're not going to be looking at some of the other areas.

I think there is a reason it's a hierarchy. Reduction is the number one and we are seeing our members reduce the size of their packaging, though that's a whole other very complicated kettle of fish. There is a function to packaging, there are food safety requirements.

One of the issues—not to get off track—is that we're looking at food waste right now and what we're actually seeing sometimes is that companies change their packaging so that it's bigger. I've seen this with cheese, there is more of a zip-lock compartment to it now so it lasts longer, but they might have had to make that package bigger. There are trade-offs, so it's very complicated. But obviously reduction is the star. Recycling is very important and it's something we're looking at, but because of these disparate programs you want to step back and ask: wait a minute, can we do this in a more efficient way to make sure that everything is being recycled across Canada, and not just in certain provinces?

Mr. Colin Carrie: You mentioned stuff that perked my interest. You talked about water uses and energy uses.

I wonder which methods you most commonly see your member companies use, and what you can teach the committee sitting here today that would perhaps make us step back to look at this as a bigger picture. As I was saying earlier, everybody knows the four Rs but it looks as though you're actually taking a step back and saying, wait a minute—water uses, energy uses—we have to look at a few different things.

What lessons can you tell us that it might be wise for the committee to look at?

Ms. Rachel Kagan: A couple of years ago at FCPC, we surveyed our members. Again, the focus has always been recycling programs but we took a step back and we surveyed them on what they were doing to reduce carbon emissions and energy usage and water. Were they tracking, did they have goals in place?

The results were very telling. In a lot of areas they are monitoring and tracking and measuring, so they're aware, which is very important.

I think we need to ensure that everyone understands that everything is a resource. Packaging is a resource, and it's also a commodity at the end of the day. It is sold on the aftermarkets.

But water, energy, and carbon have costs and we have to make sure we're using those resources efficiently. We need to ensure that we understand how things are made; how they're used; what innovations are out there to reduce the reliance on those resources; what tools the government can offer businesses without being overly prescriptive. We also need to ensure there is an awareness that these are resources we have to manage accordingly and in a balanced way; and what kind of incentives can be offered to make sure companies are using them in the most efficient way that the business case—

The Chair: We'll have to cut you off there and we'll move to the next questioner.

Mr. Bevington.

Mr. Dennis Bevington (Northwest Territories, NDP): Thank you for your presentation. It reminds me that in the mid-nineties I used to be on the Federation of Canadian Municipalities' board of directors and we tried to get a packaging protocol developed at that time and it was very difficult. There are many factors that come into that.

I come from a rural and remote region of Canada and there recycling has to be looked at with a bit of a jaundiced eye because of

course sometimes the energy costs in recycling are greater than the cost of producing a new package. I'm a little concerned about this idea of uniform standards across the country when our country is not uniform. There are many smaller remote communities that, if forced into a pattern of behaviour that's not correct, won't reduce greenhouse gas emissions, and won't do the job that Toronto may well do.

How can we be sure that those communities are well served by any uniform regulation across the country?

• (1550)

Ms. Rachel Kagan: Again, that's a really good point. I think we do need to consider geography and that each province is different. You can understand each province having their own "made in their province" solution or program. I guess where we are coming from is that each province, each government, is defining extended producer responsibility in a slightly different way. Businesses operating across all provincial borders are dealing with different sets of rules, a patchwork set of legislation, when they are all trying to achieve the same thing, increasing waste diversion.

I think there are opportunities. I don't know if it's a standard or something uniform but I think the conversation needs to get there. How we can step back to ensure that governments are working toward the same objective but not in this completely different way? If in Manitoba one item is recyclable but next door in Ontario it's not, is there a way they can work together better? Maybe that's an opportunity.

I certainly hear what you are saying. I think special considerations need to be given to remote and northern communities. We've just seen a program roll out in British Columbia. You can imagine, with the ocean and the mountains, it's very different there. You have to make sure those programs are able to be operated effectively and consumers have access to them.

What can we do to make sure that the definitions are the same, to make sure that programs can operate across borders and provinces, to share best practices and information? I think that's where we're coming from.

Mr. Dennis Bevington: You know of the four Rs, "reduce" is one that does work in isolated, remote communities. Right now I know the Government of the Northwest Territories has instituted a 25¢ charge for any plastic bag in a store. That's pretty well taken out the plastic bags, which is a dead-end street: plastic bag in, plastic bag out. There is no economics in it to do that anyhow. There's been a fairly large behaviour modification with that kind of pricing.

I suppose in some ways the packagers are not that interested in reducing. Do we have some resistance in the manufacturing sector about reducing packaging? Is there an issue with that where if we're reducing we're taking out the volume of goods provided by packagers?

Ms. Rachel Kagan: You hit on two things there. The plastic bag is a good example of how important the consumers' role is. You saw a tremendous consumer behaviour change in terms of their being incentivized to not take a plastic bag.

To your question specifically about resistance to reducing packaging. I don't think there is resistance. I do know that we have seen changes in packaging over the years. Manufacturers have worked quite hard to reduce package size, change the way packages are formulated so you don't have an extra liner bag where you don't need it, making sure you are still complying with different regulations. While we represent consumer product manufacturers, the majority of our members are food manufacturers. There are federal laws with regard to ingredients and nutrition facts tables, so sometimes that size has to stay.

We are seeing a lot of examples of them reducing packaging. In terms of extended producer responsibility often there has been a link made: if you do have legislated programs you are going to incent yourself to reduce your packaging. We haven't seen that happen. It's very difficult to do that if some provinces are recycling some materials and some aren't. How do you make a packaging decision if you want to make it smaller or lighter, but there is inconsistent information depending where it is collected, processed, and recycled in Canada?

• (1555)

Mr. Dennis Bevington: When it comes to that process of consumer identification, another program was instituted: an environmental tax is put on every can and bottle. Once again the consumer is paying for convenience. Is that an approach that should be taken up more across the country so we encourage people to move to goods that don't require as much packaging?

Ms. Rachel Kagan: Are you talking about the bottle deposit return program that exists in some of the provinces?

Mr. Dennis Bevington: In the Northwest Territories, bottles, cans, and all containers have an environmental tax now because that's the way they've chosen to reduce and to incentivize the return of these products out of the waste stream.

Ms. Rachel Kagan: To be honest with you, I'm not that familiar with the beverage side of things, especially the tax and the bottle deposit return system. There's another association, the Canadian Beverage Association, that is more knowledgeable in that area. I'd be happy to follow up with you after about—

Mr. Dennis Bevington: This is not simply beverages, it's every product that's in a container.

Ms. Rachel Kagan: I didn't know that.

The Chair: Maybe we can follow up on that later.

Mr. Sopuck, for seven minutes, please.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Thank you.

I want to follow up on Mr. Bevington's point, which I thought was an excellent one. He talked about the high energy costs and the difficulties in remote and rural communities. In terms of costs of recycling, the really simple question is do we recycle at any cost?

Ms. Rachel Kagan: I'm not sure if I'm the best person to answer because there are other recyclers out there who will have more data than I would on that particular issue. As a general rule of thumb for packaging recycling in metropolitan areas where you're seeing the sale of material, it's cheaper to recycle that material rather than to create virgin material, so there is an economic case there.

Now, are there diminishing returns? Right now in Ontario, we're recycling about 64% of blue box materials, but if we got to 80% or 90%, I would think that maybe there could be diminishing returns, but I'm not quite sure.

It is a good question, and I take your point.

Mr. Robert Sopuck: Does the recent decline in commodity prices make recycling programs more uneconomical?

Ms. Rachel Kagan: The recent decline in commodity markets definitely negatively impacts the recycling programs. Businesses pay fees to fund these programs. They are developed based on the cost of how to recycle the material, the cost of collection and processing, and then they're offset by the commodities.

It's kind of complicated, but there is usually a two-year period, so there's an offsetting period. You'll remember the crash of 2008. There was a huge dip in commodities. The fees associated with the blue box program in 2010 went right up. You're not going to see an immediate impact, but, yes.

Mr. Robert Sopuck: I want to focus on the environmental benefits of recycling. I want to start with an example. If there's a coal-fired plant that emitted sulphur dioxide and the laws were changed so they had to put scrubbers in, sulphur dioxides were removed, then acid rain declines, air quality improves, and that's a clear environmental result of that action.

What is the clear environmental result, in a quantitative fashion, of all of the recycling programs that have been going on for the last 20-odd years?

Ms. Rachel Kagan: The clear environmental result, just to start on the qualitative, would be not having to use virgin materials, not having to go back to the earth's resources whether it's oil for plastic, things like that, and just using recycled materials over and over again in making new materials.

In terms of quantitative, I'd have to take a look at the historical performance of recycling programs across Canada and get back to you. I don't have a clear number for you. This does speak to the need for better data because we're not able to provide what is Canada's performance in recycling. The numbers that exist now are not complete, and it does depend. The blue box in Ontario is just for blue box materials. It's not for total recycling. In Ontario we recycle tires and electronics. Many other provinces also have many of those programs. We'd have to quantify all that and get back to you.

• (1600)

Mr. Robert Sopuck: Your answer implies that all resource extraction and development is at an environmental cost. I strongly dispute that, and I think we can quantify that. For example, in pulp and paper mills there are often de-inking plants to recover used paper, and those de-inking plants, as you know, use some pretty noxious chemicals. We have to be very careful when we work out what's an environmental benefit and what isn't.

Many of your members compete with each other. One of the ways that they sell their products and compete with their competitors is through perhaps attractive packaging or different marketing programs and so on. How do you overcome the competitive pressures between your members, who may all have the same goals for waste reduction but are competing with each other for increased sales?

Ms. Rachel Kagan: Maybe five, six, or seven years ago there was more competition in this regard. But I think there was a shift in thought several years ago, starting with a couple of the leading retailers and manufacturers that recognized environmental sustainability wasn't something to have a competitive advantage on; rather it was something to share with each other.

Some very large retailers were sharing everything they were doing with water, energy, and recycling very openly with each other. Quite a few large manufacturers were also doing the same thing. We're seeing that more and more. I don't believe they view it as a competitive advantage, because environmental sustainability shouldn't be a competitive advantage. We all need to do our part, quite honestly.

Mr. Robert Sopuck: Getting back to the idea of the environmental benefit, one of the things that advocates of recycling, of waste diversion programs, talk about is the use of land for landfills. Do you have any notion of the extent of the landfills in Canada in terms of square kilometres or hectares, and of the trends in landfill expansion and use over the next few decades?

Ms. Rachel Kagan: Unfortunately, I don't have that information, but I can try to get it and follow up with the committee later.

Mr. Robert Sopuck: Thank you very much.

The Chair: You have another minute, if you want.

Mr. Robert Sopuck: I've pretty well used up all my questions.

The Chair: Mr. Toet.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): I would like to pick up on Mr. Sopuck's questioning. You talked about the fact that environmental sustainability should not be a competitive advantage. I was very intrigued by that statement.

I understand the fact of sharing of best practices. But I think what Mr. Sopuck was getting at was that you have competitors in bringing a product to market. They're trying to not only look at environmental sustainability but also look at how to make their product on the shelf, compared with their competitor's product, be the one the consumer wants to pick up. That will be part of the role in this whole... especially in reducing packaging. Is real sharing happening among your membership, even in those kinds of ways?

Ms. Rachel Kagan: Yes. At FCPC we have a lot of member committees where we join together and share information, but nothing in terms of competitive information or anything like that. There is transparency in what members are doing to change their packaging, to reduce it. There have been some good examples from certain manufacturers that invited other manufacturers to join them in their use of plant-based material packaging.

The Chair: We'll come back to Mr. Toet in another round. We'll now have to move on to Mr. McKay, to keep things relatively non-competitive and equitable.

Mr. McKay.

Hon. John McKay (Scarborough—Guildwood, Lib.): I thought Mr. Sopuck was going to share his extra time with me, but apparently—

Mr. Robert Sopuck: I was going to.

Hon. John McKay: In a strange sort of way, Mr. Sopuck and I are interested in the same question. For me, maybe it will be easier to do it as an example. Is Apple a member of your organization?

Ms. Rachel Kagan: No, Apple is not. I believe it's a member of Electronics Product Stewardship Canada.

Our members are only food and consumer product companies, companies such as Heinz, Frito-Lay, Unilever, and Pepsi.

•(1605)

Hon. John McKay: I thought Apple produced consumer products.

Ms. Rachel Kagan: Consumer products would be things like shampoo, soap, and toothpaste. Apple is electronics.

Hon. John McKay: The reason I ask is that the Ontario government has been on a campaign—rightly so, in my judgment—about distracted driving, so I bought some earbuds. These are stunning. They're gorgeous earbuds. The packaging is fabulous. It's an art form. And it's entirely consistent with Steve Jobs's view of consumer consumption, which is that the consumer has to pick it up and say “wow” and want to feel it and identify with it rather than it being simply a piece of technology.

I was shocked at how much absolute waste, junk, was associated with a pair of earbuds. Until somebody solves that, all we're going to do is sit around, wring our hands, and say it's a really bad thing to do.

I'd like to know what you or your organization, or any other organization, is going to do to get after Apple? They are, in some respects, the extreme example of utterly wasteful packaging for what, I would say, is a relatively good product.

Ms. Rachel Kagan: That's a fair point. Certainly in conversations with family and friends the topics of packaging and wasteful packaging comes up a lot. Obviously, it does with you too.

I would encourage you to somehow share your thoughts directly with Apple. I know they have an environmental team—

Hon. John McKay: Steve Jobs will sit up from his grave and say, “I got a letter from John McKay”.

The second question—and maybe you've already answered it—had to do with pharmaceutical products. Do any of your members deal with pharmaceutical packaging?

Ms. Rachel Kagan: Again, there's another industry association for pharmaceutical products. We do have a few members who sell one or two. Again, the issues would be common across the board in terms of balancing, complying with the various packaging recycling programs in Canada, but also looking more broadly at packaging as a whole so it does take a balanced approach. What we're trying to say is that recyclability shouldn't be the be-all and end-all.

Hon. John McKay: I have no idea why it's a balanced approach to buy a container that's this big for content that's this big. How is that balanced? The rest is stuffed with cotton-ball stuff. How is that balanced?

Ms. Rachel Kagan: When I said balanced I meant that in terms of our members who are looking to make changes to their packaging. Often they're going to be looking across the board and asking what materials are recyclable across all of Canada. They'll ask us that, and we're not able to provide a straightforward answer because this province accepts this, this one doesn't; this municipality accepts this material and this one doesn't. I just meant balancing the need for recyclable materials with the other considerations as well.

As for pharmaceutical products, again it's a good question. I can't speak on their behalf. I would imagine that a lot of it has to do with the information that's outside on the package and inside as well for directions for use and things like that.

Hon. John McKay: You'll excuse my skepticism on that.

The final thing, with respect to what is in your area—food—I think I heard a CBC story recently that said that 40% of our food products one way or another end up in recycling. Is that true?

Ms. Rachel Kagan: Forty per cent of—

Hon. John McKay: From, if you will, the farmer's gate to post-table, after cleaning up the dishes.

Ms. Rachel Kagan: I think it was this: there's been a recent study on food waste and where food waste happens along the entire supply chain, from farmers to consumers.

Hon. John McKay: Yes, that's what I mean.

• (1610)

Ms. Rachel Kagan: The study found that consumers waste at home about 40% to 50% of what they buy. I think a lot of it is produce, but there is food waste that occurs. Right now we're studying food waste where it lies on our value chain, which is just the food manufacturing process. Where does that happen? Is it technical, start-ups and shutdowns? We're just doing some work on that right now.

Food waste happens along the entire supply chain. The biggest part of it is the consumer, but there are other parts, retailers, food manufacturers, so we're assessing that and looking at what we can do to have some influence to try to lower that number. A big part of that is I think there's a good opportunity to help change consumer behaviour: buy what you need, cook up leftovers, proper storage techniques, things like that.

Hon. John McKay: Yes, maybe not buying so much in the first place.

Ms. Rachel Kagan: Absolutely. For sure.

Hon. John McKay: Clearly there's been a movement on the part of food “manufacturers” to ship product in packaging that won't damage it, particularly fruits, and a lot of breeding of plant material so that it lasts longer and tastes less. The other end of the chain doesn't actually seem to have been dealt with, which is from when you buy it to when it's ultimately disposed of. I don't know that an organization like yours can actually impact that. Maybe you can, maybe you can't.

The Chair: You probably answered your own question because your time is up.

We'll move now to Ms. Mathyssen for five minutes, please.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Thank you very much, Mr. Chair, and thank you, Ms. Kagan, for all the information you have brought to the committee.

I want to continue on the notion of packaging and waste. I know there are many different types of plastic. When I go into a store I see a lot of different types.

I understand your remarks with regard to that zip-lock bag that's going to preserve the cheese or whatever, longer, but there are also incredible amounts of packaging used in the big box stores. I don't know if it's because big box stores demand efficiency. They want to have products shipped effectively and display them and make sure they are protected or attractive for the consumer.

I'm coming back to all these plastics and wondering if you look at the different types of plastics because I know some are very difficult to deal with. Some are next to impossible to recycle. From my experience very often these types of plastics end up in energy from waste and produce frightening levels of dioxin.

I know people keep talking about scrubbers and all that sort of thing, but the reality is when these more dangerous types of plastics are incinerated they are reduced to ash that is about one third of the original, which is a lot, and they have to be disposed of as toxic waste.

Does your organization look at, recommend, discuss with manufacturers, with your clients, these different kinds of plastics, and what to avoid and how to do a better job of keeping these quite dangerous plastic products out of the chain?

Ms. Rachel Kagan: I'm not that familiar with all the different types of plastics. I do know there are hundreds if not thousands. We get involved when a member asks us a specific question of whether or not this type of plastic is recycled and recyclable in all the provinces. I'm familiar with some of the more common plastics. I'm not familiar with any of the toxic sides. We don't work on anything to do with incineration or anything like that.

There is a plastics industry association, and I'd be happy to try to get some information from them on those specific questions. Where we can provide our members with guidance that's verified by another organization we'll provide that, but this does speak to a lack of guidance that manufacturers and those that make packaging decisions can rely on. What is the appropriate packaging to use, not just in what's recycled but other considerations as well?

• (1615)

Ms. Irene Mathysen: Thank you. You have talked a great deal about recycling, and I understand there's a great divergence even from municipality to municipality because some of the smaller municipalities just don't have the expertise. They are local people, and they are trying to manage a corporate entity that has a lot of bits and pieces to it.

Has recovery been discussed? For many years we've heard about the recovery of products so as you say you don't have to keep going back to virgin material. What kind of progress are we making in recovery?

Ms. Rachel Kagan: Again it's province by province. Off the top of my head, because I'm familiar with the Ontario blue box program, I know last year's diversion rates showed the amount of materials that were recovered and recycled into new materials was 64% of what was in the blue box.

I think Manitoba is around the same. Quebec is probably about the same as well. But there are also different definitions of what's recovery and what's allowed to be recovery.

You mentioned EFW, energy from waste or incineration. Some provinces, mainly out west—I think Alberta has some really good facilities—count that as part of their recovery, and that would probably increase their numbers. Ontario doesn't count that. Again there's a little inconsistency, and each province certainly is entitled to its opinion, but why one province and not another?

The Chair: Thank you very much.

We'll move now to Mr. Toet for five minutes.

Mr. Lawrence Toet: I think we're all going down the same path, but I do want to continue on with the packaging aspect of things. My sense is that's where industry has the best opportunity. You talk about the regulations on recycling, and the differences from jurisdiction to jurisdiction, as some of the challenges you face. I think what industry does have in its own hands today is the packaging aspect and the ability to package in the most environmentally friendly way. Nobody's telling them today, other than with food products, the type of boxing needed in order to protect that food from contamination, etc. Nobody's telling them what size of box they have to put it in, or what size the product has to be.

Mr. McKay used the example of Apple, but you talk about cereals. I've had the example of cereals where you buy the double-sized box and there are actually two boxes inside the box, rather than just the actual sleeve. I think that's where the industry and your association have the ability to really influence their membership. Is there a plan on the part of your industry to work with your membership on things such as that, to really look at how we can get away from the recycling aspect, which is a little bit out of our control? I'm not suggesting ignoring the recycling aspect completely.

At the front end, which we really can control, are there plans to bring this forward to your membership?

Ms. Rachel Kagan: It is something that we've been looking at. Right now we're looking at the different members and good examples they've done to reduce packaging or make changes that result in environmental benefit, and trying to collate that to get some

best practices together. We certainly will take your point back to our members and work on that more.

Mr. Lawrence Toet: I have another example. My wife went with my daughter to buy a camera. They came back with a camera in an inside box that was maybe four or five inches across and about two inches deep. The exterior box that it was in was about 14 inches by six inches by six inches.

My background is in the print industry. Every time I see a food product or a consumer product like over-the-counter pharmaceuticals, I'm always astounded because I know what they're paying for that packaging compared to what they could be paying. The earbuds are one thing where you have a higher-costing product, but when I see \$3 or \$4 products, and I see that they've probably spent an additional 30¢, 40¢, or 50¢ on their packaging, it always astounds me.

Are there discussions in your group regarding the ability to bring down those costs in a way that still allows them to display their product? It comes back to that question I had earlier on the competitive aspect of it. I still think that plays a large role in why they package the way they package. They're looking for that package to be bigger because it looks like they've got something more substantial. How do you address that now among your competitive businesses so that they would come forward on a common front?

• (1620)

Ms. Rachel Kagan: I think we need to step back and have a full understanding of the different decisions that go into it. Obviously, we've talked a lot about marketing to consumers, so marketing goes into it. That's an important consideration. In terms of transportation, I would expect, especially with some of those electronic items that are maybe a little more fragile, they have to be protected when they're on the truck, bouncing along. I would imagine there are some logistical reasons covering the business operations of all the different areas.

I think for the food products we need to go back to our members to make sure we have the full picture. A lot of the work that we do has been focused on recycling. We need to understand, obviously, the entire business operations to be able to have that influence. We're seeing it individually. We are seeing good examples of where packaging is optimized, where it's reduced, but I think you're speaking to a couple of other areas that I can't speak to right now because I don't have that fulsome understanding of how those marketing or logistical decisions are being made.

The Chair: We have about 20 seconds left, but I let you go over last time, so I'm going to cut you off.

Ms. Freeman for five minutes, please.

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): In my riding there's a packaging plant called Emballages Lacroix. It's in St-Placide. They make packaging for hummus and yogourt and cheeses, really familiar packaging. I'm super-proud of the number of jobs it creates in a very rural part of the riding. It's good to have a plant somewhere that's very, very rural and creates jobs where otherwise people wouldn't really be able to find work. The amount of plastic that comes out of there in a day is really shocking. I talked to them and went through the plant, and took in the plastic that was being made new. They said they can't use recyclable materials. That's maybe because they ship across North America, so they ship into the States, too. They can't use recyclable materials for yogourt; they have to use new material. They use recyclable materials for non-food products. They came up with recyclable materials because they were very conscious of the fact that there was a lot of new plastic.

What should the federal government be doing to try and create standardization not just across Canada, but also with the United States? A lot of our out-shipping market is with the States. What can we do to make sure that the reducing and using recyclable materials in food packaging happens? How do we make it so that they can use some recyclable materials? If you can't do that, and they've reduced as much as possible, what can we do to encourage recycling afterwards?

Ms. Rachel Kagan: I guess there's a couple of opportunities to look at. To encourage recycling one would encourage a change in consumer behaviour, ensuring that they are doing their job at home and source-separating. If we're recycling 60% of the blue box materials, well, what's happening to the other 40%? We're throwing it out? Why? Are we not aware? Do we not have access to a blue box? Which doesn't seem right, since 95% of Ontarians have access to it.

I think the federal government would have a good role to play in delivering a uniform message across the country to recycle where recycling is available.

Now the challenge, of course, is there are different materials and different programs. I'm not sure what the outcome of the committee's study will be. I don't think you know either. Clearly, there is a need for better baseline data for understanding what's being recycled, what's not, and how is it not. Working from the same song sheet and sharing that with the provinces is a good starting point to then have possible discussions about standards or things like that.

I think stepping back first is important. I wouldn't be able to give a definitive answer, but I think the feds have a good opportunity to really get more robust data to make these decisions and have these conversations.

• (1625)

Ms. Mylène Freeman: I was thinking a lot about number 6 plastic, which is not recyclable where I live. I think it's generally not recyclable. It seems like everything is number 6, and a lot of people don't know that number 6 is not recyclable in a lot of places. Do we need more information to get to consumers? I think you already addressed that. Why do those who are packaging love number 6 so much if it's not recyclable? What's the difference? How can we make it recyclable or how can we use recyclable plastics instead?

Ms. Rachel Kagan: I think there are a few issues there. First of all, as a consumer, a residential homeowner, when I'm at home and I have something plastic, typically, I, along with most people, don't turn it over to look at the number. I'll just put it in the blue box. There's a lack of an understanding and awareness there.

I think, again, it would be helpful, not to belabour the data point, to know how much of that is out there. How big a problem is it? If there is a huge move to be using number 6, then, are there opportunities to develop the infrastructure needed to recycle it or do we have a push to get it out of there and try to promote a different type of material?

The Chair: Thank you very much.

We were a bit late starting.

I'm going to go to Mr. Woodworth for about three minutes and that will be the end of our questions.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

Thank you, Ms. Kagan.

I'm not going to have time to ask you all that I would like but I'll introduce the question and see if I can get you to do some homework for me.

I'm concerned, particularly on the question of packaging, that we do not reinvent the wheel. I'm aware that in October 2009, the Canadian Council of Ministers of the Environment issued a document titled "A Canada-wide Strategy for Sustainable Packaging".

First of all, are you familiar with that document?

Ms. Rachel Kagan: I am. I participated in the consultations as well.

Mr. Stephen Woodworth: That's very good.

In that document there were, in particular, nine supporting measures to begin work on this Canada-wide strategy. They include many of the things that you've expressed concern about today including, for example, the adoption of Canada-wide sustainability indicators and metrics. In other words, the issue of data. As well, there was a suggestion of a Canada-wide standard and certification program for compostable packaging and the establishment of an industry-government working group to provide a forum for greater dialogue. This was something else that came through to me in your comments.

I wonder if you could look at that October 2009 "Canada-wide Strategy for Sustainable Packaging", and in particular, those nine supporting measures, and tell me if you know the status of the implementation of those measures, what you perceive has been accomplished on each of those nine measures, and also tell me the degree to which your agency has been involved in the accomplishment of those nine measures?

That may be too much homework to ask of you but I know it would be very helpful for me, and I suspect for our committee, if we were to have a kind of report card from your perspective of those nine supporting measures when it comes to packaging. I suspect I don't have time to do more than ask you for that homework unless you are able to briefly comment in a general way and then give me the specifics later.

Is there anything you could say generally about that?

• (1630)

Ms. Rachel Kagan: Very generally, I share the same question as to the status of the implementation. Again, I know it's to provide guidance to individual provinces that are then going to do their own thing or not. That was the last I remember hearing of it. I know that the industry-government task group was struck for a really specific issue, and we were part of that. As for the other items, including a

composting standard, I think there's a voluntary standard but I don't know if there's a nationally—

Mr. Stephen Woodworth: If you have an easy way to get some specifics and report that back to us I would certainly be grateful. I think our committee would generally be grateful.

Thank you very much.

Ms. Rachel Kagan: I'll do that.

The Chair: Thank you.

Thank you, Ms. Kagan, for being with us today.

Committee members, we're going to declare a three-minute recess while we reconvene for our in camera session.

The meeting is suspended.

[Proceedings continue in camera]

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