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Position paper

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EDA position on the new EU Circular Economy Action Plan

- **Coherence and consistency** with other key EU policy initiatives and between the various measures within the CEAP.
- **Safety and quality** constitute a non-negotiable baseline.
- **Designing sustainable products:** it needs to assure safety and quality, and address logistics, recyclability, and many other criteria.
- **Empowering consumers – green claims:** a harmonised voluntary system needs to have clear framework and should be only applied where feasible and relevant.
- **Circularity in production systems:** the European dairy sector has significantly reduced its greenhouse gas emissions and strive for further reduction also by enhancing the carbon sequestration of natural carbon sinks.
- **Packaging and packaging waste:** the dairy industry strives to further streamline the environmental impact of its packaging and to find improved solutions for collection and recycling; need for high quality and safety of recovered materials; costs-sharing under EPR should be well defined and proportionate.
- **Biodiversity:** the sector significantly contributes in halting and reversing land degradation.
- **Food waste reduction:** preventing and measuring food wastage are part of the sustainability strategies of many dairy companies.
- **Water reuse:** dairy can improve its sustainability through the reutilisation of water in the dairy process, without compromising on food safety.
- **End-of-waste criteria:** wish for more options for ABPs (always keeping food safety at its highest), esp. where legal barriers exist.

General considerations

The European Dairy Association (EDA) welcomes the publication of the new EU Circular Economy Action Plan (CEAP) and is ready to further contribute to a cleaner and more competitive Europe.

Dairy is a role model for circularity at production and processing level. EDA has long taken the path towards a more circular economy, and its members have been engaged for years in improving the overall sustainability and resource efficiency of the dairy sector. We are active in a wide field of topics to continuously improve our circular performance and we work with other sectors on issues such as packaging and recycling, as well as on by-products valorisation and water re-use. The coming years will see us increasingly committed to contribute achieving the objectives of the new CEAP thanks to our efforts and constructive approach, while continuing to provide nutritious, safe, and affordable products to the European and world citizens.



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The implementation of the Circular Economy Action Plan should be made in coherence and consistency with other key EU policy initiatives, particularly with the other parts of the European Green Deal, such as the Climate Law and the future Farm to Fork (F2F) and biodiversity strategies. Similarly, the Commission should ensure coherence and consistency between the various measures within the CEAP.

We ask the EU institutions to build a coherent and consistent framework for actions, to alleviate avoidable legal burden, protect the functioning of our European Single Market, and to build a better society built on strong scientific evidence and encompassing the necessary indicators for change.

A sustainable product policy framework

Designing sustainable products

We firmly believe that research, investment, and innovation in circular economy solutions play a vital role, which would need to be favoured by the legislative framework in place. A framework facilitating investments in new and cutting-edge solutions would have a positive impact on the overall environmental footprint of products and would support the dairy industry's overarching goal of fostering sustainable production while ensuring the protection of our consumer's safety. Therefore, we consider as key that the legislative framework do not discourage investments that further safeguard environmental resources.

For example, on the design of dairy packaging, the plan must assure safety and quality as a non-negotiable baseline, before addressing logistics, recyclability and other criteria (see also our Dairy pilot on Product Environmental Footprint, as well as the specific considerations on dairy in the revision of the BREF documents). According to a recent European study¹, if plastic were to be replaced by other materials, in its principal applications, the weight of packaging would increase almost fourfold; there would be a 60% increase in the volume of waste produced and a 57 % increase in lifecycle energy consumption.

Empowering consumers – green claims

To enable meaningful consumer choice, any type of information provided (environmental/ nutrition/ origin/ GMO/ other) needs to reflect the complexity of the food product and its production chain/process. Valuable consumer information needs to enable consumers to easily make responsible and confident decisions. This means that information needs to be understandable to informed consumers and unequivocal from a scientific perspective, as well as coherent with the overarching goal. Whilst environmental information triggers consumer interest, it is not the main driver for purchasing decisions. In order to ensure the credibility of green claims, a harmonised voluntary system needs to have clear framework, and should be only applied where feasible and relevant.

The Dairy Product Environmental Footprint (PEF), as adopted by the EU Commission, Member States and NGOs, is a fundamental tool for driving environmentally sustainable practices in the dairy sector and allowing to quantify the improvements. Jointly with other measures – e.g. nutritional content and consumer information - it is a helpful tool to describe all benefits of food and the effort of producing high quality food. It would be useful to make it the baseline for any relevant green claim in the EU, for communication to citizens and consumers.

¹ European Commission, press release, 16 January 2018, in EESC opinion on the Plastic Strategy (NAT/721)



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Circularity in production systems

Circularity is a vital step towards allowing further resource efficiency and reducing the environmental footprint of our industry. Furthermore, it presents an opportunity to improve the efficiency of production and therefore reduce costs. But of course, all of this must be done in continued assurance of food safety and quality.

Reduction of emissions

The European dairy sector has significantly reduced its greenhouse gas emissions over the past decades. The carbon footprint per produced unit of milk in Europe is already among the lowest in the world and the sector is fully committed to further decrease its carbon intensity and contribute to the achievement of the EU GHG emissions reduction goals. European dairies are frontrunners at global level when it comes to climate action and many dairy industries have already signed up for the commitment of carbon neutral dairy chain by 2050 or even 2035. We are also committed to contribute to achieving the 2030 revised emission goals and we hope that the effort will be adequately shared amongst sectors and put in relation to the services provided. Within the sector, actions aimed at reducing emissions include among others enhancing the carbon sequestration of natural carbon sinks (like pastureland) and increasing the use of electricity from renewable sources are of utmost importance for meeting climate goals. On the latter, the scaling up of biogas using farm waste has the potential to contribute to the EU's renewable energy mix and providing additional environmental benefits. Future policies should create the right conditions to incentive investment and make this source of energy commercially viable across multiple markets.

Revision of Industrial Emissions Directive

EDA welcomes the European Commission revision of the Industrial Emissions Directive. We believe it is of utmost importance to increase the EU environmental commitments, without at the same time undermining food safety and quality. With regards to potential enlargement of the scope of the Directive, we believe that the relevant stakeholders and sectors should be adequately consulted, and assessments should be performed on the impacts of such possible future extensions. Moreover, the dairy industry is already part of the scope of the Directive, which requires the Best Available Techniques (BAT) Reference Document for the Food, Drink and Milk Industries.

Packaging and packaging waste

With regards to packaging, including plastic packaging, the dairy industry is involved in many initiatives to further minimise the environmental impact of its packaging and strives to also find improved solutions for collection and recycling. Most dairy companies have targets on reusability, recyclability, composability, as well as recycled content, sorting and collection, design and carbon footprint of packaging, such as aiming at packaging 100% reusable, recyclable or compostable, significantly reducing the carbon footprint of packaging, increasing the share of recycled content in our packaging where food safety and regulation permits, cooperating with municipalities and other external stakeholders to improve recycling systems and avoid littering, working with suppliers and engaging in research to find new more sustainable materials and improve the design of dairy packaging.

Packaging reduction

We recognise the need of reducing packaging and increase recycling, as long as food hygiene and safety is not compromised. Many dairy products require specific handling at production, in transportation and in the consumer's



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home. This can only be achieved with the adequate packaging that safeguards the products from external influences and remains as light and practicable as possible.

We would also highlight that it may be more challenging to further reduce packaging volumes in the dairy sector than in other sectors. Other types of products may indeed have bigger packaging in relation to the size/volume of the item sold. Dairy products instead do not have so much margin for reduction, as any further reductions or light weighting in packaging would compromise food safety and increase food waste. Besides, in some cases packaging reduction cannot coexist with food waste reduction, e.g. by providing individually portioned packs that are important to help consumers having a healthy and balanced diet as well as cut down food waste in households.

Ultimately, we would suggest applying a life-cycle approach (see also our Dairy pilot on Product Environmental Footprint), to assess on a case-by-case basis whether substituting totally or partly some packaging materials would result in an overall better environmental performance through the full life-cycle of the product.

We support the Commission's plan to conduct a feasibility study of an EU-wide labelling system that can facilitate the correct separation of packaging waste at source as this will be a pre-condition to improve the recycling infrastructure on the internal market.

EDA also welcomes the Commission's effort to review the Essential Requirements in the Packaging and Packaging Waste Directive, with a focus on ensuring a European framework for investments in new and cutting-edge packaging solutions, supporting the reducing packaging waste and enhancing the sustainability of packaging in an economically viable manner.

Recycled content

The dairy sector is fully committed to increase the recycled content in the packaging of dairy products, as long as it is abiding by all the safety requirements under EU legislation. For example, some dairy companies answered to the EU Commission's call to stakeholders to come forward with voluntary pledges on recycled content.

The dairy industry is by nature very different from other non-food and drink industrial sectors, as the dairy producers have an extensive set of rules to comply with, namely the Hygiene Regulation (EC) No. 852/2004, the Food Contact Material regulation 1935/2004 and the General Food Law Regulation (EC) No. 178/2002. The dairy sector has less potential for change in this respect as food safety is always the highest priority. As laid down in EU legislation, packaging materials that are in contact with food and drinks have to meet very strict requirements, and some are not suitable to enter into contact with food. Many materials are difficult to recycle with today's existing technology and infrastructure, and even less meet the necessary quality and food safety requirements for food and drink applications.

We reiterate the need for high quality and safety of recovered materials, as a prerequisite for increasing recycled content in packaging, and thus we call upon the EU Commission to speed up the development of quality standards for recycled materials and assess which can be safely used in contact with food, also in collaboration with the European Chemical Agency and the European Food Safety Authority. In this context, we call on the Commission to swiftly adopt measures that can increase the supply of chemically recycled plastics meeting food contact material standards on the European market.



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Food, water and nutrients

Biodiversity

The dairy sector plays a vital role at protecting biodiversity across the EU, managing the land and allowing biodiversity to prosper. The sector significantly contributes in halting and reversing land degradation. It is also a keystone in keeping the cultural landscape.

EDA puts biodiversity at the forefront of relevant indicators, including in the Dairy Product Environmental Footprint (PEF) adopted by the EU Commission, Members States and NGOs. Further work is being conducted by the dairy sector on an adequate manner to further quantify biodiversity, as no fully harmonised assessment on equal data is yet possible.

Food waste reduction

With almost one-third of all food produced globally being lost or wasted between the field and the fork, we are seriously committed to reducing and preventing food waste along the value chain and, to accelerating progress toward halving food waste by 2030 (SDG 12.3). Preventing and measuring food wastage are part of the sustainability strategies of many dairy companies. In this context, adequate packaging that safeguards the products from external influences plays a key role in avoiding food waste and ensuring safety and quality as a non-negotiable baseline.

The dairy sector is committed to reduce food waste, especially given the huge share of overall greenhouse gas emissions linked to it, and the negative impact of packaging on the natural environment. We are confident that the efforts of all parts of the chain and its beneficiaries (from feed production to consumer) will add up to the joint success.

Water Reuse and wastewater treatment

Water is paramount to safe high-quality dairy products, as it is used in the dairy plants for heating, cooling, washing, and cleaning, always prioritising the highest hygienic standards and maximum safety in all sectors of production. Water use is a hugely important and immensely complex issue, and part of the indicators of the PEF.

Dairy can improve its sustainability through the reutilisation of water in the dairy process. Innovative water treatment technologies such as reverse osmosis allow sites to recycle wastewater for reuse across the dairy from cleaning the filling lines to pasteurising the milk. Such practices prevent the need to excessively draw water from external sources, reducing the strain on local water supply, and the discharging of too much wastewater into waterbodies. Significant steps are also being taken to improve the quality of wastewater, reducing the impact on the water basins. Improvements in water use efficiency and recycling measures have clearly decreased the aquatic impact of dairy. While there is still some way to go, recent developments have shown that the sector is on the right path.

Wastewater is also part of the BREF legislation. EDA has actively participated to the work of European Commission and Joint Research Centre (JRC) and further work is being done to assess water re-use options in dairy, where legal barriers still exist, without compromising on food safety.



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Less waste, more value

Extended producer responsibility schemes

The dairy industry welcomes the opportunity to cooperate with other stakeholders in providing consumers with consistent and clear information on recycling and raising awareness on the impact of certain plastic products on the environment. We will continue to take our responsibilities towards environmental footprints from packaging in the framework of EPR schemes as conceived in the Packaging and Packaging Waste Directive and integrated by the SUP Directive with regard to single use plastic items.

Nevertheless, the sharing of costs should be well defined and proportionate in terms of roles and responsibilities of each actor, as we consider that all actors should work together and the costs should be shared along the chain, at all levels.

EU-wide end-of-waste criteria

The use of by-products in the dairy sector has a long history and tradition, and it is part of an orientation to an always more resource efficient future of the business. We are certainly one of the sectors using closely all resources, and thus losing the smallest parts of our product in the manufacturing process. And as EDA we strive to open up even more options (always keeping food safety at its highest), esp. where legal barriers exist.

Most of the materials and resources that are utilised by the dairy sector are being used and re-used several times within the cycle or recycled to be put to other uses. The concentration of production in favourable areas may tend to challenge this cyclical approach, and so for this reason the search for new solutions is continuously on the agenda of actors in the dairy (and wider agribusiness) sector. For example, whey – a co-product of the cheese-making process – was once put onto land, or fed to animals (pigs), but is now being used as high-value protein concentrates for specific human nutrition (sports, infants, and the elderly) in a growing market, and in special cases, for young animal feed.

It is of major importance to have a legislative framework in place supporting an increased use of animal by-products from the food sector as feed, where use as food is no longer possible, always keeping food and feed safety as a priority.

References

European Commission, press release, 16 January 2018, in EESC opinion on the Plastic Strategy (NAT/721)