Scottish Government Consultation – Circular Economy Route Map

The FDF Scotland draft responses to relevant questions within the circular economy route map consultation follow:

To what extent do you agree with the measures proposed in this package to promote responsible consumption, production, and re-use? Please provide evidence to support your answer if possible.

Many measures listed within the consultation are, quite rightly, focussing on consumer behaviour change and enabling consumers to participate in a more circular economy.

The FDF and our members are supportive of the principles of minimising waste, sustainable sourcing of ingredients and raw materials and efficient production. This ties in with our own net zero commitment which will has a huge focus on sustainable supply chains.

Question 2

Are there any further measures that you would like to see included in the Route Map to promote responsible consumption, production, and re-use?

Ideas from FDF member companies on what would help the food and drink industry.

Dedicated Decarbonisation Fund for Food and Drink Sector Investment policy will be key over the next decade, especially to ensure that policies and investment cycles are matched. For the Food and Drink sector, it is essential to have funding for key demonstration projects on step-change technologies, such as with hydrogen, options to electrify heat or for processes which avoid heat generation, to address concerns around potential impacts on product quality and cost. FDF is calling for a fund be set up for the food and drink sector in a similar way to that for UK steel and for Green Distilleries or to ring-fence part of this challenge fund for food and drink.

Linking innovation support to digitising processes The existing support and enterprise agencies in Scotland could provide packages of support to upskill food and drink manufacturers in digital skills. This does not have to be overly complex or advanced. For example, a Scottish-based food manufacturer utilised Microsoft Forms & Power Automate to reduce the burden of record keeping. Using mobile handsets, QR codes and back-office automation coupled with machine learning label verification reduced the physical paper used by over 1,000kg a year. Current data indicated that this amount of paper saves between 2,900kg and 5094kg of CO_2. This does not include the cost and carbon from the printing, completion, archival and ultimate destruction which would provide additional CO_2 reduction.

Question 3

To what extent do you agree with the measures proposed in this package to reduce food waste? Please provide evidence to support any identified opportunities and challenges associated with the measures in your answer if possible.

☒   Neither agree or disagree

- We understand that as a major contributor of methane – food waste needs to be tackled.
- As part of our [Ambition 2025](#) commitments our members are engaging with entire supply chains, including end consumers to drive down waste with a focus on reducing avoidable food waste rather than production residues and inedible parts.
- If this becomes mandatory, future requirements should be seamless with existing voluntary requirements, most notably the UK Food Waste Reduction Roadmap and Courtauld 2025 reporting and that different requirements by Scotland should be avoided.
- These existing reporting mechanisms are already widely adopted by the food and drink supply chain can be used to gather Scottish specific data.
- Public reporting could generate a very public negative perception for certain sectors who generate unavoidable by-products. For example, a meat processor will generate a large tonnage of "food waste" from bones and hides, yet this will be neither be avoidable nor suitable for human consumption and is often used by other sectors to make non-food products.

Question 4

Are there any further measures that you would like to see included in the Route Map to reduce food waste?

We would welcome a conversation between the government and our food and drink manufacturers on exactly how "food waste" is defined. Anecdotally, a barrier to tackling food waste in the food and drink manufacturing sector is the disconnect between the term "food waste" and the industry by products produced during processing. For example, bones, peelings, or shells will be a by-product from food production but are not "food" suitable for human consumption.

FDF members have asked the Scottish Government to be specific about the purpose of collecting data on food waste arising within food production and the granularity of data required.

We would look forward to working closely with Scottish Government on food waste and are keen to link innovation support to food waste reduction within food and drink manufacturing.

Question 6

Are there any further measures that you would like to see included in the Route Map to improve recycling from households and incentivise positive behaviours?

If **chemical recycling** becomes viable in Scotland both by investing in the technology and collecting plastics from householders, it offers the potential to recycle a much broader range of plastic food packaging than traditional mechanical recycling. This will help to produce high quality, high value recyclate, especially for those items that are challenging to recycle mechanically, such as:

-mixed material, complex or multi-layered plastic products (e.g., sandwich wrappers and squeezable pouches)
-plastics contaminated with food
-plastics which cannot currently be sorted for recycling for technical or economic reasons (e.g., plastics films)
-plastic packaging applications where there are currently no authorised recycling processes under food contact legislation.
(See response to Q8)

Question 7

To what extent do you agree with the measures proposed in this package to improve recycling from commercial businesses? Please provide evidence to support your answer if possible.

We understand the rationale for conducting a waste study from commercial premises which could help target specific materials and detail where investment is needed in particular material recycling. However, any waste study should be carried out with the waste management sector and should not place additional reporting burdens or require additional audits on food production premises

We are supportive of commercial zoning for recycling as this can create commercially viable collections for recycling small amounts of material that could be recycled.

Question 8

Are there any further measures that you would like to see included in the Route Map to improve waste recycling from commercial businesses?

> **Chemical recycling** offers the potential to recycle a much broader range of plastic packaging materials than traditional mechanical recycling.
>
> Chemical recycling will therefore help the Scottish and other UK nation Governments achieve their policy goals around plastics packaging, particularly as it will help support delivery of EPR and the plastic packaging tax.
>
> Specifically in relation to the plastic tax the accounting method used for chemical recycling based on mass balance[1] has so far not been recognised by HMRC in terms of the rules around the tax, effectively rendering it out of scope – we ask the Scottish Government to work with HMRC to revise the accounting method or look at ways of investing in a chemical recycling industry in Scotland.
>
> Several European countries are already making substantive investments in chemical recycling plant. We need to attract similar inward investment to Scotland given the potential of such plant to create new employment opportunities particularly in more deprived regions. However, a supportive policy framework is needed to give industry the confidence to invest.

Please provide any further information or evidence that should be considered in the accompanying Business and Regulatory Impact Assessment.

> The following sets out some broad considerations specifically relating to Scottish food and drink manufacturing:
>
> - **Size** 95% of food and drink manufacturers in Scotland are either small or medium-sized businesses. To transition to a more circular economy in food and drink production, many small-scale interventions will be needed. We understand this is not the case for other manufacturing sectors in Scotland where there are a few very large companies e.g., oil and gas, paper, and pulp.
>
> - **Support and funding -** We welcome the ongoing support that the Scottish Government and it's business support agencies provide to our sector however, support remains fragmented. Currently, Scottish food and drink businesses can access many support agencies and funds to decarbonise. But, as illustrated by the [attached PDF](), the support and funding available for e.g., decarbonisation in cluttered and complex. FDF members would really welcome a simplification of the funding and support landscape to maximise the uptake of funding and support by the food and drink producers in Scotland.
>
> - **Remaining competitive** - The Scottish Government must ensure meeting sustainability requirements does not make food and drink manufacturers in Scotland less competitive. This includes multi-national manufacturers who have sites in Scotland as well as UK/Scottish headquartered businesses. This could be a risk for exporters if stricter measures are required in the home market rather than exports making exports less competitive or imports being produced more cheaply due to not needing to follow the same standards.

The Food and Drink Manufacturing Industry

Scotland has always had a strong success story in exporting our food and drink. We punch well above our weight for such a small nation, 25% of all UK food and drink exports come from Scotland.

Food and drink is Scotland's largest manufacturing sector and is an important part of a diverse and complex supply chain.

Scotland has a vibrant food and drink manufacturing industry ranging from thriving small businesses through to major global brands. These companies provide their local communities with a wide variety of careers and are a vital part of the Scottish economy.

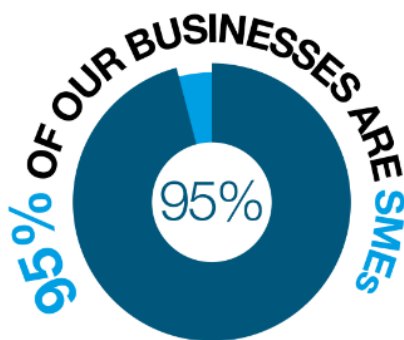In 2020, Scotland employed 46,000 workers in the food and drink industry

generating gross value added of £4.7bn in 2019

OUR INDUSTRY HAS A TURNOVER OF £10.4bn, ACCOUNTING FOR 30% OF TOTAL SCOTTISH MANUFACTURING

95% OF OUR BUSINESSES ARE SMEs
95%

IN 2021 FOOD & DRINK EXPORTS FROM SCOTLAND... FOOD & DRINK EXPORTS ...INCREASED BY 12% TO £5.9bn

The following Associations actively work with the Food and Drink Federation:

ABIM   Association of Bakery Ingredient Manufacturers

BCA   British Coffee Association

BCUK   Breakfast Cereals UK

BOBMA   British Oats and Barley Millers Association

BSIA   British Starch Industry Association

BSNA   British Specialist Nutrition Association

CIMA   Cereal Ingredient Manufacturers' Association

EMMA   European Malt Product Manufacturers' Association

FCPPA   Frozen and Chilled Potato Processors Association

FOB   Federation of Bakers

GFIA   Gluten Free Industry Association

PPA   Potato Processors Association

SA   Salt Association

SNACMA   Snack, Nut and Crisp Manufacturers' Association

SSA   Seasoning and Spice Association

UKAPY   UK Association of Producers of Yeast

UKTIA   United Kingdom Tea & Infusions Association Ltd

FDF also delivers specialist sector groups for members:

Biscuit, Cake, Chocolate and Confectionery Group (BCCC)
Frozen Food Group
Ice Cream Committee
Meat Group
Organic Group
Seafood Industry Alliance