

Response to Delivering Scotland's circular economy – proposals for a circular economy bill

Question 1 Do you agree there should be a duty on Scottish Ministers to publish a Circular Economy Strategy every 5 years?

- Yes
 No
 Neither agree or disagree

Question 2

Do you have any further thoughts on a statutory duty to produce a Circular Economy Strategy?

We would suggest that a move towards a more circular economy will take decades to achieve. A long-term strategy to 2045 in line with the Scottish Government's net zero commitments would be sensible with a refresh every 5 years to allow for advances in technology and changing consumer habits to be considered.

Scotland needs a single long-term strategy that enables food and drink businesses to take investment decisions that will improve sustainability, circularity and escalate our move to net zero emissions.

The Scottish Government has produced a Climate Change Plan, a Net Zero commitment and now a Circular Economy Route map. There is a lot of overlap between these strategies making it complicated for businesses to navigate. With that in mind, we would suggest that the Scottish Government combines these into one overarching long-term strategy with KPIs and refreshes every 4-5 years. Where possible it should seek to align with UN sustainable development goals.

Question 3

Do you think we should take enabling powers to set statutory targets in relation to the circular economy?

- Yes
 No
 Neither agree or disagree

Question 4

Do you have any comments in relation to proposals to set statutory targets?

We are not aware of this approach being taken anywhere in the world. The consultation lacks detail to be able to comment further at this stage and we note that this would be approached through secondary regulations.

We understand the Scottish Government's rationale for wishing to align with directions of EU policy however the food and drink manufacturing industry's largest customer is the rest of the UK. We urge the Scottish Government to work with its closest neighbours on shared challenges relating to the circular economy.

Material flows relating to food and drink production would show that we are reliant on many raw materials and ingredients to be imported and we are a sector that has ambitions to continue to grow our exports. Indeed, the Scottish Government's own export strategy, A Trading Nation, states:

"Why exporting's important - Countries that export have stronger economies. Exporting helps Scotland's economy to grow and creates jobs. It helps the Scottish Government collect more tax to:

improve living standards

improve public services

Exporting also helps Scotland build good relationships with other countries. This can help Scotland to have a positive influence on the world."

Clarity on how the Scottish Government would expect consumption reduction targets to intersect with the ambitions in its own export strategy would be welcome.

Question 5

Should a dedicated Circular Economy public body be established?

- Yes
 No
 Neither agree or disagree

Question 6

Please provide evidence to support your answer to question 5?

There are already 129 public bodies in Scotland with Scottish government facing difficult budget choices ahead. The example statutory duties listed within the consultation could be tackled in a more holistic and dynamic way, issue by issue by engaging with industry, research organisations and NGOs with support and funding from existing bodies. This aligns with the Government's approach set out in it's National Strategy for Economic Transformation where the Scottish Government expressed a desire to work closer with business on opportunities and challenges relating to Scotland's economy

Question 12

The previous consultation showed broad support for the proposal that Scottish Ministers should have the power to set charges for environmentally harmful items, for example single-use disposable beverage cups. Is there any new context or evidence that should be taken into account in relation to this proposal?

Since the previous consultation:

- the UK nations are moving ahead with a reformed extended producer responsibility (EPR) scheme which will obligate producers of packaging to pay for their full life costs including disposal. In Scotland, the Scottish government proposals include obligating food and drink producers in Scotland to pay for illegal behaviour – cleaning up litter from the ground. Scotland’s food and drink producers (95% of whom are SMEs) should not be facing a “blank cheque” to clean up litter especially as this will do nothing to change irresponsible consumer behaviour, spillages from kerbside collections and marine litter which may not even originate from Scotland
- The Scottish deposit return scheme on drinks containers comes into effect in 2023 and the plastic packaging tax is now in operation with a live consultation in Wales and an expected consultation in England.
- The plastics tax is now operational

With this in mind, we have called for a comprehensive review of packaging-related policy and regulations facing Scotland’s food and drink producers in our response to the consultation on Scotland’s Litter Strategy. We would be keen to work with the Scottish Government to give evidence on the cost implications for businesses and the anticipated environmental impact of these policies and regulations.

Question 14

The previous consultation showed broad support for the proposal that Scottish Ministers should have the power to require mandatory public reporting of unwanted surplus stock and waste. Is there any new context or evidence that should be taken into account in relation this proposal?

Care must be taken not to “blame” food and drink producers for unwanted or cancelled stock. If public reporting was mandated, it is unclear which part of the food and drink supply chain would be accounting for “unwanted” surplus stock.

The recent Groceries Code Adjudicator survey showed that 11% of food and drink producers who responded to the survey have experienced sudden delisting of their products by retailers which can result in surplus.

Food and drink producers are keen to avoid any surplus as this has a financial cost to the business. Where surplus arises, producers work closely with organisations such as Company Shop and Fareshare to ensure that food gets to those who need it most.

Question 15

The previous consultation showed broad support for the proposal that food waste should be a priority for regulations. Is there any new context or evidence that should be taken into account in relation this proposal?

FDF supports the need to consider the introduction of mandatory reporting of food waste for food businesses in principle, subject to studying the detail of what is proposed and providing there is alignment with existing reporting requirements

Further consultation would be needed with industry on the detail of this including how food waste will be defined, the scope of operations/facilities covered and reporting time frames (calendar vs financial year) where again as much alignment with existing reporting arrangements will be desirable. In this way any additional burdens are avoided or at the very least kept to an absolute minimum. Members also want to see consistent metrics and reporting methods across the four nations of the UK.

Current voluntary approach for food waste reporting in the UK is WRAP's Food Waste Reduction Roadmap (FWRR)

Question 18

The previous consultation showed broad support for the principle that there should be greater consistency in household recycling collections. Is there any new context or evidence that should be taken into account?

We are supportive of this positioning. We particularly support the aim for consistent household collections across Scotland including collection of flexible plastics.

Question 29

Do you agree with the principle of Scottish Ministers, and local authorities if appropriate, taking on the necessary powers to explore and trial commercial waste zoning approaches in Scotland?

- Yes
 No
 Neither agree or disagree

Question 30

Please add any additional comments:

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 40

Do you have any other comments that you would like to make, relevant to the subject of this consultation, that you have not covered in your answers to other questions?

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 or ceramics/glass.
- **Support and funding** - We welcome the ongoing support that the Scottish Government and its 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 is 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.

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

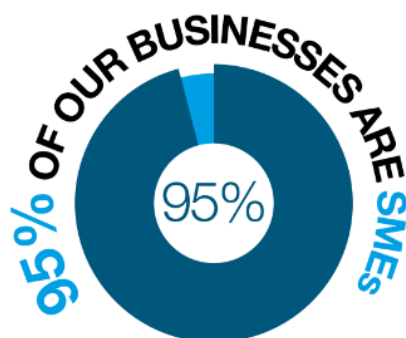


generating gross value added of **£4.7bn** in 2019

OUR INDUSTRY HAS A TURNOVER OF

£10.4bn,

ACCOUNTING FOR **30%** OF TOTAL SCOTTISH MANUFACTURING



IN 2021 FOOD & DRINK EXPORTS FROM SCOTLAND...



...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