Container Management Legislative Activity

Ag Container Recycling Council (ACRC)

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Agenda

- What is “Container Management?”
- Industry Environment
- Compare Two Program Models
- Impact, Implications, Considerations of Legislation
- Risks of Current Market Conditions
- Suggested Alternatives

Container Management

- "The plant science industry is taking the lead to ensure the development, use and appropriate disposal or recycling of crop protection containers is managed sustainably to protect both farmer health and the environment."

- "CropLife International has developed a global steering/advisory body – the Container Management Project Team (CMPT) – to provide guidance and advice…on how to establish cost-effective, sustainable programs and to share best practices."

- "The goals of these programs include:
    - protecting both the environment and the operator from exposure
    - appropriate treatment and safe disposal of used packaging
    - reducing waste and maximizing recycling
    - ensuring compliance with local packaging requirements and legislation"

…**CropLife International website – 2/2020**

https://croplife.org/crop-protection/stewardship/container-management/

Industry Environment

- ✓ China “National Sword” policy continues to stress US recycling programs
- ✓ Strong negative public perception regarding plastic and plastic waste
- ✓ Significant public and corporate focus on eliminating plastic waste
  - ❖ “Loop” shopping model
  - ❖ Alliance to End Plastic Waste (AEPW)
- ✓ Pressure to advance “Extended Producer Responsibility (EPR)” policies
- ✓ Significant corporate and ag industry emphasis on stewardship
- ✓ Global GAP sets expectation for grower participation in recycling programs
- ✓ Practice of open burning or burying of containers continues at unacceptable rates
- ✓ Contractor financial stress due to low plastic pricing, increased wage rates and CDL driver shortage

Unprecedented environment for plastic recycling!

Program Models for Container Management

Two Recycling Models:

1. **Voluntary** – Industry / Community Initiated …Industry Coordinated

2. **Mandatory** – Government Initiated …Industry Coordinated

Recycling, Recycling, Recycling!

…the objective in either case

Program Models for Container Management

Voluntary Model

*** ACRC Example ***

ACRC Mission & Scope

The mission of the ACRC is to conduct research regarding potentially acceptable uses of rigid **HDPE plastic agricultural crop protection, animal health, specialty pest control, micronutrient, biologicals, fertilizer, and/or adjuvant product containers (up to 56 gal)** and to support the collection and recycling of containers through promotion of cost effective programs that foster public health and safety, environmental protection, resource conservation and end user convenience.

An industry funded free service to farmers and commercial applicators for 28 years!

ACRC Mission & Scope

- Ag Container Recycling Council **(ACRC)** – industry initiated
  - ❖ Not for profit corporation, formed in 1992
  - ❖ Oldest stewardship program in US
- Promotion and education of triple or pressure rinsing
  - ❖ Collaboration with EPA
  - ❖ Developed ANSI / ASABE S596 Standard
- Provides research and funding for Ag container collection and recycling into **acceptable end uses**.

Program Achievements
1993 – 2019 Year End

- 205M lbs. collected & recycled!
  - Enough 6” ag drain pipe to circle the earth 2.3 times!
- > 1 million cubic yards of landfill space saved
- 89,500 MT of CO2 emissions saved

Equivalent to:

- 43,020,000 gal of gasoline
- 57,500 US households energy consumption for 1 yr.

Continuous Improvement

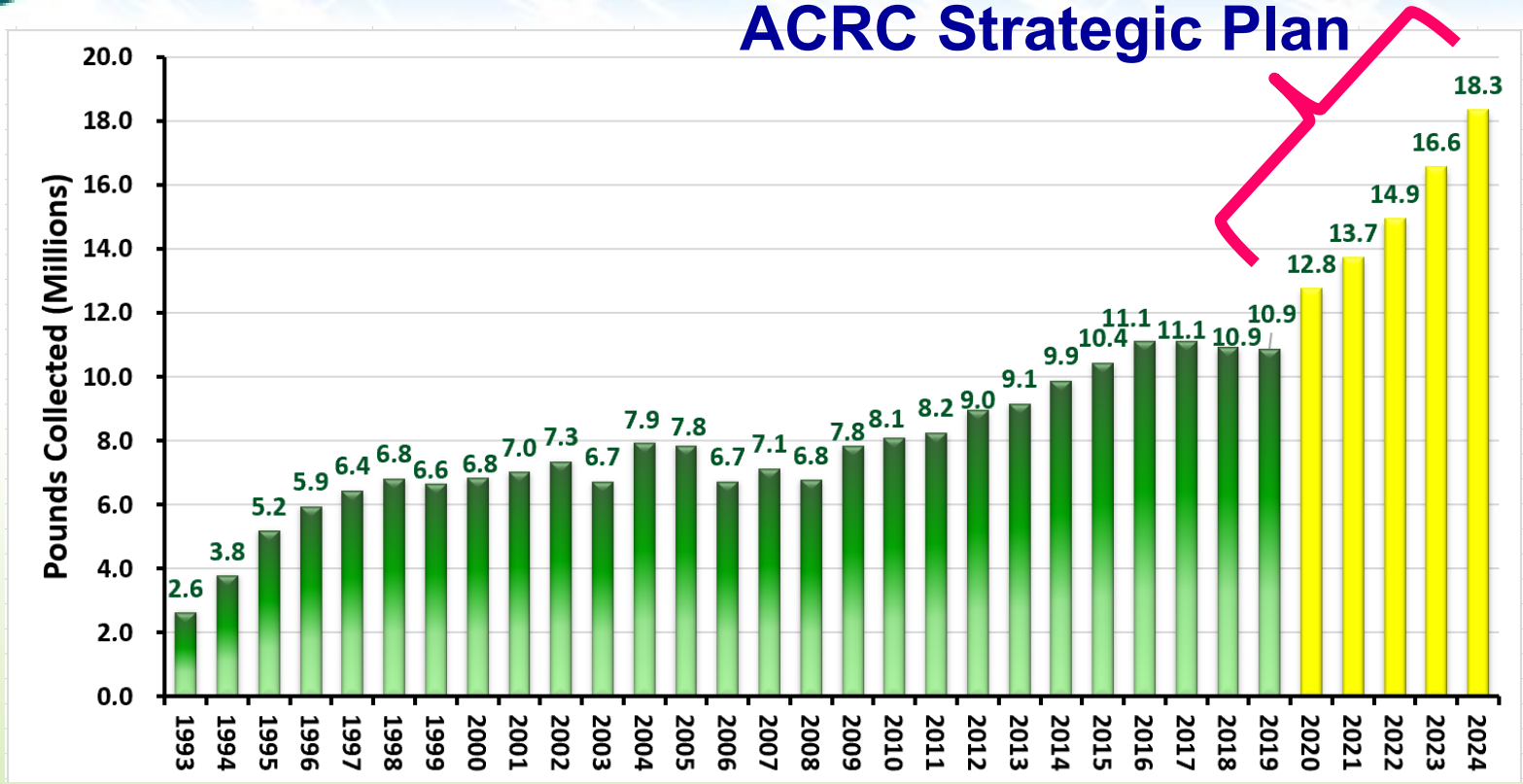
ACRC Strategic Plan – Approved October 2019

- ✓ Achieve measurably more credible collection performance (%) nationwide with satisfied end users. **(Volume & Service Metrics)**
- ✓ Clearer nationwide recognition and understanding of who the ACRC is and the service it provides. **(Website & promotions)**
- ✓ Develop better regional penetration via contractor network. **(Regional targets)**
- ✓ Develop measurable sales growth in a more diverse set of HDPE end use markets. **(New market growth targets)**

Over 5-Year Horizon

- **Increase Collection Volume (Lbs.): 11.8M to 18.3M (+55.7%)**
- **Increase % Collection: 34.5% to 51.7%**

Continuous Improvement



Over 5-Year Horizon

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Program Models for Container Management

Mandatory Model

* EPR Example *

Mandatory Model – EPR Example

Extended Producer Responsibility (EPR)

- OECD definition: Extended Producer Responsibility (EPR) is a policy approach under which producers are given a significant responsibility – financial and/or physical – for the treatment or disposal of post-consumer products.

- Examples – Paint, batteries, electronics

- The end goal of end of life stewardship is a good one

- PROS of EPR
  - Funding for collection / recycling
  - Eliminates free riders
  - Increased local awareness

Mandatory Model – EPR Example

Extended Producer Responsibility (EPR)

- **State activity**
  - Maine Packaging EPR Bill
    - Draft completed by ME DEP and currently under review by legislative committee
  - Related precedent legislation
    - VT
      - Passed law last year that banned single use packaging ….working group related to single use
      - EPR program for consumer packaging (single use) recommended by the group
    - CA - EPR bill (SB 372) for beverage containers
    - OR - bottle bill for beverage containers
- **National activity**
  - Udall / Lowenthal bill – discussion draft – Plastic Waste
    - "Producers currently relying on plastic and other covered materials to deliver their products to the market will be required to design, manage, and finance programs to process any waste that would normally land in the natural environment."

Mandatory Model – EPR Example

Extended Producer Responsibility (EPR)

- EPR potential to impact ag industry
  - Packaging, waste / obsolete pesticides

- Key challenges for industry:
  - Higher costs – both for existing services and incremental services
  - Bureaucracy / paperwork – potential for 50 programs versus 1 program
  - Redundancy / inefficiency - potential for 50 programs versus 1 program
  - CONS - Unsolved problems….
    - Collection sites and infrastructure
    - Doesn't change consumer / grower behavior (e.g. – BURNING / BURYING)
    - Paying for unreturned packaging
    - Unique human health / exposure considerations must be incorporated for public safety (both packaging design and collection processes)
    - Importance of safe plastic end uses for ag chem containers

Risks of Current Market Conditions

- Rapidly devolving plastic market dynamics
  - Economics – HDPE supply / demand imbalance
  - Competing with an oversupply of wide-spec virgin resin
  - PCR resin pricing has collapsed
  - Bad to worse over past 6 months

- Threatens ACRC Strategic Plan growth & service targets
- Won't be solved by EPR or similar legislation
- Higher cost models will make a bad situation worse

Critical priority to find industry solutions to protect a long-standing industry success story!

Suggested Alternatives

- Continuous improvement by industry
  - ACRC Program
  - Increased collaboration with Retail for collection efficiency
  - Best practice sharing of state infrastructure funded by state registration fees, coupled with collaboration with industry collection and recycling
- State emphasis on stopping BURNING
- States to consider CA model requiring first sellers to participate in recycling program
- Last resort - If EPR – nationwide EPR vs state specific EPR

More collaborative solutions between industry and state governments!

Doing the right thing…
…because it's the right thing to do !!

THANK YOU

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