

IRISH FARM FILM PRODUCERS' GROUP CLG



OPENING STATEMENT

for

JOINT OIREACHTAS COMMITTEE ON AGRICULTURE

AND THE MARINE

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Contents

Section	Page
1. Background to Farm Plastics Recycling in Ireland	1
2. The Regulatory Framework	1-2
3. IFFPG – An Approved Body	2
4. Funding	2-3
5. Collection Service	3
6. IFFPG Collectors	4
7. Results	4-5
8. Volatile Recycling Market	5
9. Corporate Governance	6

1. Background to Farm Plastics Recycling in Ireland

From the early 1990s, farmers in Ireland increasingly switched to the convenience of silage bales as their preferred fodder crop in response to improved bale making technology. This gave rise to a significant increase in the volume of farm plastics waste generated, with little or no adequate waste management options available for farmers. The result was widespread unacceptable waste management practices, including stockpiling, illegal dumping and illegal burning.

In response to this situation, the key stakeholders – the farm plastics industry, the Irish Farmers' Association (IFA) and the Department of Environment - came together to find a solution.

The stakeholders agreed that the EU and national regulatory framework should be used to introduce legislation (Farm Plastics Regulations, 1997), which would require suppliers of farm plastics products to fund recycling. In 1998, industry and the IFA came together to establish the Irish Farm Film Producers' Group (IFFPG). Later in the same year, IFFPG was approved (licenced) by the Government as one of the first recycling compliance schemes in the country. The overriding objective of the new scheme, which was not-for-profit, was to protect Ireland's rural environment. This was to be achieved by using funding from industry to provide a comprehensive recycling service to farmers nationwide.

2. The Regulatory Framework

Farm plastics recycling in Ireland is underpinned by EU and national legislation. A range of EU waste directives were transposed into national law through the Waste Management Act of 1996, which in turn provided the framework for the Farm Plastics Regulations of 2001 and 2017.

The Farm Plastics Regulations require that any company in Ireland that either manufactures or imports specified farm plastics products (wrap, pit covers, netting and twine) must contribute to recycling costs.

Obligated suppliers can comply in one of two ways with the regulations; namely, participate in an approved recycling scheme or self-comply through offering a deposit and refund

scheme. Self-compliance requires that suppliers must collect and recycle waste from their customers. There are currently no companies self-complying.

The regulations also allow for any body to apply to the Minister for Environment for an approval to operate as a recycling compliance scheme at any time, with the minimum requirements set out for an application. The Minister alone is empowered with the authority to grant or revoke an approval(s).

3. IFFPG – An Approved Body

IFFPG has been operating as the approved body in the farm plastics sector since 1998, with its approval reviewed and renewed on a 5-yearly basis.

IFFPG's current approval was renewed in January of this year for the coming 5-year period. The approval was granted following the scheme engaging in an extensive renewal process with the Department of Environment, Climate and Communications (DECC) over the previous 6 months. The process involved IFFPG providing a comprehensive application to the DECC, which both detailed operational, financial and corporate governance performance over the previous 5 years, as well as proposals under similar headings for the coming 5 years.

Some of the key requirements of the current approval include the achievement of a 70% recycling target, the annual submission of a detailed operations report and audited accounts to the DECC, the maintenance of an appropriate reserve, as well as strict compliance with the DECC's *Code of Corporate Governance for Recycling Schemes*.

4. Funding

IFFPG is a self-funding and not-for-profit body. It receives approximately 70% of its funding through the recycling levy which is charged to members (companies who place farm plastics products on the market), with the remainder provided through a weight-based collection charge to farmers. IFFPG employs this funding model to ensure (a) that members contribute the majority of the costs of the scheme and (b) that there is an incentive for farmers to remove contamination from farm plastics waste.

The recycling levy, which is charged to members for product they place on the market, applies at the rate of €160 per tonne in 2021, which equates to €4.16 per roll of standard wrap. Recycling levy income is expected to generate in the region of €3.75 million this year.

The weight-based collection charge, which applies at the rate of €50 per tonne at the bring-centre and €100 per tonne at the farmyard this year, is expected to generate in the region of €1.7 million this year. On average farmers bring in 700-800 kg of waste to bring-centres, which equates to a charge of between €35-40 to farmers this year.

The scheme expects to spend all income generated from both the levy and collection charges on collections and recycling in 2021.

While a very difficult recycling market situation in recent years (See Section 8) has necessitated increased levy and collection charges, IFFPG has a policy of reducing charges in times of favourable market conditions. For example, during the period 2011 to 2013 the scheme reduced levy and collection charges by 29% and 40% respectively.

5. Collection Service

IFFPG provides both a bring-centre and farmyard collection service to farmers each year for the full range of farm plastics wastes (wrap, sheeting, netting, fertiliser & feed bags and drums). Bring-centres are 1–2-day collection events which are held at locations such as marts, co-ops and agri-merchants, with approximately 230 provided each year. They are typically held during the period April to July, although Covid has caused delays this and last year. Bring-centres are hugely popular with farmers for cost and convenience reasons, as well as representing the most efficient means for the scheme to collect waste. They typically account for almost 90% of all collections in a given year.

The bring-centre programme is advertised extensively to farmers through a range of media. They include the Irish Farmers Journal, farming websites, text messaging and social media.

The scheme also provides a year-round farmyard collection service to farmers. A number of farmers prefer this service because either they are working off farm or they are too busy on the day of their local bring-centre.

6. IFFPG Collectors

IFFPG collects farm plastics waste through a network of approved collectors, of which there are currently five. Approved collectors are selected following an open and transparent national tendering process, which is held every 5 years. The process, which is advertised nationally and open to all waste collectors, was most recently held at the end of 2019.

Successful applicants are contracted for a 5-year period, with a common contract issued in terms of the service they must provide to farmers. IFFPG retains ownership of collected waste from the time it is collected by an approved collector until it is supplied to recyclers, with collectors in effect paid a waste management charge.

The current model for the selection of collectors and their management is considered critical to the success of the scheme. The tendering process ensures that the best available collectors, in terms of quality and price, are selected at a given time. While collector contracts guarantee a standard quality of service and charges to farmers from county to county and from one year to the next.

7. Results

Since its establishment in the late 1990s, IFFPG has recycled almost 400,000 tonnes of farm plastics waste. Over the last 10 years the volume of farm plastics waste recycled has increased by over 70%.

In 2020 alone and despite delays caused by Covid, IFFPG collected a record 34,207 tonnes of silage wrap and pit cover waste for recycling which is the equivalent to plastic from 17 million bales. This represented an 80% recycling level, which makes Ireland the best performing country in Europe when it comes to silage wrap and pit cover waste recycling.

There is currently no plastic waste stream in Ireland achieving such a high recycling level. To put that in context, the current national recycling rate for plastics packaging waste is 30%, with a 50% recycling target for 2025 considered as challenging.

As previously mentioned, IFFPG collects almost 90% of all waste at bring-centres, with the average bring-centre in 2020 accounting for 135 tonnes of waste from 170 farmers.

However, the performance of some bring-centres is quite spectacular. For example,

Kilmallock Bring-centre in County Limerick collected 476 tonnes of waste, while Balla bring-centre in County Mayo saw 511 farmers use the service in one day.

In terms of supply to recyclers, IFFPG has a policy of supplying to Irish recyclers where possible. During 2020, over half of the 34,250 tonnes sent for recycling was supplied to Irish recyclers, with the remainder sent to European recyclers.

8. Volatile Recycling Market

The European farm plastics recycling market can be volatile. The decision by the Chinese authorities to cease importing all plastics waste in 2018 resulted in excess waste flooding the European market. This in turn led to significantly reduced demand for farm plastics waste, a price collapse and the reintroduction of gate fees.

The impact on scheme was severe. There were difficulties experienced in securing sufficient recycling capacity at a time of growing collections. The cost of operating the scheme also significantly increased, with expenditure increasing from €4 million in 2018 to over €6 million in 2020.

IFFPG has responded to the capacity issue by developing additional recycling partnerships, including with Irish recyclers. Recycler demand is improved this year, with a slight reduction in costs also being experienced. It is hoped that the current massive push at EU and national level to promote the more sustainable use of plastics resources will increase demand for the scheme's waste in the coming years. It is also hoped that a new recycling facility currently being developed in Littleton, Co. Tipperary will provide a significant part of the solution going forward.

In terms of funding, IFFPG has had to make the difficult decision to increase both the levy (from €110 to 160 per tonne) and collection charges (from €30 to €50 per tonne at the bring-centre) over the last 3 years. This ensured sufficient funding at a time of both high recycling costs and increasing collections.

IFFPG was able to make these hard decisions that allowed to scheme to continue successfully operating despite a most challenging market situation because (a) it is a recycling scheme whose overriding objective is environmental protection and (b) it has the full support of the key stakeholders (industry and farmers).

9. Corporate Governance

Good corporate governance is central to how IFFPG operates. IFFPG has adopted the DECC's *Code of Corporate Governance for Recycling Schemes* which further strengthened corporate governance in the scheme.

Some key structures and systems which underpin corporate governance include (a) a board which is representative of key stakeholders and is responsible for controlling the scheme (b) clear demarcation between the roles of the Chairperson and General Manager (c) the development of a 5-year strategic plan that clearly sets out operational and financial targets and (d) the provision of a detailed annual operational report and audited accounts to the DECC.