

Dairy UK Statements **Deposit Return Scheme** **Last Updated- March 2018**

The dairy sector is fully committed to environmental sustainability. Over the last ten years, the dairy sector in the UK has made huge strides forward in improving environmental performance and will continue to do so under the targets of the Dairy Roadmap into the future.

Dairy UK therefore on the whole recognises the value of Deposit Return Schemes (DRS), such as the one proposed by Defra today.

The practicalities of such a scheme must be fully considered when applied to milk. In many other countries including Germany, Norway, and Sweden, milk and milk products are excluded from such schemes in light of the unique nature of milk products.

Milk is overwhelmingly consumed in the home and already has some of the highest recycling rates of any consumer product. Milk consumed on-the-go is only a small part of the market (3.6% by volume) but we're working as an industry through The Dairy Roadmap to improve recycling rates and tackle the issue of single use plastic.

A deposit of 8-22p added to milk, factoring in the associated administrative costs of the scheme, could lead to a potential 10-40% increase in the price of milk, subject to volume. This large cost increase on what is a staple food, will be passed onto consumers and penalise those who already recycle through existing kerbside schemes or those on lower incomes. This could cause disruption to dairy farmers, processors, rural communities and the wider industry.

There are also serious issues around hygiene which make milk unsuitable for inclusion in any DRS, with any milk left remaining in containers to be recycled posing a potential risk to health and food, encouraging the growth of bacteria.

The industry is committed to working closely with Defra on Deposit Return Schemes but urge that milk and milk-based drinks are exempt from the scope of this scheme, mirroring European schemes of this nature.