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Waste management poses threats to the Romanian food industry

Report Categories:

Agricultural Situation

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Report Highlights:

Recent irregularities in the packaging waste management unveiled by the Romanian authorities may affect the local food industry. Food industry leaders warn that application of the current legislation might lead to significant food price increases. Industry cancelled the protest scheduled to take place this month the day before following the Romanian Government's interest in considering industry demands on packaging waste management. Subsequent meetings have not resulted yet in concrete proposals to satisfy the food industry. Retailers expressed sympathy with their suppliers urging the Romanian Government to find effective solutions.

General Information:

Legislation concerning packaging waste management has been in place since 2005, when the EU regulations in this field were transposed through Government Decision 621/2005. According to these provisions, any business operator placing on the market packaged products has to recover part of the packaging materials for recycling. The law provisions applies naturally to food operators, producers, importers and traders, industries dealing with packaged products, such as the canning industry, dairy industry, soft drinks industry, mineral water, wine, etc. regardless the origin of the products, domestic or foreign. These operators have to ensure collecting and recycling of 50 – 65 percent by weight of the packaging waste. In order to reach this percentage, these operators had two options: either to sign contracts with third parties for waste collection and recycling or engage with their own resources in the packaging materials recovery and recycling.

In general, food companies chose to externalize the recovery activity to entities called “responsibility transfer operators” (OTRs), bodies authorized by the Ministry of Environment based on a contract. These OTRs bear the responsibility for collecting the packaging materials for recycling. The Environment Fund Administration (AFM), the public authority coordinated by the Ministry of Environment, is responsible for authorizing these OTRs. Following a verification of the activity conducted by OTRs, AFM concluded that the level of quantities stated by these OTRs as being collected was not accurate and in reality a much smaller quantity was subject to collection and recycling. Following these findings, AFM applied fiscal penalties to 6 out of 10 OTRs in the amount of Euro 19 million (US \$20.5 million). Consequently some of these OTRs are unable to continue their activity as they are subject to further verification. Based on the findings that only a small amount of packaging was collected and recycled in 2015, each food operator must pay to AFM a fee of 2 RON/kg of packaging (US \$0.47/kg) for non-recycling. Food industry leaders warn that this fee level will have a negative impact on the sector, especially for food operators handling low-price food products.

A protest scheduled to take place this month was cancelled the day before following the Romanian Government interest in taking into consideration industry demands on packaging waste management. The dialogue between the Environment Ministry representatives and the food industry sector has been going on, but until now it failed to generate a positive outcome. The major demands of food industry are: a two-month delay in the application of the law and suspension of fee payment, solid justification for the level of the non-recycling fee, clarification on the responsibility of each player along the waste management chain (food operator, OTR, collector, recycler etc.), and implementation of a set of measures in order to encourage packaging waste recovery from households (separate collection).

End of report.