IDFA
International
Dairy Foods Association

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Ms. Zoe Heller
California Dept of Resources Recycling and Recovery (CalRecycle)
101 I Street, MS 24B
POB 4025
Sacramento, CA 95812-4025

Dear Governor Newsome and Ms. Heller:

I am writing on behalf of the International Dairy Foods Association1 to express concerns regarding CalRecycle's final Material Characterization Study (MCS) as it relates to access and sortation data of gable-top cartons and aseptic containers (collectively, "cartons") pursuant to SB 343. IDFA appreciates the public comment opportunities CalRecycle provided on various draft studies and my letter today follows up on comments submitted by IDFA in April of 2024 (attached). While we sincerely appreciate the dedication and amount of work it took to complete the MCS, we do not believe the MCS reported data reflects the actual access and sortation data for cartons in California. Consequently, cartons used as packaging for a wide range of dairy products sold in California will not carry the on-package recycling claim necessary to meet the SB 54 100% recyclability standard in 2032. We ask that you reconsider the data and recommendations submitted by

[1] IDFA represents the nation's dairy manufacturing and marketing industry, which supports more than one million direct jobs that generate over $49 billion in direct wages and $255.6 billion in direct economic impact. IDFA's diverse membership represents most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world. California represents an important market for dairy products and many IDFA members operate manufacturing and distribution facilities in the state. The U.S. dairy's industry's sizeable footprint in California supports over 180,000 direct jobs and almost $6 billion in total wages while generating $28 billion in overall economic impact in the state,[1] in addition to the almost $11billion in state taxes contributed by dairy companies.

the Carton Council of North America (CCNA) through legislative or regulatory means, such as the "trending" towards recyclability provision in SB 54.

We understand that CCNA provided CalRecycle with data and recommendations that would minimize inaccuracies in the MCS and the Covered Material Category list under SB 343 and SB 54, respectively. Combining gable-top and aseptic cartons into a single category is reasonable since both materials are almost always collected, processed and marketed as a single commodity in California. Moreover, expanding the survey to include more facilities where cartons are sorted into their own bales (PSI Grade 52) or where cartons are proactively sorted into mixed paper grades, provides a more accurate count of carton access and sortation at these facilities. Finally, the survey's method to evaluate all large volume transfer and processing facilities on an aggregate basis does not reward those individual facilities that are more effectively sorting cartons into other materials and formats. We agree with CCNA's recommendations to reduce the inaccuracies and ask CalRecycle to reconsider and adopt the recommendations through legislative or regulatory means to support the recyclability of cartons in California.

As explained in IDFA's 2024 letter, cartons are a common dairy product packaging material and format, utilized for fluid milk, cream, half-n-half, buttermilk, and similar fluid dairy products. Importantly, cartons are the primary packaging format used for milk in California's school meal programs. Cartons have many positive attributes for dairy product manufacturers because they are flat-packed and do not require extensive machinery for utilization in the manufacturing plant. Carton technology is also advancing to minimize the amount of plastic barrier needed, consistent with SB 54's goals. Aseptic cartons provide an extended shelf life for dairy products, reducing food waste. Importantly, aseptic cartons save energy and reduce carbon emissions because they do not require refrigeration until opened, eliminating the need for cold-chain distribution and cutting down on the frequency of deliveries. Cartons have been recognized as recyclable on the nationally recognized How2Recycle label which is used by many IDFA members with national distribution.

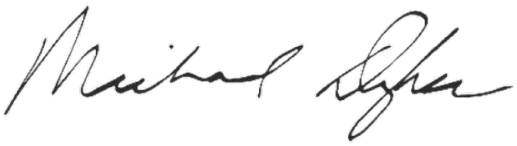
The final MCS carries with it meaningful regulatory and financial consequences for dairy companies selling in the California market, as it determines which packaging formats and materials may carry a recyclable label and are considered "recyclable" under SB 54. While recyclable, glass's weight increases transportation costs, greenhouse gas emissions, and is more easily broken. Rigid plastic containers such as the classic "milk jug" are also

commonly used in dairy but are generally used in larger formats and will be subject to additional penalties/fees under SB 54.

We are also very concerned that CalRecycle's decision will lead to the phase out of cartons in California schools and impede the ability of school-aged children to receive nutrient dense fluid milk since state procurement rules require all packaging to hold the recyclable label. Moreover, carton sizes fit well into the hands of small children, do not break, and will not incur the same SB 54 fees as a 100% plastic container, all of which are important cost and practical considerations for school districts. Importantly, milk is the number one source of calcium, vitamin D and potassium for kids aged 2-18 years old2. CalRecycle's carton data decision will impact school nutrition.

Finally, this decision is a setback for carton manufacturers who are working to develop cartons that would meet source reduction and other SB 54 requirements. The carton industry is a successful example of private sector pre-competitive collaboration and investment to increase recyclability of their products across California. To achieve a circular economy, more collaborations will be needed and CalRecycle's position discourages similar and much needed investments necessary for California's policy goals. We sincerely hope that the door to collaboration and troubleshooting with the CCNA is not closed, and that both entities can work towards legislative or regulatory solutions that lead to acceptance of CCNA's recommendations.

Regards,



Michael Dykes
President and CEO
International Dairy Foods Association

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[2] Keast, Fulgoni, Nicklas, O'Neil. Food Sources of Energy and Nutrients among Children in the United State: National Health and Nutrition Examination Survey 2003-2006. Nutrients 2013, 5, 283-301, doi: 10.3390/nu5010283