

November 30, 2020

Matt Popowich
Waste Diversion and Recycling Unit
Environmental Stewardship Division
Manitoba Conservation and Climate
200 Saulteaux Crescent, Winnipeg, MB R3J 3W3

Dear Mr. Popowich:

Cleanfarms is pleased to submit the enclosed stewardship program plan (version 01) that will guide the transition of the government-funded agricultural plastics recycling pilots into a long-term, sustainable, industry-funded program in accordance with the requirements set out in the Packaging and Printed Paper Regulation 195/2008 ("the Regulation") enacted under the Waste Reduction and Prevention (WRAP) Act.

The government-funded agricultural plastics recycling pilots have been in place since 2013. In 2018 the Manitoba government asked Cleanfarms to develop a plan to transition the pilots. The enclosed stewardship program plan is a direct result of this request.

We are seeking approval of this plan by March 31, 2021 to ensure a seamless transition between the pilots and an industry-funded model. This will ensure a continuity of service for both farmers and municipalities.

Cleanfarms is presently sharing this version of the stewardship program plan with key stakeholder groups to solicit feedback on the proposed transition. The feedback received through the consultation process will be added to the next version of this program plan along with a consultation report.

We look forward to your feedback and ongoing support.

Sincerely,

Barry Friesen
Executive Director

CC:

Kathy Andrew, Director, Manitoba Conservation and Climate Rhian Christie, Assistant Director, Manitoba Conservation and Climate Page left intentionally blank



STEWARDSHIP PROGRAM PLAN FOR DESIGNATED AG PLASTICS

Regulation: Packaging and Printed Paper Stewardship Regulation

195/2008

Submitted to: Manitoba Conservation and Climate

Version: 01 - DRAFT

Date submitted: November 30, 2020

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Table of contents

1.	Introduct	tion	1
2.	Program	synopsis	1
3.	Organiza	ational structure	3
	3.1. Cle	anfarms	3
	3.2. Ste	ward of Designated Ag Plastics- First Sellers	3
	3.2.1.	Minimizing red tape for stewards of designated ag plastics	4
	3.3. Cle	anfarms' Governance model	4
	3.3.1.	Board	4
	3.3.2.	Western Canada Agricultural Stewardship Committee	4
	3.3.3.	Manitoba Advisory Committee	4
	3.3.4.	Staff	5
	3.3.5.	Governance summary	5
	3.3.6.	Additional governance documents	5
	3.4. Gui	ding Principles	6
4.	Designat	ted materials - Description of products targeted by the program	6
	4.1. Ag i	plastics used in Manitoba	6
	4.2. Wha	at's in and What's out	6
	4.2.1.	Product definitions	7
	4.2.2.	Rationale for a phased in approach	7
5.	Program	details	7
	5.1. Pilo	t project (2013 – 2020) summary	7
	5.2. MAI	PP program details	8
	5.2.1.	Establishment of a collection network	8
	5.2.2.	Key collection site responsibilities	8
	5.2.3.	Key farmer responsibilities (preparation steps)	9
	5.2.4.	Transportation and consolidation	9
	5.2.5.	End of life management of designated materials	10
	5.3. Ens	suring a smooth transition from the pilots to MAPP	
6.	Program	funding	10
	6.1. Env	rironmental Handling Fees	10
	6.1.1.	EHF start date	10
	6.2. Set	ting the EHF	10
	6.2.1.	Program costs	10
	6.2.2.	Revenue	11
	6.2.3.	Number of units and weight sold into the marketplace	11
	6.2.4.	Calculating the EHF	
7.	Promotic	on & Education	
8.	Performa	ance measures	13
9.		Resolution	
10	. Public	Consultation	13

Appendixes

- A WCASC Terms of Reference (draft)
- B Ag waste study summary
- C Pilot Summary
- D Sample promotion & education materials
- D Sample promotion & education materials
- E 2019 Manitoba Farmer Survey Summary F Letter from the Manitoba Government (May 2018)
- G Consultation Report (preliminary)

1. Introduction

Since 2013, Cleanfarms has operated a government-funded ag plastic collection program in Manitoba and collected 135,000 kilograms of material.

Starting in late 2018 and at the request of the Manitoba government, Cleanfarms began the process of helping the province evaluate transitioning the government-funded agricultural plastics (ag plastics) pilot projects into a permanent, industry-funded stewardship program. This has resulted in this stewardship program plan for designated ag plastics which will be referred to as the 'Manitoba Ag Plastics Plan' (MAPP).

The MAPP was developed in accordance with requirements set out in the Packaging and Printed Paper Regulation 195/2008 ("the Regulation") enacted under the Waste Reduction and Prevention (WRAP) Act.

Version Control

It is anticipated that this document will undergo changes throughout the consultation process undertaken during winter 2020/2021. This section is intended to assist with version control.

• This document is Version 1 – Version 1 was posted on Cleanfarms' website on November 30, 2020 and shared with key stakeholders.

2. Program synopsis

This section provides a high-level summary of how the Manitoba Ag Plastics Plan (MAPP) will operate, the roles and responsibilities of the stakeholders involved, important dates and key principles that were factored into the development of the MAPP.

Designated materials - What's In & What's Out

Once approved, the MAPP will be the second provincially-regulated agricultural plastics stewardship program available in Canada and the first one to include multiple designated materials. (The first provincially-regulated program began in Saskatchewan in 2018 and targets grain bags only.)

Feedback from stakeholders suggests a desire for a convenient and accessible program that will target a variety of agricultural (ag) plastics including grain bags, baler twine, silage film, bale wrap and netting.

Because of limited recycling markets (a global phenomenon) and the low volumes of materials available for collection in Manitoba (compared to the potential volume available for collection if a similar program was available across the Prairies or across Canada), Cleanfarms will follow a phased in approach to designating materials to be included in the MAPP based on the availability of recycling markets.

Recycling markets are presently available for grain bags and baler twine, which are the two designated materials proposed for Phase I. All other items are excluded. As recycling markets develop for other types of ag plastics, Cleanfarms will apply to amend the MAPP to designate additional types ag plastics. Based on current trends, Cleanfarms anticipates that recycling markets may become available for items like silage film and bale wrap in the future and therefore the next phase of the MAPP will likely include grain bags, baler twine, silage film and bale wrap.

Phase	Designated materials (What's in)	Excluded Materials (What's out)	Start date
1	Grain bags aka grain storage	Silage film	April 1, 2021
	bags	Bale wrap	
	Baler twine	Netting	
П	Phase I Designated Materials	Netting (see section 4.2.2)	tbd
	Silage film		
	Bale wrap		

Collection system

The collection system for ag plastics under the MAPP will be very similar to what has been in place through the pilot programs (2013 to 2021). Farmers prepare the designated materials on farm (by machine rolling grain bags or storing baler twine in plastic collection bags) and bring their prepared designated materials to an authorized collection site. There are no user fees at the collection site. Cleanfarms then arranges for the pickup, transportation and recycling of the designated materials.

Shared responsibility

The MAPP is based on a shared responsibility model where stewards, consumers (farmers/producers), and government all have a role to play.

- Stewards/First Sellers are responsible for providing the collection and recycling program that will manage all designated materials.
- Stewards/First Sellers are responsible for ensuring that an Environmental Handling Fee (EHF) is applied to designated materials and for remitting the funds to Cleanfarms to cover all aspects of the program.
- Consumers, in this case farmers/producers, are responsible for preparing and dropping off their designated materials at a designated collection site and ultimately pay the EHF.
- Cleanfarms (the Producer Responsibility Organization) is responsible for ensuring the items
 will be recycled or managed responsibly in accordance with the pollution prevention
 hierarchy and to ensure no unacceptable health and safety risk.
- Government is responsible for approving the MAPP and assisting with steward/first seller compliance and enforcement.

Program financing - Environmental Handling Fees

Like many Manitoba stewardship programs, the MAPP is funded through an Environmental Handling Fee (EHF) that is applied to designated materials.

Estimated EHFs:

Grain bag EHF: \$250/tonneBaler twine EHF: \$330/tonne

Kev dates

The following dates are relevant to the consultation process and the launch of the MAPP.

- Initial consultations with key stakeholders December 2018
- Quantitative grower survey fielded January & February 2019
- Preliminary program plan consultations with key stakeholders September October 2020
- Submission of draft program plan to government November 30, 2020
- Ministerial approval of the program plan March 31, 2021
- Close of government funded pilot projects March 31, 2021
- Program start April 1, 2021
- Implementation of the EHF December 1, 2021

Harmonization – working towards a Prairie-wide approach

Starting in 2018, Cleanfarms began operating Canada's first provincially regulated ag-plastic stewardship program for grain bags in Saskatchewan. The Saskatchewan program impacts companies (stewards or first sellers) that do business across the Prairies and who are also impacted by the MAPP. Although the MAPP will be operated in a different jurisdiction (Manitoba) and under a different regulation, the MAPP has been designed to promote harmonization for industry stewards.

Manitoba farmers who are also impacted by programming available within and exterior to the province, have also expressed an interest in seeing the MAPP harmonized as much as possible with regulated or potentially-regulated programs in Saskatchewan and Alberta.

3. Organizational structure

This section outlines how stewards of designated ag plastics obligated under the Regulation to finance and support the MAPP (or operate their own stewardship program), will be represented through Cleanfarms and can provide feedback into the organization. It also outlines how affected stakeholders will be able to provide input into the MAPP.

3.1. Cleanfarms

Cleanfarms is a not-for-profit industry stewardship organization that operates under Canada's Not For Profit Corporation's Act.

Cleanfarms delivers a number of other industry-funded stewardship programs for items like pesticide containers, fertilizer containers, seed bags, pesticide bags, fertilizer bags, unwanted pesticides and old/expired animal health medications across Canada. In 2018, Cleanfarms began operating Canada's first provincially regulated stewardship program for grain bags in the province of Saskatchewan.

Cleanfarms is governed by a private-sector Board. Membership in Cleanfarms is open to companies whose products or packaging fall under the programs the organization operates. Annual Reports are available at www.cleanfarms.ca.

In Manitoba, Cleanfarms is recognized as the Producer Responsibility Organization that operates the approved stewardship program plan for empty pesticide and fertilizer containers under The Waste Reduction and Prevention (WRAP) Act.

3.2. Steward of Designated Ag Plastics - First Sellers

The Regulation states that a "steward of designated material" means:

- (a) The first person who, in the course of business in Manitoba, supplies a designated material to another person; or
- (b) A person who, in the course of business in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba.

For the purpose of harmonization with Saskatchewan's regulated grain bag recycling program (see section 3.2.1), 'stewards of designated materials' are referred to as "first sellers" throughout this document.

All first sellers of ag plastics will be eligible to join Cleanfarms to meet the regulatory requirements under the regulations. First sellers can include manufacturers, distributors and retailers obligated under the Regulation.

The MAPP also allows for voluntary first sellers, companies or persons who may not meet the definition of a "steward of designated material" under the regulation but wish to assume the responsibilities (usually reporting and EHF remittance) on behalf of a company or person who meets the definition of a steward of designated materials.

3.2.1. Minimizing red tape for stewards of designated ag plastics

Cleanfarms operates Canada's first provincially-regulated, industry-funded ag plastics under The Agricultural Packaging Product Waste Stewardship Regulation (in Saskatchewan). The following companies work with Cleanfarms to deliver this Saskatchewan-based program and meet their regulatory obligations through membership in Cleanfarms:

- Amity Welding & Fabrication Inc.
- Berry Global
- Canadian Tarpaulin Manufacturers Ltd.
 Tama Canada Ltd.
- Committed Ag Supply
- FLAMAN Group of Companies
- GBC Equipment

- Kingdom Advance Group
- Neeralta Manufacturing Inc.
- Thunderstruck Ag Equipment
- Veikle Agro Inc.

Many of these companies are stewards of designated materials (see next section) and will have regulatory obligations in Manitoba when the MAPP is approved. Cleanfarms' programs are designed to promote harmonization across multiple jurisdictions to minimize red tape for these stewards.

3.3. Cleanfarms' Governance model

The following key committees make up Cleanfarms' governance model and are relevant to the MAPP:

3.3.1. Board

The Cleanfarms Board provides overall strategic direction to the organization and its activities consistent with its mission and Articles of Incorporation.

3.3.2. Western Canada Agricultural Stewardship Committee

First sellers of ag plastics who are Cleanfarms members will form the Western Canada Agricultural Stewardship Committee (WCASC), a committee which will provide oversight and feedback to Cleanfarms staff.

The WCASC is presently (as of November 2020) named the Saskatchewan Agricultural Stewardship Council (SASC) and oversees Saskatchewan's grain bag recycling program. The SASC's mandate will be expanded to include responsibilities for the MAPP and the committee's name will be changed to the WCASC when MAPP is approved.

The WCASC is a committee of the Cleanfarms Board. The WCASC will be organized through a Terms of Reference (draft in Appendix A) which will outline the purpose, structure and decision making process for the committee.

All first sellers are eligible to sit on the WCASC, although they are not required to do so.

3.3.3. Manitoba Advisory Committee

A Manitoba-based advisory committee will also be formed to provide advice and recommendations into the WCASC. This advisory committee will help ensure that resulting programming meets the needs of and provides value to the various stakeholders who play a role in it.

A Terms of Reference will be developed to better outline the advisory committee's purpose, composition, membership. It is expected that membership will include representatives of the provincial government, rural and municipal associations and farmer/producer groups.

3.3.4. Staff

Cleanfarms staff are responsible for day-to-day operations of the program.

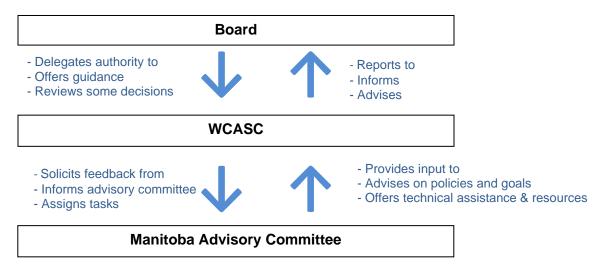
- Due to the small nature of the MAPP, Saskatchewan-based staff will be directly responsible for supporting collection site operations in Manitoba. This arrangement will be re-evaluated yearly.
- Additional support such as communications, administration and finance services is available through Cleanfarms' national network which includes an Ontario-based head office and regional offices. This allows first sellers to efficiently use the resources that Cleanfarms already has in place.

3.3.5. Governance summary

The following table outlines the key committees that will play a role in the MAPP.

Committee	Key responsibilities	Membership
Board - Overall strategic direction		Cleanfarms member
	- Risk management	companies (all business lines)
WCASC	- Program oversight	First sellers who supply
	- Approval of annual budget, EHF and	designated materials in
	business plan	Manitoba and Saskatchewan
Manitoba	- Input and advice	Key stakeholders in Manitoba
Advisory	- Liaises with representative organizations	
Committee		

Relationships between these committees are outlined in the figure that follows:



3.3.6. Additional governance documents

Over its 10-plus years of existence, Cleanfarms has developed a comprehensive and well-documented set of governance and code of conduct policies. The following documents (most are available at https://cleanfarms.ca/join-cleanfarms/) outline Cleanfarms' governance and the expectations of staff, members and contractors:

- By-laws
- Code of Conduct

- Board approved policies available to members. These are available to outside stakeholders on demand and cover the following: board-management delegation, executive limitations, governance process, operations policies
- Membership agreement

3.4. Guiding Principles

The following are key factors that guide Cleanfarms' work, both in relation to the MAPP and in all other aspects of the organization.

- The program must be operated in a manner that ensures there is no unacceptable health and safety risk.
- The program must be managed by the manufacturers/brand owners of the products.
- The program must strive to achieve the highest and most practical end use of products while following the 4Rs (reduce, reuse, recycle, recover) hierarchy.
- The program must achieve reasonable, high participation rates. While they may never actually
 achieve this goal for practical reasons, programs should still strive towards 100 per cent
 recovery.
- The program must provide reasonable accessibility for all users of the products to facilitate and promote their full participation in the program.
- The program must strongly encourage participation by all manufacturers and brand owners.
- The program should be designed in a way that promotes harmonization across different regions or provinces.

4. Designated materials - Description of products targeted by the program

This section outlines and defines which materials will be targeted by the MAPP.

4.1. Ag plastics used in Manitoba

A recent agricultural waste study (summarized in Appendix B) estimated that 1,394 tonnes of ag plastics are used on Manitoba farms. This includes feed bags, twine, grain bags, silage film, bale wrap and to a much lesser extent greenhouse film, sand bags, plastic mulch and seed bags.

Grain bags, twine, silage film, and bale wrap are the materials that were targeted and recovered through the pilots (see Section 5.1).

4.2. What's in and What's out

Based on the current availability of recycling markets and learnings from the pilots, Cleanfarms recommends a structured, phased in approach to incorporating designated materials under the MAPP. See Section 4.2.2 for a further explanation about the phased in approach.

Phase	Designated materials (What's in)	Excluded Materials (What's out)	Start date
1	Grain bags aka grain storage	Silage film	April 1, 2021
	bags	Bale wrap	
	Baler twine	Netting	
II	Phase I Designated MaterialsSilage filmBale wrap	Netting (see section 4.2.2)	tbd

4.2.1. Product definitions

For the purpose of this document, the following definitions are used to define the Phase I Designated Materials:

Designated Material (Phase I)	Definition	Also known as	Exclusions
Grain bags	A large, bulky, single-use bag, commonly known as a grain bag, made from plastic and used to protect and temporarily store grains, pulses, and other agricultural produce. Grain bags are usually black & white.	Grain storage bags Grain silo bags	Grain seed bags Grain seed totes
Baler twine	Single-use twine made from plastic and used to contain hay and straw	Twine	Nylon twineSisal twine

4.2.2. Rationale for a phased in approach

As of November 2020, recycling markets for grain bags and baler twine are limited, but they are available. These two materials (grain bags and baler twine) are being collected through pilots and permanent programs in Alberta and Manitoba, which is helping to develop and expand recycling markets.

Recycling markets for items like silage film and bale wrap are extremely limited and are therefore excluded from Phase I. In fact, Cleanfarms anticipates that some of the material collected over the course of the pilots (Section 5.1) will be sent for waste to energy.

As markets for silage film and bale wrap develop, Cleanfarms will apply to amend this program plan to expand the designated materials included under the MAPP. Phase II is expected to include grain bags, baler twine, silage film and bale wrap.

Netting, also known as net wrap, is excluded from both phases due to technical barriers to recycling this material at this time.

5. Program details

This section details how Cleanfarms will arrange for the collection, transportation, consolidation and processing of designated materials managed through the MAPP. It draws on learnings from the Manitoba-based-pilots and best practices from across Western Canada.

5.1. Pilot project (2013 – 2020) summary

37 collection sites (see Appendix C for a listing and map of collection sites) currently accept properly prepared grain bags, baler twine and bale/silage film from farmers.

- Farmers properly prepare materials prior to drop off.
 - o Grain bags must be machine-rolled and tied with baler twine.
 - Loose baler twine must be placed in a collection bag with holes poked in the bottom and tied close.
 - o Bale/silage film must be placed in collection bags or folded and secured with twine.
- Farmers drop off materials at a designated collection site. There is no fee at the drop off point.
- Cleanfarms provides promotion & education materials that explain preparation steps.

- Collection sites temporarily store these materials separately in designated areas. (Cleanfarms provides signage to help designate these separate areas.)
- Approximately two or three times a year, Cleanfarms arranges for the collection of the designated material from collection sites.
 - Some of the material that has been collected through the pilot projects has been sent to North American recycling markets.
 - o Some material has been sent to a waste-to-energy facility in Manitoba.
 - Additional material is presently stored at a central consolidation point awaiting shipment to recycling markets.

5.2. MAPP program details

The MAPP will operate in a very similar way as the pilots, however only grain bags and baler twine (for which recycling markets are currently available) will be collected at collection sites.

5.2.1. Establishment of a collection network

The pilots have helped establish a strong collection network throughout the province where farmers who use grain bags and baler twine have reasonable access to a collection site.

Cleanfarms anticipates that the majority of the existing pilot collection sites will continue to offer collection services to local farmers once the MAPP is approved.

Municipal collection sites are generally best suited although private collection sites, such as farm supply dealers or large volume generators (see Section 5.2.1.1), can also be appropriate.

5.2.1.1. Special collection sites

In some cases, it may be more efficient for Cleanfarms to arrange for the pickup of designated materials from large volume generators like Assiniboia race track (large users of baler twine) in Winnipeg and farms who use designated materials and are also first sellers. These parties are eligible to become collection sites through the MAPP.

5.2.1.2. Agriculturally intensive areas

It is important to note that the farmers who use grain bags and baler twine are located primarily in agriculturally-intensive areas and therefore collection sites are predominantly located in agriculturally-intensive areas. Special collection events may be best suited to ensure that users that may be located in major cities (e.g. Winnipeg) and if necessary, Northern and remote communities.

Currently, the only Northern and remote community that may require access to the MAPP is in the agriculturally-intensive region around The Pas. Cleanfarms will regularly reach out to The Pas municipal staff and businesses that service the farming community in this area to evaluate the need to offer the MAPP in this region and how to efficiently do so.

5.2.2. Key collection site responsibilities

Collection sites are primarily responsible for temporarily storing ag plastics to minimize contamination (which maximizes recyclability) and this includes monitoring drop off procedures. Cleanfarms will continue to provide guidance and best practices to collection sites to assist with drop off and temporary storage.

Collection sites are asked to incorporate the following best practices to minimize contamination of ag plastics:

- Use vector control
- Temporarily store designated material in a segregated area (about 12 square metres)

- Store designated material separately. In other words, grain bags need to be stored separately than baler twine.
- If possible, make rolling and/or baling equipment available. Collection sites that offer rolling and/or baling equipment may be eligible for additional compensation.
- Restrict access using fencing or other means to minimize contamination and illegal dumping and to maintain site cleanliness.

Collection sites are also asked to do the following to ensure smooth drop off of designated materials:

- Make staff available during collection hours to assist users and ensure that they only drop off properly prepared, designated material:
 - o Tightly machine rolled grain bags that are tied with twine.
 - Loose baler twine that is placed in a collection bag with holes poked in the bottom and tied close.
- Use promotion & education materials (supplied by Cleanfarms) as appropriate:
 - Signage to ensure that grain bags and baler twine are stored properly and separately should be displayed.
 - Content, for use in websites and newsletters, that helps explain proper preparation steps to producers should be employed.
- Provide farmers with plastic collection bags (that are used to store baler twine and provided by Cleanfarms).

5.2.2.1. Collection site compensation

Similar to Saskatchewan, a funding model where Cleanfarms incentivizes collection sites for annual capital costs plus compensation (\$/kg) based on the volume of material collected will be rolled out.

Based on Cleanfarms' experiences in Saskatchewan (where an incentive program has been in place since 2018) and pilots currently taking place in Manitoba an incentive of \$55.00/tonne is estimated for the MAPP.

5.2.3. Key farmer responsibilities (preparation steps)

Similar to the pilots, farmers will continue to properly prepare materials prior to drop off.

- Grain bags must be machine-rolled and tied with twine.
- Loose baler twine must be placed in a collection bag with holes poked in the bottom and tied close.

Farmers will drop off materials at a designated collection site. There is no fee for dropping off grain bags or baler twine that is prepared properly.

Note: Farmers/producers are not obligated to recycle designated ag plastics under the Regulation.

5.2.4. *Transportation and consolidation*

Two to three times a year, Cleanfarms will arrange for the pickup and transportation of the designated materials from collection sites to a centralized consolidation point where it will be stored and processed if necessary (e.g. baling). Once a sufficient volume of material (17,500 to 20,000 tonnes) is accumulated at the consolidation point, Cleanfarms will send it to a pre-approved recycling facility.

As the volume of material available for pickup increases, the frequency of pickup will likely increase accordingly. Cleanfarms may even be able to ship material directly from a collection site (or collection sites) to pre-approved recycling facilities.

5.2.5. End of life management of designated materials

The MAPP will provide a solutions-based approach that relies on sound environmental stewardship principles following the 4Rs hierarchy of Reduce, Reuse, Recycle and Recover.

For both grain bags and baler twine, the primary goal is to recycle material into marketable end-use products rather than other disposal practices like high temperature incineration or energy recovery.

5.2.5.1. Energy recovery as an alternative

In the unlikely event of a recycling market shortage, Cleanfarms would consider energy recovery as the next best alternative.

5.3. Ensuring a smooth transition from the pilots to the MAPP

A key difference between the pilot phase (Section 5.1) and the MAPP (Section 5.2) is the types of ag plastics that are accepted at a collection site. Under the MAPP, collection sites will accept the designated ag plastics (grain bags and baler twine) while through the pilots, collection sites accepted a wider variety of materials (bale/silage film in addition to designated materials (grain bags and baler twine)).

Cleanfarms will develop a transition plan, which includes a strong promotion and education piece, to educate collection sites and farmers of this change. Cleanfarms will work closely with collection sites to ensure that this transition is as smooth as possible.

6. Program funding

This section details how the program is funded.

6.1. Environmental Handling Fees

The MAPP will be fully financed through an Environmental Handling Fee (EHF) collected and remitted to Cleanfarms by first sellers of designated ag plastics. Consistent with the requirements of the WRAP Act, the EHF on designated ag plastics will not be collected by the provincial government and will not be considered to be a tax.

Designated ag plastics are sold in various sizes and weights. Thus, the EHF will be determined on a per kilogram basis. The EHF reflects the cost of managing the designated ag plastics.

6.1.1. EHF start date

The EHF for the MAPP will come into effect on December 1, 2021.

Most purchasing takes place over the summer months during harvest. This delay (starting the EHF in December when purchasing is low) is deliberate and will ensure for sufficient transition times for first sellers and farmers.

6.2. Setting the EHF

The WCASC will approve a yearly budget for the MAPP.

6.2.1. Program costs

Program costs are currently categorized as follows:

• Operations/direct costs - This typically includes collection bags (for baler twine), baling, transportation costs and incentives paid to collection sites.

- Operations/indirect costs This captures education and promotion, legal, insurance, travel, meeting and compliance review costs.
- Program management This captures staffing and shared costs (e.g. website, photocopier, telephone) associated with the MAPP.
- Program development This often includes administrative costs related to recruiting first sellers and program plan development.
- Program transition This will continue the collection of designated ag plastics (operations/direct costs) from the time when the pilot ends (March 31, 2021) until the time when Cleanfarms starts receiving revenue from the EHF (December 1, 2021).
- Contingency This helps manage unknown costs and fluctuations in collection volumes.
- Reserve fund development These funds are allocated to cover the costs of winding down operations in the event this occurs (typically 50 to 150 per cent of operating costs. For a new program like this, the reserve fund will be built over a five-year period)

6.2.2. Revenue

Revenue is often generated from the sale of designated ag plastics. As of November 2020, grain bags generate approximately \$100/tonne in revenue while baler twine generates approximately \$200/tonne. (Revenues from the sale of ag plastics will fluctuate regularly with demand/supply market dynamics.)

Market revenues received will be directed to the MAPP budget and will be incorporated into the EHF calculation.

6.2.3. Number of units and weight sold into the marketplace

First sellers will report, in confidence, their sales figures, which include the weight of product and units delivered into the marketplace, to Cleanfarms.

6.2.3.1. First seller compliance reviews

A first seller compliance review program will be used to ensure that first sellers are reporting accurately. A similar compliance review program is in place in Saskatchewan.

Some key aspects of the program may include:

- First sellers will typically be selected at random for compliance reviews. However, certain
 factors such as significant changes in reporting and compliance history may trigger a nonrandom compliance review.
- First sellers will be notified in writing that they have been selected for a compliance review and advised of the requirements of the process.
- Cleanfarms will use two types of compliance review:
- Level 1 a desktop audit or review of records and documentation that a first seller has provided to Cleanfarms.
- Level 2 In the event that a Level 1 review indicates inaccuracies, a more in-depth review will take place. A Level 2 audit is conducted onsite, at the first seller's office. It will likely include a review of data and reporting/record-keeping procedures, as well as interviews with staff or management.
 - In most cases a Level 1 review is sufficient and effective in addressing member reporting and remittance errors or omissions
- Findings will be reported (in confidence) to the first seller and Cleanfarms' finance staff. Corrective
 actions, as required, will be undertaken and in extreme cases may involve deregistration from the
 approved stewardship program, in which case the first seller may be subject to further penalties
 established and enforced by government regulators

6.2.4. Calculating the EHF

Similar to other stewardship programs, the MAPP program costs will be distributed fairly to all first sellers. The fee will be determined by dividing the total program costs (minus any recycling revenue) by the total weight of product distributed into the marketplace.

6.2.4.1. Preliminary EHF estimates

EHF (per unit sold into the market)	Grain bags	Baler twine
EHF (per tonne)	\$250	\$330
EHF (per kilogram)	\$0.25	\$0.330

Without historic data and only one comparable program in Western Canada, assumptions and projects have been used to calculate a preliminary EHF for the purpose of this document.

Assumption	Figure	Notes
Total program costs	\$163,000	
Recycling revenue	\$26,000	
Costs covered by EHF	\$137,000	Total program costs minus recycling revenue
Tonnes of grain bags generated or sold	272	
Tonnes of baler twine generated or sold	293	
Tonnage recovered (grain bags & baler twine)	249	
Recovery rate – grain bags	70%	Approximately 190 tonnes recovered
Recovery rate – baler twine	20%	Approximately 60 tonnes recovered

7. Promotion & Education

Cleanfarms has a comprehensive and well-developed education and awareness approach that has been specifically developed to meet the needs of farmers/producers and other stakeholders involved in the agricultural sector. This approach is in use to support Cleanfarms' existing program and will be used to support the MAPP.

Upon the launch of the MAPP, promotion and education will primarily focus on educating farmers/producers about the Environmental Handling Fee. Similar to what was undertaken in Saskatchewan when the grain bag recycling program was launched, Cleanfarms may use a targeted paid media campaign and also work closely with first sellers to help educate their customers (farmers/producers).

Promotion and education will also focus on educating the following key stakeholders about the key aspects of the program:

- first sellers regarding their obligations surrounding the MAPP
- collection sites regarding changes needed to transitioning the program from the pilot phase to a permanent, regulated program (MAPP)
- users (farmers/producers) regarding EHF awareness, which ag plastics are designated and which ag plastics are not (What's In vs. What's Out), how to participate in the program

As the program matures, education and awareness efforts will likely shift towards the benefits of program participation and actions required by users and collection sites to ensure recyclability of the material.

Sample tools that were used to launch Saskatchewan's grain bag recycling program as well as tools used in the pilot are included in Appendix D.

8. Performance measures

The primary way that Cleanfarms measures the success of its programs is through its return rate, which compares the volume of the designated material sold into the marketplace with the volume collected.

Additional performance measures that may be considered include:

- Contamination rates
- Public awareness
- Program efficiency
- Number of collection points (access)
- User exit surveys to assess user satisfaction
- Collection site surveys to assess collection site experience and satisfaction
- Volumes collected by site or region

Performance measures will be reported through the Annual Report to government. The fiscal year of the MAPP is the calendar year.

9. Dispute Resolution

All Cleanfarms members must abide by a very explicit Code of Conduct. The Code of Conduct comprises a number of important policies that include a code of business ethics, lobbying, privacy, complaints from public and a dispute resolution process.

Cleanfarms' Dispute Resolution policy is broken down into two parts ('Complaints from the public regarding Members' and 'Complaints or disputes among Member') and is available online at www.cleanfarms.ca.

10. Public Consultation

A grower survey was undertaken in winter 2019 to capture farmer attitudes and behaviours, including their reaction to the pilots and a potential permanent program. A summary of these results is available in Appendix E.

A separate consultation process on the MAPP commenced in the fall of 2020 where Cleanfarms sought input from key stakeholders through a formal PSP consultation process. The purpose of the consultation is to invite stakeholders to:

- Provide advice about their needs, wants and expectations
- Comment on plans that have been outlined in the Stewardship Program Plan.

On a more informal basis, Cleanfarms sought input from key stakeholders at various trade shows and meetings throughout 2018 and 2019. (There has also been significant direct and ongoing consultation and communication has taken place with Manitoba farmers/producers, and municipal collection site operators through the past seven years of operating the pilot program.)

A consultation report, Appendix G, will be included in the next version of this program plan that summarizes this process and the feedback received. Currently Appendix G provides a summary of the consultations that were undertaken to date.

Appendix A – WCASC Terms of Reference (draft)

Members & roles

- Members: First Sellers of Designated Ag Plastics
 Members are responsible for attending meetings, providing input to the program and completing member responsibilities (sales surveys, paying invoices). When serving on the WCASC, members must make decisions based on the best interest of the program and Cleanfarms.
- Chair: Selected by the Members
 The Chair is responsible for calling meetings, setting or approving meeting agendas and liaising with the Board. Members will select a Chair.

Goal

Deliver an efficient and effective government-approved grain bag recycling program that:

- provides value to First Sellers,
- demonstrates a long-term commitment to good environmental stewardship,
- supports Cleanfarms' mission and vision, and
- meets the requirements outlined in The Agricultural Packaging Product Waste Stewardship Regulations and the Packaging and Printed Paper Regulation 195/2008.

Deliverables

- Product Stewardship Plan & self-funded program
- Annual budget & business plan
- Periodic reports to the Cleanfarms Board (usually in conjunction with Board meetings)
- Annual report to Saskatchewan's Ministry of Environment and Manitoba Conservation & Climate Change.

Scope

The WCASC shall:

- assist with identifying First Sellers and other key stakeholders,
- review, evaluate and approve an annual business plan and budget that is drafted by staff,
- review, evaluate, and provide information and recommendations to the Board where the Board is making decisions in areas that are related to the WCASC's responsibilities, and
- annually review its terms of reference and recommend any required changes.

Budget & resources

- Annual budget as approved by the WCASC.
- Cleanfarms staff will provide administration and management support to the WCASC and associated programs.

Governance

- The WCASC will aim to achieve consensus in all decisions. In the event that a consensus cannot be reached, all questions/decisions shall be decided by a majority of votes. In the case of an equality of votes, the Chair, in addition to their original vote, may cast a second vote. Each Member (or company) is entitled to one vote.
- WCASC Members can select a proxy to attend a meeting in the event that a Member is unable
 to attend. The Member will inform the Chair of the substitution at least five business days prior to
 the meeting. The proxy will have all the same responsibilities and roles, including voting rights,
 as the Member.
- The WCASC has the responsibility and authority to make decisions directly related to The Program without Board ratification. However, any decisions or recommendations that may have

an impact on other Cleanfarms programs or the organization's overall reputation must be ratified by the Board. Staff will use their discretion to identify these decisions or recommendations.

Additional notes

- Members must adhere to the By-Laws and Code of Conduct.
- Regular meetings will be established, likely on a bi-yearly basis or as determined by the WCASC.
 - o Depending on the WCASC's preferences, most meetings will take place by teleconference.
 - Members will forward agenda items to the Chair or Council Coordinator at least 10 business days prior to meetings.
 - Meeting agendas & materials will be provided to the council at least five business days prior to meetings.

Appendix B – Agricultural waste study summary

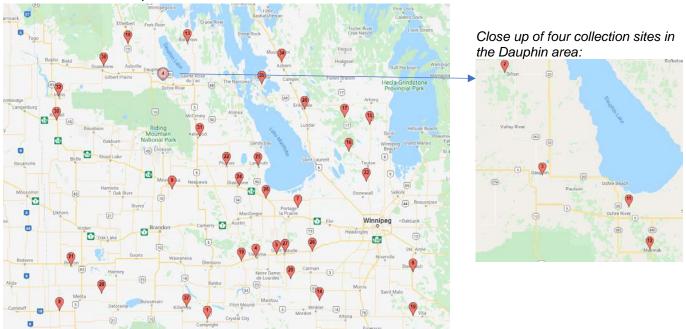
A recent agricultural waste study commissioned by Cleanfarms estimates that 1,394 tonnes of ag plastics are used on Manitoba farms:

Category	Sub category	Tonnes/year			
Plastic					
LDPE	Grain bags	272.2			
	Silage film	144.6			
	Bale wrap	129.6			
	Greenhouse film	15.3			
	Sand bags	7.6			
	Plastic mulch	0.4			
Subtotal - LDPE		569.7			
PP	Feed bags	383.6			
	Twine	293.4			
	Seed bags	43.0			
Subtotal - PP	720				
HDPE or PP	Netwrap	103.9			
Subtotal –PP or HDPE	103.9				
Subtotal - plastic	1,393.6				
Paper					
Cardboard		2,586.7			
Boxboard	Boxboard				
Laminates	338				
Seed bags (paper)	139.1				
Feed bags (paper)	179.8				
Subtotal - paper	4,210				
Total		5,603.6			

The full agricultural waste study is available at www.cleanfarms.ca.

Appendix C – Pilot Summary

Pilot collection site map



Pilot collection site listing

<u>PIIO</u> t	collection site listing		
1	RM of Cartwright-Roblin Waste Transfer Station	20	RM of Coldwell Eriksdale - Waste Disposal Grounds
2	RM of Dauphin, Sifton Landfill	21	RM of Pipestone - Reston Landfill & Recycling Depot
3	RM of Dauphin, Sammy's Farm Supply	22	RM of Westlake-Gladstone - Plumas Location
4	RM of Norfolk-Treherne, Treherne Transfer Station	23	RM of Westlake-Gladstone - Langruth Location
5	RM of Norfolk-Treherne, Rathwell Transfer Station	24	RM of Westlake-Gladstone - Gladstone Location
6	City of Steinbach, City of Steinbach Landfill Facility	25	RM of Westlake-Gladstone - Westbourne Location
7	RM of Portage la Prairie, The Portage la Prairie Landfill	26	RM of Grey Landfill
8	RM of Two Borders, Pierson Landfill	27	RM of Grey - R-Way AG Ltd.
9	Neepawa Area, Evergreen Technologies Regional Landfill	28	RM of of Brenda-Waskada
10	RM of Stuartburn	29	RM of Thompson
11	RM of Lakeshore, Ochre River Landfill	30	Grandview Municipality Waste Transfer Station
12	RM of Lakeshore, Makinak Landfill	31	RM of Rosedale - Kelwood Landfill
13	RM of Lakeshore, Rorketon Landfill	32	RM of Riding Mountain West - Inglis Waste Disposal
14	RM of Stanley SWAMP Landfill	33	RM of Rockwood - Balmoral Landfill
15	RM of Armstrong - Meleb Waste Disposal Grounds	34	RM of Westinterlake - Ashern
16	RM of Armstrong - Inwood Transfer Station	35	RM of Westinterlake - Oakview Waste Transfer Station
17	RM of Armstrong - Chatfield Transfer Station	36	RM of Russell/Binscarth
18	RM of Ethelbert - Mink Creek Waste Transfer Station	37	Municipality of Killarney-Turtle Mountain
19	RM of Victoria - Holland Waste Disposal Grounds		

Key metrics from the pilots:

Phase	Year	Sites	Volume collected (kg)	Cost per kg	Funding	Actual pilot cost	Key findings
	2013	3	4.400	\$5.83	¢25 000	¢25 652	- Micro-pilots demonstrated interest from producers and municipalities.
ı	2014	3	4,400	φο.οο	\$25,000	\$25,653	producers and manicipanties.
II	2015	7	11,000	\$4.30	\$50,000	\$47,255	Regional landfills are ideal partners. Additional work is required to minimize contamination. Blitz style collections are not ideal due to human resource restrictions.
	2016	7	19,700		\$1.44 \$90,000	\$88,909	Truckload volumes were generated. Contractor availability is limited.
III	2017	16	41,900	\$1.44			Contamination is challenging. Increasing collection volumes demonstrate interest from farmers/producers.
	2018	23	23,010				- Finding recycling markets for certain plastics is challenging due to contamination and global
IV	2019	32	34,860*	\$1.49	\$75,500	\$86,297	market downturn Ongoing interest from farmers/producers continues.
V	2020	37	tbd	tbd			-Tbd - Contractor availability has improved and
	2021	tbd	tbd	tbd	\$184,604		allows for more frequent servicing of collection sites.

^{*} Several Northern collection sites were not serviced in spring 2019 due to road bans.

Materials collected through the pilots:

What's in?	What's out?		
Clean, dry & separated:	 Net wrap or netting Fiber (sisel) twine Nylon rope Feed bags or seed bags 		

Appendix D – Sample promotion & education materials

Advertisement





Instructional materials:



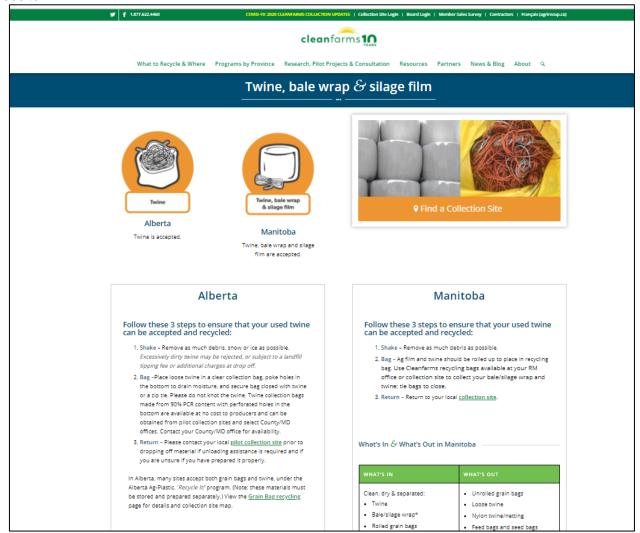


Signage:





Website:



Appendix E - 2019 Manitoba Farmer Survey Summary

This document provides a high-level summary of a survey conducted in the winter of 2019 with 355 Manitoba crop and livestock farmers regarding disposal practices of agricultural plastics as they relate to a recycling pilot project. Contact <u>us</u> for the full results.

Key takeaways:

- The following plastics are most commonly used on Manitoba farms: pesticide/fertilizer containers, plastic wrap on cases/pallets, seed/pesticide bags, twine and net wrap.
- The top three disposal methods reported for the following items:

Grain bags Twine Containers (benchmarking)
- Landfill (26%) - Burn (65%) - Return for recycling (76%)
- Re-use (23%) - Return for recycling (12%) - Burn (7%)

- When it comes to satisfaction with their disposal method, a higher proportion of those
 respondents who return their plastic waste to collection depots (or suppliers) are satisfied relative
 to those who take items to the landfill or burn them.
- Plastic silage / bale wrap, net wrap and grain bag users produced the highest portion of "not very satisfied" and "not at all satisfied" respondents with 43% 47% reporting this.
- About 24% of respondents who use twine, bale/silage wrap or grain bags were aware of the
 pilot projects and a small portion have used the pilots. Usage/participation correlates with
 awareness of depot locations.
- 77% of twine, grain bag and/or bale wrap users are very or somewhat likely to participate in the pilot if a site is in their area.
- 82% of twine/grain bag and/or bale wrap users are supportive (49% very supportive + 33% somewhat supportive) of making a province-wide recycling program for these items in Manitoba.
- 37% of all respondents indicated that they would like to see a new recycling program for managing additional waste products. When focusing only on users of specific types of ag plastics, the highest level of requests for programs is seen for bale/silage wrap (67%), grain bags (57%) and twine (32%) users.
- 99% of producers strongly or somewhat agree that responsible disposal of ag waste is very important.
- Concerns related to the financial implications of a permanent, industry-funded recycling program were raised.
 - 75% of producers strongly or somewhat agree that they don't like any additional fees but understand the need to support a recycling program.
 - 53% of producers strongly or somewhat agree that they are okay with paying an environmental handling fee, if the program is easy to use and accessible.
 - o 58% of producers are strongly or somewhat opposed to paying an environment handling fee.

JUN 0 5 2018



Environmental Stewardship Sustainable and Green Initiatives Box 38, 200 Saulteaux Crescent Winnipeg, Manitoba, Canada R3J 3W3 T 204-945-0331 F 204-945-4552

May 29, 2018

Mr. Barry Friesen General Manager CleanFARMS Inc. 10 Four Seasons Place, Suite 400 Etobicoke ON M9B 6H7

Dear Mr. Friesen:

I am writing to you today to share Manitoba's plan to manage end-of-life agricultural film and twine in a manner that is safe for the environment and human health.

Agricultural plastic waste materials are a major environmental concern facing the agricultural industry in Manitoba. Farmers in Manitoba generate an estimated 1,000 tonnes of plastic waste every year. This includes grain bags, bale and silage wrap, and twine. Around 60%-70% of this waste is burned onsite and the rest is sent to landfills. Less than 2% of this waste is presently collected and recycled through the existing pilot program for agricultural plastics that is funded by the province and implemented by CleanFARMS.

Though agricultural plastics are designated under the Packaging and Printed Paper Regulation, Manitoba does not have an industry-funded program for recycling agricultural plastics. However, the province has been supporting a pilot program since 2013 in preparation for launching a regulated program. Over the years, this program has grown significantly by increasing the number of collection sites, the amount of plastics collected, the level of program awareness among farming communities and the number of partnerships with rural municipalities. In 2017, this program helped to collect over 20,000 kilograms of agricultural plastics from 16 rural collection sites.

Manitoba has also been in discussion with other Prairie Provinces regarding harmonizing agricultural plastics recycling across the region. We are very encouraged by Saskatchewan's decision to launch an extended producer responsibility program for agricultural grain bags in 2018, which will also be managed by CleanFARMS. Such new developments and evolution of the Manitoba pilot program over the years have led the department to review the situation and decide to formally initiate the process of transition towards a fully regulated program for agricultural plastics beginning in 2020.

Transitioning into an industry-funded program will help establish a long-term sustainable solution for recycling agricultural plastics in Manitoba. It will also help create a level playing field across the prairies. Given that CleanFARMS has been involved in both Manitoba and Saskatchewan in designing and/or managing programs for agricultural plastics, we would appreciate CleanFARMS' help with conducting stakeholder consultations and initiating other preparatory measures to ensure a smooth transition.

In particular, we would request CleanFARMS to reach out to the stewards of agricultural plastics in the coming weeks and share with them Manitoba's long term plan regarding recycling of agricultural plastics. Our intention is to alert you and the potential stewards about these upcoming changes and provide sufficient lead-time to comply with the Packaging and Printed Paper Regulation as it applies to agricultural plastics.

This is an exciting time for Manitoba as we look to modernize the existing stewardship programs and add new products under the umbrella of extended producer responsibility programs. Manitoba will continue to strive towards achieving a more ambitious waste diversion goal, which will also help achieve its greenhouse gas emission reduction targets as noted in the Made-in-Manitoba Climate and Green Plan.

I look forward to the continued cooperation and support from CleanFARMS and industry stewards in providing a sustainable solution for recycling agricultural plastics in Manitoba.

Yours sincerely,

Ryan Klos Director

c: Honourable Rochelle Squires Rob Olson Tracey Braun Glen Holmes

Appendix G – Preliminary Consultation Report (preliminary)

This report outlines the consultations that have taken place as of November 30, 2020. A more fulsome consultation report will be included in the next version of this document.

- Ongoing dialogue has taken place with farmers/producers and affected stakeholders through all phases of the pilot program since 2013.
- In 2018, Cleanfarms presented at the Manitoba Association of Regional Recyclers' (MARR's) annual Manitoba Recycling & Waste Reduction Forum. Cleanfarms also hosted a booth at MARR's 2019 forum.
- Cleanfarms hosted a booth at the Association of Manitoba Municipalities 2018 Annual Convention.
- A formal Manitoba Ag Plastics Consultation Kick-Off Meeting was held on December 3, 2018 with the following groups in attendance:
 - Manitoba Canola Growers Association (MCGA)
 - Manitoba Beef Producers (MBP)
 - Dairy Farmers of Manitoba (DFM)
 - o Manitoba Forage & Grassland Association (MFGA)
 - Keystone Agricultural Producers (KAP)
 - o Manitoba Agriculture
 - Manitoba Sustainable Development (now Manitoba Conservation & Climate)
- Cleanfarms hosted a booth at Crop Connect (2018 and 2019) and the Manitoba Beef Producer's 2019 Annual Meeting. (These are key events in Manitoba's agricultural community.)
- A webinar was held in August 2020 where pilot collection sites were briefed on the plans to transition the pilots into a permanent program.
- In September 2020, Cleanfarms presented Manitoba Conservation and Climate with a proposed process and timelines for the final stages of transition to a regulated program, including a plan for engaging industry stewards and key stakeholder groups.
- Key agricultural stakeholder groups were re-engaged in a second round of consultations in fall 2020. Participants were updated on the status of the initiative and advised of the process and timelines for transitioning to the regulated, industry-funded program. Preliminary information about the components of the ag plastics program was shared and feedback was recorded and considered in the development of this draft MAPP.
 - Manitoba Canola Growers Association (MCGA)
 - Manitoba Beef Producers (MBP)
 - Dairy Farmers of Manitoba (DFM)
 - Manitoba Forage & Grassland Association (MFGA)
 - Keystone Agricultural Producers (KAP)
 - o Manitoba Agriculture
 - Association of Manitoba Municipalities (AMM)

The stakeholder groups listed above voluntarily assisted Cleanfarms in distributing information to their members through their association newsletters, websites and other communication channels.

Cleanfarms developed and maintains a separate page (https://cleanfarms.ca/manitoba-consultation/) on its website to provide updates and details. Interested stakeholders can submit verbal and/or written feedback.

Summary of feedback received

The following summarizes the feedback received from farmers/producers and key stakeholder groups.

- Harmonization of regulatory obligations and administrative procedures across the prairies is important to first sellers. Harmonization related to the Environmental Handling Fee and designated materials are particularly important.
- The process and timelines outlined in the MAPP for transitioning to a regulated, industry-funded program appear reasonable.
- The collection system for designated ag plastics must be convenient, accessible and properly communicated to farmers/producers.
- Farmers/producers are concerned with the increased costs associated with an industry-funded program.

Next steps

The submission of the MAPP (Version 1) to the Manitoba government signals a shift to the next stage of consultation. Cleanfarms will now proceed to:

- Distribute this version of the MAPP to all key stakeholder groups.
- Invite stakeholder groups to meet with Cleanfarms to consult and provide feedback on the contents of the submitted the MAPP.
- Consolidate and present feedback in an updated Consultation Report.
- Participate in the government's internal and/or public consultation process as needed.