# Small UK food businesses raise concerns over government packaging tax



Small food businesses across the United Kingdom are expressing significant concerns over the government’s new Extended Producer Responsibility (EPR) scheme, which introduces a packaging tax aimed at improving recycling rates and reducing waste. The scheme mandates that producers bear responsibility for the entire lifecycle of the packaging they use.

This policy is being implemented in phases, with full roll-out anticipated within the next two years. However, small-scale food companies warn that the EPR tax’s current structure threatens their very survival due to elevated compliance costs that disproportionately affect smaller operations. Business owners highlight that fees, which are calculated largely on the weight and type of packaging, place an undue burden on firms that operate with narrow profit margins and limited resources, unlike larger manufacturers and retailers who possess greater financial resilience and lobbying power.

Concerns have been raised particularly by businesses using packaging materials such as glass—a heavy but fully recyclable option. Under the EPR’s weight-based model, these companies face higher charges, which critics argue may incentivise a shift to lighter, less sustainable packaging alternatives, potentially undermining the environmental objectives of the scheme. Effectively, the flat-rate fee structure is seen as poorly aligned with the varied realities faced by small enterprises.

In addition to economic worries, small business representatives have criticised the policy’s development process, indicating that many were not adequately consulted during planning. Those outside major trade organisations, in particular, feel overlooked and excluded from key decision-making, fueling calls for the government to implement a more graduated or tiered approach to the levy. Among the suggestions are phased fee introductions or subsidies to assist smaller producers in adapting to the policy without debilitating financial impact.

Another pivotal area of contention centres on the handling of the revenue raised by the packaging tax. There is a strong appeal from small businesses for the government to earmark the funds explicitly for investing in UK recycling infrastructure. This is in response to fears that funds might otherwise be diverted to non-environmental spending, diluting the core aim of enhancing recycling capabilities.

There are also apprehensions about consumer consequences. Industry stakeholders warn that the additional packaging costs are likely to be transferred along the supply chain, culminating in higher prices on retail shelves. This outcome could disproportionately impact low-income households already struggling with rising living expenses.

While government officials maintain that the EPR scheme is a necessary step towards establishing a more sustainable waste management framework, the growing pressure from small food companies suggests that revisions to the scheme’s implementation may be required to ensure equitable and effective outcomes for all stakeholders involved.

Source: [Noah Wire Services](https://www.noahwire.com)