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Britain sets packaging fees that brewers say could erase bottled beer profits

The 2026/27 rates lower some glass charges, yet pub groups still fear passed-through costs from double charging

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The British beer and pub industry is warning that new packaging waste charges set by the U.K. government could erase brewers’ profits on bottled beer and add pressure to prices in pubs, even after officials lowered some proposed rates for glass.

On Wednesday, November 25, the government published its extended producer responsibility, or EPR, disposal fees for the 2026/27 assessment year, which runs from April 1, 2026, to March 31, 2027. The system, introduced in April 2025, makes businesses financially responsible for dealing with the packaging they place on the market.

Under the new rates, glass will be charged at £192 a tonne for green-rated packaging, £207 for amber-rated packaging and £249 for red-rated packaging, depending on recyclability. Paper and card will be charged at £199, £215 and £258 a tonne, respectively. Aluminium will cost £269, £290 and £349 a tonne, while steel will be charged £274, £296 and £356. Plastic carries some of the highest fees, at £467, £505 and £606 a tonne, and wood is the highest-cost material, at £538, £581 and £697 a tonne.

The fee structure gives green-rated packaging a 7.5% reduction from the amber base rate, while red-rated packaging faces a 20% increase. The government has said the charges are designed to reflect the type, weight and recyclability of packaging placed on the market by producers that fall under the scheme.

The British Beer and Pub Association said the latest figures still leave the industry facing a heavy burden. Emma McClarkin, the group’s chief executive, said the fees were slightly lower in real terms than earlier proposals but remained “higher than forecast and remain cripplingly high.” She said brewers make about 2p on a 330ml bottle and argued that the new charges could wipe out those profits and force retail prices higher.

McClarkin also said pubs would be unfairly hit because the costs would be passed through the supply chain, cutting into already narrow margins. She argued that glass, despite being fully recyclable, is still attracting what she described as excessive charges under a rollout that has created uncertainty for employers and investors.

The issue matters well beyond beer producers. For drinks companies and hospitality businesses that sell beer, wine, spirits and soft drinks in glass or other packaged formats, EPR fees shape packaging costs and can affect margins, wholesale pricing and consumer prices. The continuing uncertainty over how recycling charges will be applied

in pubs and restaurants also complicates planning for producers choosing between packaging materials and sales channels.

A major source of industry concern is the risk of double charging. Hospitality groups have said pubs already pay commercial waste contractors to collect and recycle used bottles, but they may also end up bearing EPR costs passed on by suppliers. The British Beer and Pub Association has previously estimated that this problem could cost pubs £50m a year.

In November, the government announced changes intended to reduce that burden. It said most glass drinks containers supplied directly by producers to licensed hospitality venues would be exempt from EPR disposal fees beginning in April 2027. According to industry reporting on those proposals, the changes could save businesses up to 6p per beer bottle and 10p per wine bottle. For a pub selling 10,000 beer bottles and 3,700 wine bottles, that could mean savings of as much as £870 a year.

But important questions remain. The exemption is not expected to cover products supplied through wholesalers, which is a common route to market for many pubs, bars and restaurants. That means it is still unclear how much of the hospitality sector will actually benefit, and which licensed venues will qualify once the changes take effect.

The government has also said it will consult on further changes to packaging fees, with lower charges for materials that are easier to recycle and higher charges for harder-to-recycle packaging. Industry groups have welcomed the direction of those reforms but say the current fee levels still create immediate pressure on brewers and pubs before any broader relief arrives.

That tension is especially sharp in a drinks market where margins are already thin. Brewers selling bottled beer and venues serving packaged drinks must account not only for the direct cost of materials such as glass, aluminium and plastic, but also for how those materials are rated under the EPR system. A lower fee for recyclable packaging may encourage shifts in packaging choices over time, but businesses say the short-term impact could still be higher operating costs and price increases at the bar.

For now, the confirmed 2026/27 fees give companies more clarity on the charges they will face, but they do not resolve the central dispute between the hospitality trade and the government. Brewers and pub operators say the system still risks charging the sector twice for the same packaging waste and still leaves too many unanswered questions about who will be protected by the planned glass exemption in 2027.