

# RECYCLING COMMODITY UPDATE

— MAY 2018 —

## THE FACTS

- China was the largest buyer of mixed paper in 2017, representing over 55% of worldwide demand. The U.S. alone shipped 15 million tons per year of this material to China.
- China enacted The National Sword Program in 2017 to cut down on the amount of “carried waste” being sent into the country as an initiative to combat pollution.
- China has banned 24 types of materials that were previously entering their country as recyclables. The largest ban that has impacted the U.S. recycling industry has been the ban on mixed paper (junk mail/scrap paper).
- For all other finished recyclables imported to China, the specifications are now at a 0.5% contamination rate, reduced from the industry standard of 3%.
- The pressure on secondary markets (India, Korea, etc.) to absorb this excess material is significant, and ocean freight costs to reach these markets is up over 100%.
- The Northeast U.S recently lost its only “bottle-to-bottle” glass processor.

## THE CONSEQUENCES

- The market value for mixed paper is down over 90% and – rather than generating revenue from this material – recyclers now have to pay to get rid of it.
- The overall value of the traditional recycling stream has seen a reduction of 63% over the past 12 months.
- Having lost “bottle-to-bottle” glass processing, there are no markets for glass in the Northeast. Therefore, glass is being disposed at a cost.

## CALL TO ACTION

We believe in sustainability, and in working towards the conservation and renewal of resources. We have deliberately made this ethic visible in our mission, investments and business priorities.

However, this is a crisis moment – for recycling, and for sustainability. New solutions will require the collaboration and commitment of a number of stakeholders.

**Companies That Recycle:** Continue to invest in new technology to deliver better, less-contaminated sorting capability. Also, recyclers must aggressively work to identify and develop new markets and uses for recyclable materials.

**Customers:** Work to reduce contamination at the source and put cleaner material at the curb. Intentionally and deliberately reduce material, such as plastic grocery bags, items that tangle, textiles and food waste.

**Regulators, Lawmakers, and Municipal Policy Makers:** Require the beneficial use of glass, such as its use as an aggregate in road construction and repair. Remove glass from lists of materials banned from disposal. If markets outside of China for mixed paper become over-saturated, it may become necessary to discuss removing junk mail and mixed paper from the required recycling stream and collect newsprint only. Expand disposal capacity.



RESOURCE SOLUTIONS

ZERO-SORT® RECYCLING · COLLECTION · ORGANICS · ENERGY · LANDFILLS

[casella.com](http://casella.com)