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Report on Blended Commodity Values in the Northeast

Period covered July – September 2019

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Background

The Northeast Recycling Council (NERC) supports recycling market development and opportunities for improvements in its 11-state region: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Last year, in partnership with the Northeast Waste Management Officials' Association (NEWMOA), we formed a *Regional Recycling Markets Development Committee*. The Committee determined that having information about the value of commodities processed by the region's Materials Recovery Facilities (MRFs)¹ would be extremely helpful for assessing regional market trends and would serve as an educational tool for promoting improved residential recycling and participation. North Carolina's Department of Environmental Quality has been doing a similar survey for many years. The results have been invaluable to recyclers, MRFs, and also municipalities and state agencies. We anticipate the same benefits in our region.

This is the second report published. The first report covered the period of April – June 2019. We anticipate quarterly surveys and reports in the future.

Fifteen (15) publically-owned or operated MRFs in 10 states volunteered to be surveyed in October 2019 for the period covering July – September, 2019.² Among the respondents are single stream, dual stream, and source separated MRFs. For the current quarter, there were 14 respondents from 10 states, also representing single stream, dual stream, and source separated MRFs.

At no time will any individual company information be shared with anyone outside of NERC staff. No participating facilities will be identified and no state-specific data will be released.

We would like to recognize and thank RRS for its technical assistance.

¹ MRFs are a facility that receives, separates and prepares recyclable materials from the public for marketing to processors and end-user manufacturers.

² There are no MRFs in New Hampshire.

Survey Questions & Results

The survey asked for the average value for the following commodities marketed during the period July – September 2019.

| |
|---|
| UBC (aluminum cans) |
| Steel Cans |
| PET (plastic #1) |
| HDPE Natural (plastic #2) |
| HDPE Colored (plastic #2) |
| Polypropylene (plastic #5) |
| #’s 3-7 Plastics |
| Bulky Rigid Plastics |
| OCC Grade #11 (corrugated cardboard) |
| Mixed Paper Grade #54 |
| Aseptic and Gable-top Cartons (Grade #52) |
| Clear Glass Containers |
| Green Glass Containers |
| Brown Glass Containers |
| 3 Mix Glass Containers |
| Residue |

Previously, the MRFs reported the average percentage of total outbound tons marketed for calendar year 2018. These percentages are used to calculate the average commodity value of a ton of material. The same percentages were used for analyzing the data from this period, July – September 2019.

Average Percentage of Outbound Tons Marketed per Commodity in Calendar Year 2018

| | |
|---|----------------------|
| UBC | 0.72% |
| Steel Cans | 2.34% |
| PET | 3.08% |
| HDPE Natural | 0.67% |
| HDPE Colored | 0.93% |
| Polypropylene | 0.89% |
| 3-7 Plastic | 2.41% |
| Bulky Rigids | 0.72% |
| OCC Grade #11 | 24.4% |
| Mixed Paper Grade #54 | 27.97% |
| Aseptic and Gable-top Cartons (Grade #52) | 0.05% |
| Clear Glass | 4.41% |
| Green Glass | 1.75% |
| Brown Glass | 4.41% |
| 3 Mix Glass | 14.57% |
| Residue | 12.19% |
| Total | 101.51% ³ |

Average Commodity Value per Ton of Marketed Materials

The 14 MRFs were asked to provide the average value of each commodity for the previous quarter (July – September 2019). These values were then combined into a weighted average to reflect the average value per ton for recyclables marketed in the region.

Average commodity value per ton *with* residuals: \$34.85

Average commodity value per ton *without* residuals: \$41.55

These figures show a significant decrease in value from the previous quarter (April – June, 2019)

Change in average commodity value per ton *with* residuals: -24%

Change in average commodity value per ton *without* residuals: -20%

Residual Processing Costs

The MRFs were also asked about processing costs⁴ for the period July – September 2019.

Average processing cost per ton: \$83.

This is almost identical to the average processing cost per ton that the MRFs reported for calendar year 2018, which was \$82/ton.

³ Disparity over 100% is due to the way glass percentages was reported.

⁴ The cost to sort and prepare the commodities for sale.