Paper Markets for Newark Recovery & Recycling

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Newark Recovery & Recycling Services

- Makes **100% recycled paperboard**. From construction products to literally hundreds of paperboard grades

- 6 paper mills with 10 paper machines coast to coast

- Has been in the recycled paperboard business for over 100 years

- 100% recycled business, taking major steps to make all our facilities as sustainable as possible, and do more to lower our carbon footprint
What We Do continued

- Newark collects, sorts and processes over 2 million tons of waste paper for re-use each year
- Handles all grades of recycled paper, cardboard, mixed papers, office paper waste, magazines and books
- Recycles a range of other household and industrial materials including plastics, metals and e-waste
- 11 recovery facilities coast to coast
Recovered paper fiber aka WASTE PAPER

- Industry Goal is to recover 70% of all paper by 2020
  - 2012 we recovered 65.3%
  - 2013 we saw a drop to 63%

- We have seen a major deterioration in the quality of recovered fiber for our paper mills
  - Industry has shut down close to 9 million tons per year of capacity
  - Consolidation and rationalization has led the way
2001 our corporation invested 180 million into a new paper mill we built in Fitchburg MA (Newark America)
  ◦ Most modern box board mill in the USA
  ◦ 100% of feedstock would be 600 tons/day of curbside news/residential mix paper (RPM)
  ◦ Over 200,000 tons was consumed annually from cities and towns in MA, CT, and NH

Today, we consume 25,000 tons/year (175,000 tons less/year) of RMP
  ◦ Replaced with 175,000 tons of OCC (corrugated)
WHAT HAPPENED?

- Plain and Simple: The quality of RMP became a major mess

- The mixing of material with non-paper material (AKA single stream) was the single cause for the change

- Communities became more concerned about recovery rates then selling paper mills quality material

- You can’t unscramble a scrambled egg
Box board, liner board, and tissue can only be made from Virgin or recovered fiber
  ◦ We can’t make paper from plastic, metal, glass, and solid waste

  ◦ Mixing recyclables leads to major contamination

  ◦ We’re landfilling 20% of materials received on a daily basis

  ◦ Single stream recycling rates are false (they don’t count what is rejected and trashed from paper mills)

  ◦ Recycled paper mills need good quality to compete against virgin mills and cheap overseas labor.
The Current Situation

- Tons that couldn’t be consumed by U.S. mills were shipped to China
- We put our faith and business in the hands of the Chinese to take what we couldn’t handle
- After several years, China had enough and implemented the “Green Fence”
Current Situation continued

- Prices have fallen sharply
- More mill closures or furnish changes
The Future

- Prices may continue to stay depressed

- A democracy put its future in the hands of a communist nation
  - China turns the demand level on and off like a water faucet
  - The Chinese economy is experiencing major down time and softness

- China has developed more infrastructure and collection
  - 2014 - first year that China collected more recovered fiber internally then imported
  - Look back in time - Japan, Korea, Taiwan, Europe and the Philippines all were reliant on U.S. tons until they built their own collection infrastructure
  - Today, very little if any recovered paper is shipped to these countries
The Future continued

- Our domestic demand has dropped by millions either with shut downs or consolidation
  - Nice to see Pratt building a new mill in Indiana

- ‘Dirty MRF’s rearing their heads
  - If we have issues with single stream, then this system will be a major disaster
The Answer

- Produce quality recovered fibers that are free of contaminants

- Give paper mills what they need—“quality” to compete against virgin fiber

- Stop believing the success rates of single stream. It’s all smoke and mirrors

- If we do this, then companies will begin to reinvest in the industry

- If we don’t, then there will be major problems in the years ahead