



MARKET IMPACTS

On Sustainable Materials Management



MARKET IMPACT



- 1 WHAT CHANGED THE MARKET
- 2 SINGLE STREAM
- 3 PAPER MARKETS
- 4 COMMINGLED MARKETS





John Stanton

Recycling Development and Marketing

- 25+ Years Experience in Recycling Planning, Marketing and Operations
- Previously Responsible for 400,000 tons of Recyclables for GSP- \$100 Million Annual Budget
- Member ANJR
- Early Member NJ Recycling Forum
- BS in Business Administration
- MBA in Marketing

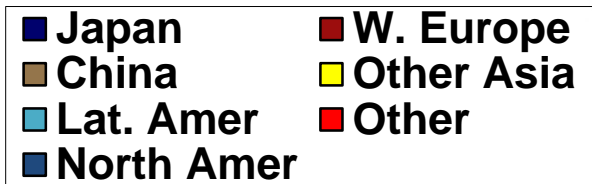
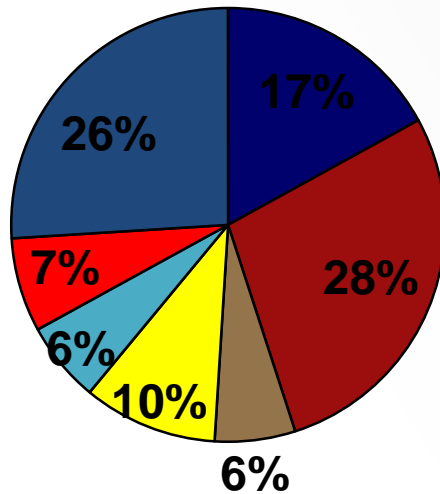




WHAT CHANGED THE MARKET



Recovered Paper Consumption



1990

87 Million tons

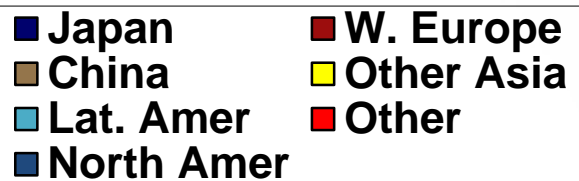
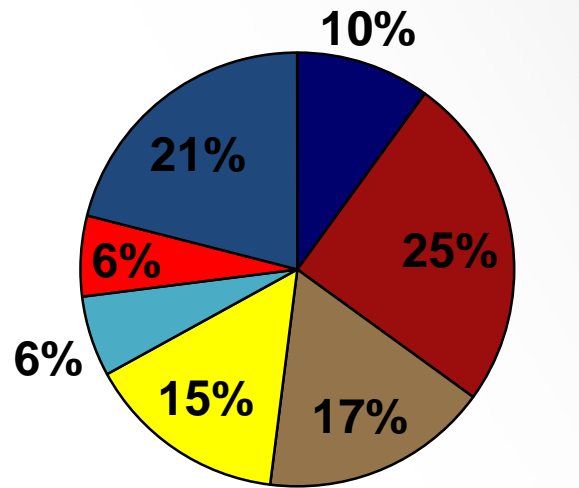
Source: RISI



The Times They Are a-Changin'



Recovered Paper Consumption



2004

Source: RISI

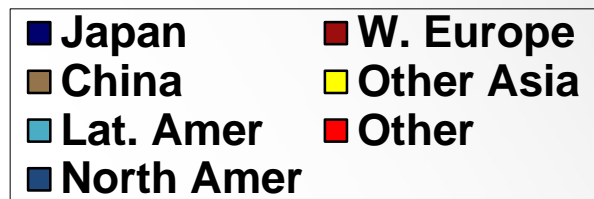
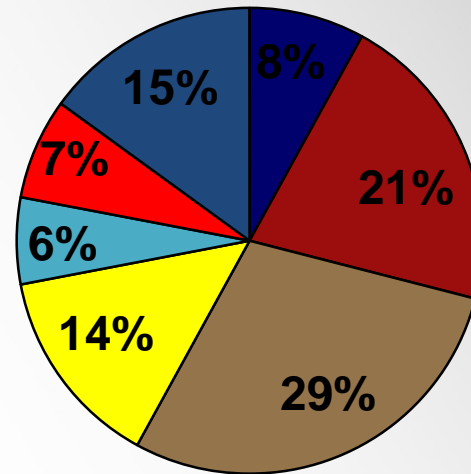
179 Million tons



Recovered Paper Consumption



- China's market share has increased from 6% in 1990 to 29% today
- The North American market share has decreased from 26% to 15% during the same period



2010

219 Million tons

Source: RISI





China Initiates "Green Fence"

- China implemented new environmental regulations on October 1, 2012
- Enforces regulations that prohibit the import of unwashed, post-consumer plastics
- It prohibits Chinese processors from selling the unwashed leftover plastic they cannot use to other processors
 - This limits the viability of recycling #3-7 plastics except for #5 which has a stable market



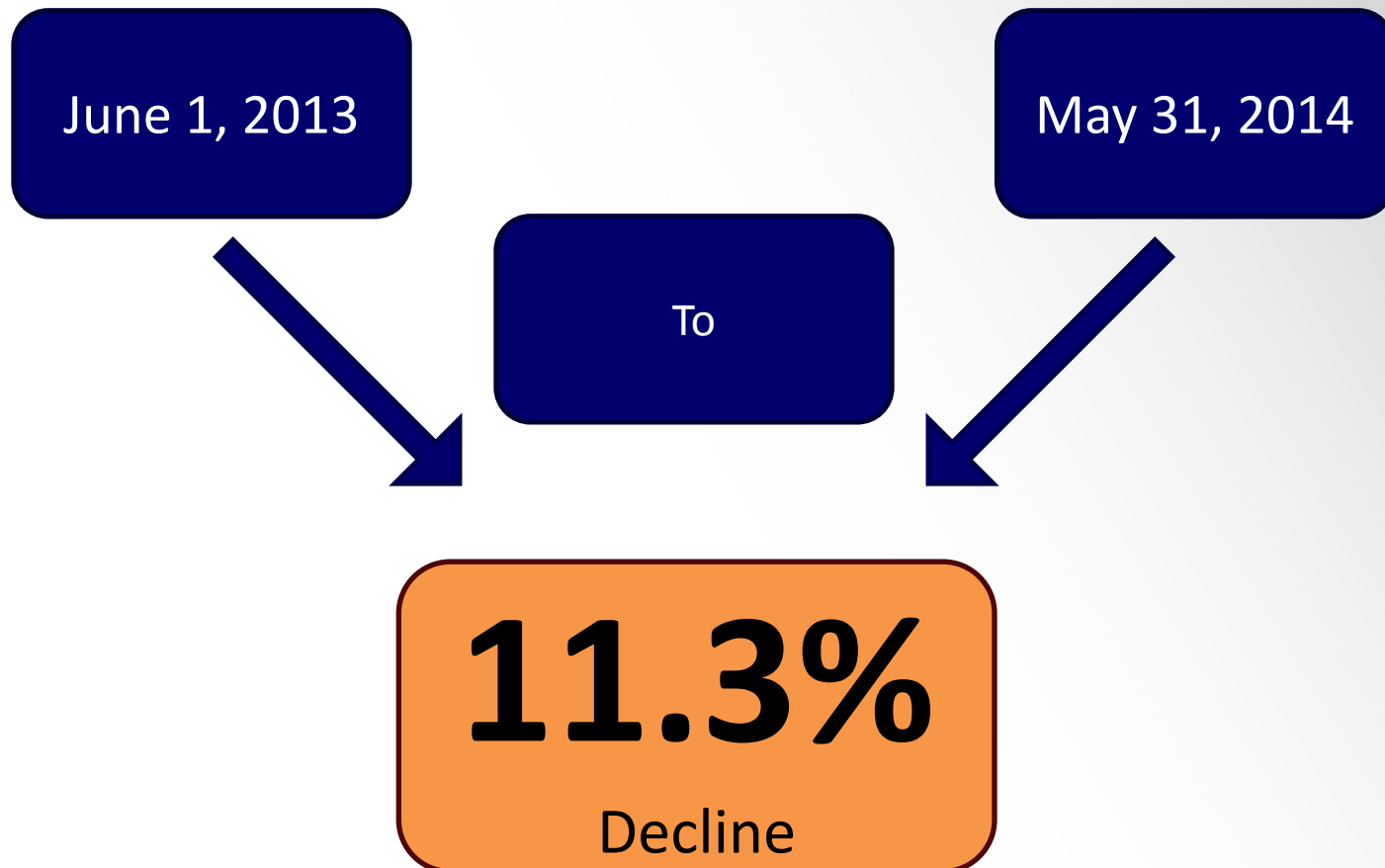


China Initiates “Green Fence”

- Effective January 1, 2013 only “approved” Chinese companies can import recyclables
- Enforcement by the Chinese government began in earnest in February 2013
 - Prior to February, China’s demand for recyclables fueled a thriving global trade in recyclables from the US and elsewhere



US paper exports to China





Is it still impacting Recycling?



China Plastic Imports





Inspections Continue



Why is China Continuing with the Increased Inspections and Quality Control?





**Men Walking through smoke from
burning Plastic in Beijing**



**Burning computer parts to
recover precious metals**



Plastic waste clogs up canal
in Beijing

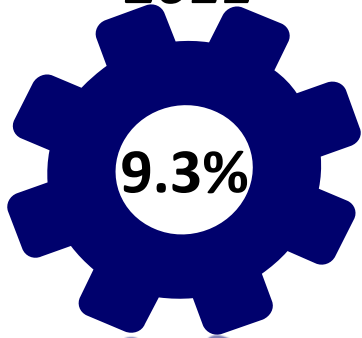




China's Economic Growth

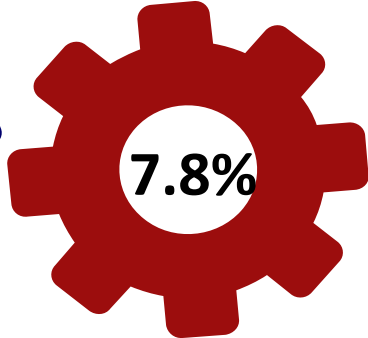
*Prior to 2010
China's Economic
Growth exceeded
10% for many
years*

2011



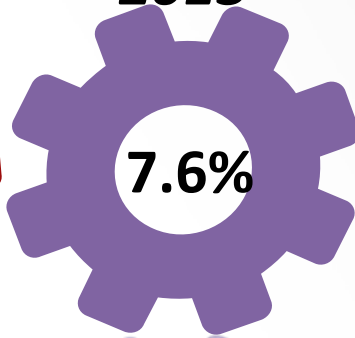
9.3%

2012



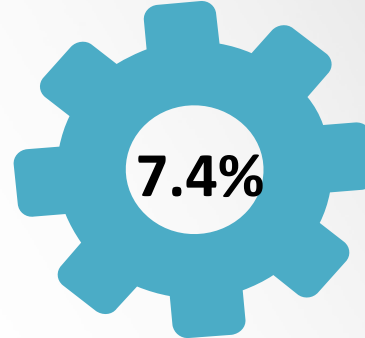
7.8%

2013



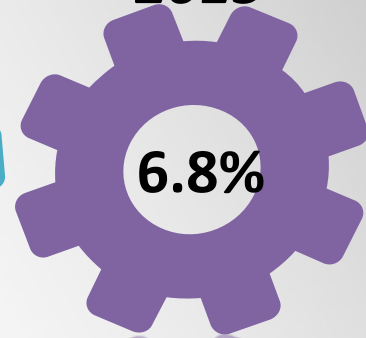
7.6%

2014



7.4%

2015



6.8%

When will it end?

- Due to Worldwide Economic slowdown, China's economy has declined
 - China's increased domestic growth cannot fully absorb worldwide economic decline
- China is using this economic decline to help reduce China's environmental issues





SINGLE STREAM







Good Quality Single Stream

Typical Single Stream





OTHER NEWS
The resurgent progressives

KINGS

Kings USA Prime Beef Rib Roast - 14.99

15.99
6.99

12 Pack	15.99
6 Pack	6.99

12 Pack
6 Pack

888889
\$37

PORT-AID
EXTENDED HOURS

1192







Controls

- Control of the SS contamination is more important than dual stream
- Education is VERY important
 - Residents otherwise begin to think of the mix as “garbage”
 - We must be “Pro-Active” in educating the residents about what is and is not acceptable



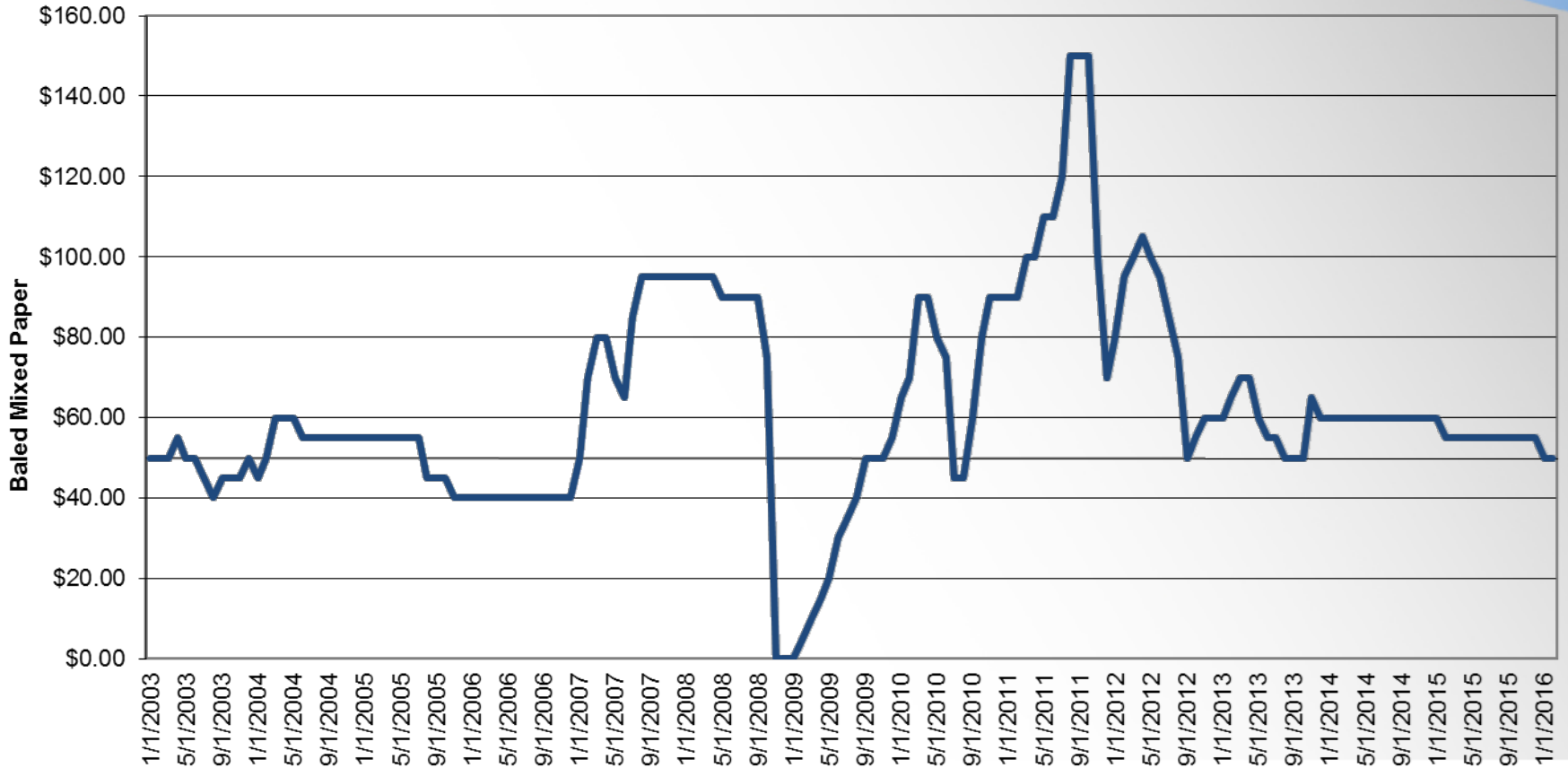


PAPER MARKETS



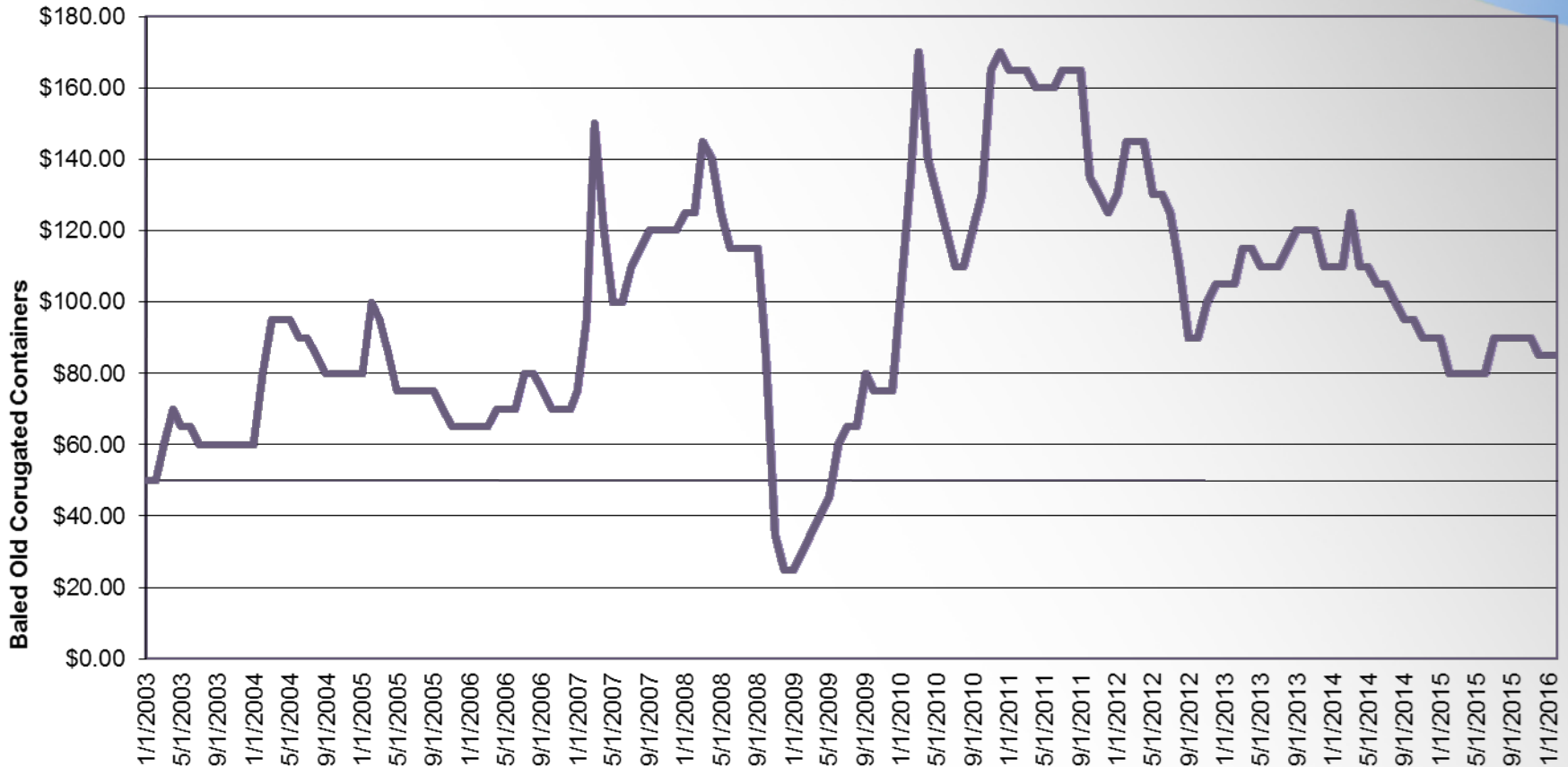
Pricing for Baled #2 MP

Official Board Markets - Export NY High



Pricing for Baled #11 OCC

Official Board Markets - Export NY High





COMMINGLED MARKETS





Commingled values continues to decline

- Oil prices significantly impacting the value of plastics
- Currently less expensive to produce virgin plastic as opposed to using recovered plastic





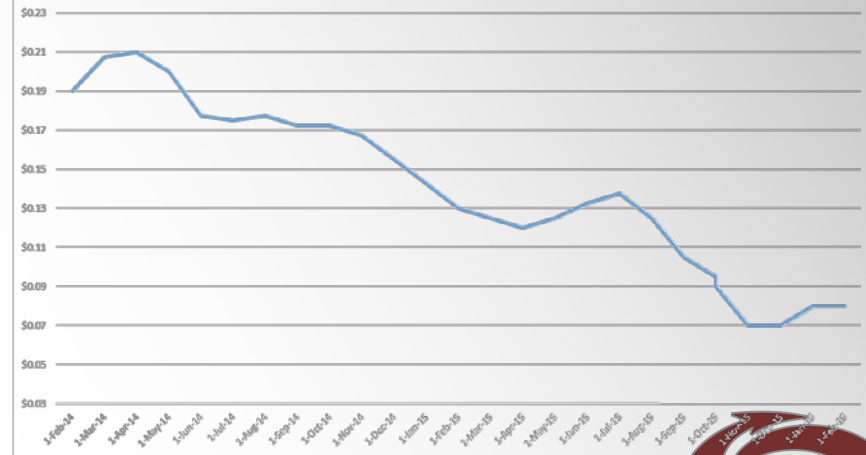
Crude Oil Pricing vs PET pricing

The relentless decline of Brent crude



PET (#1) Baled

NY Average Price per Pound
Secondary Material Pricing.com



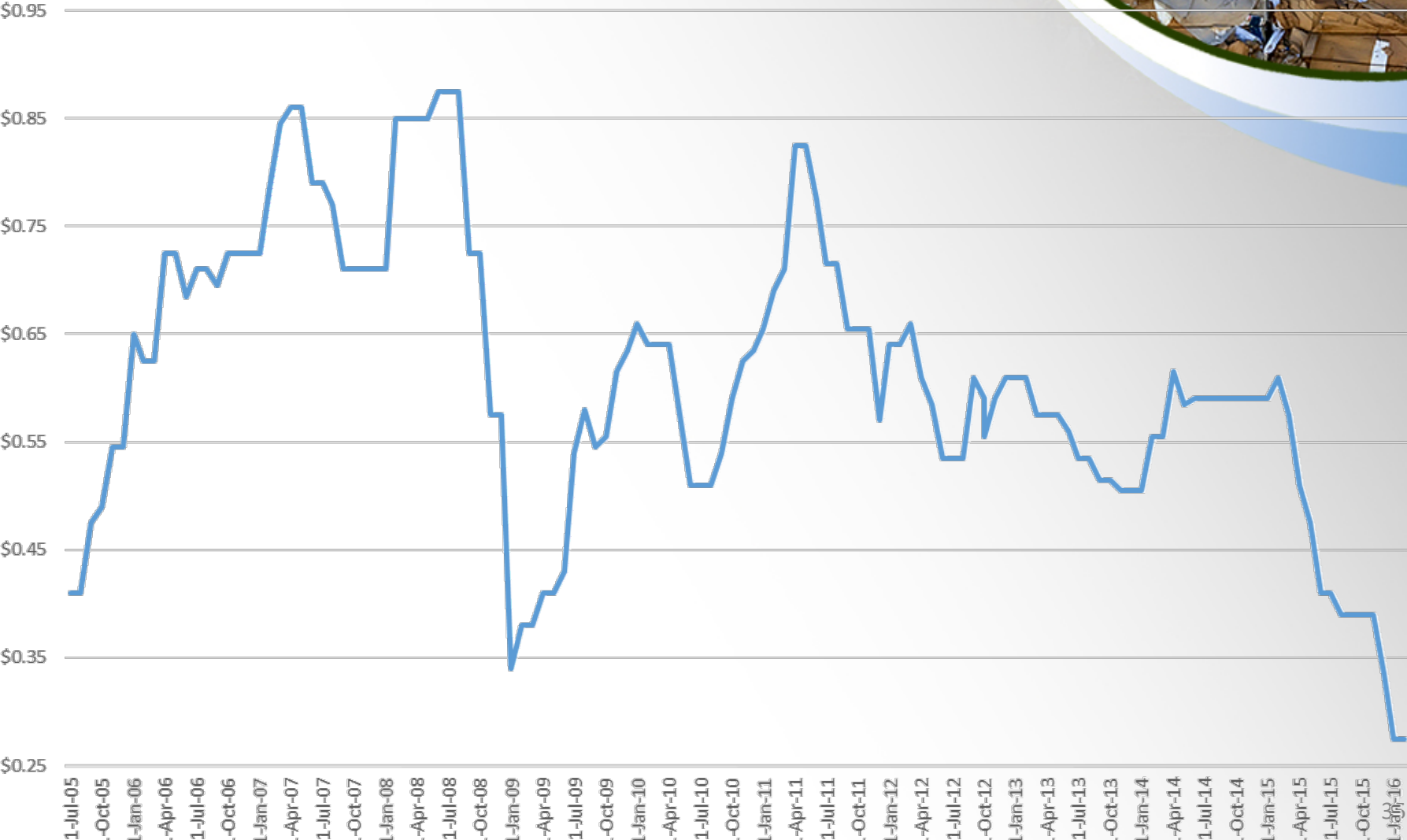
Commingled values continues to decline

- Aluminum cans are the financial driver in commingled containers
- Aluminum has dropped from \$1,600 per ton to \$1,100 per ton in the past six months



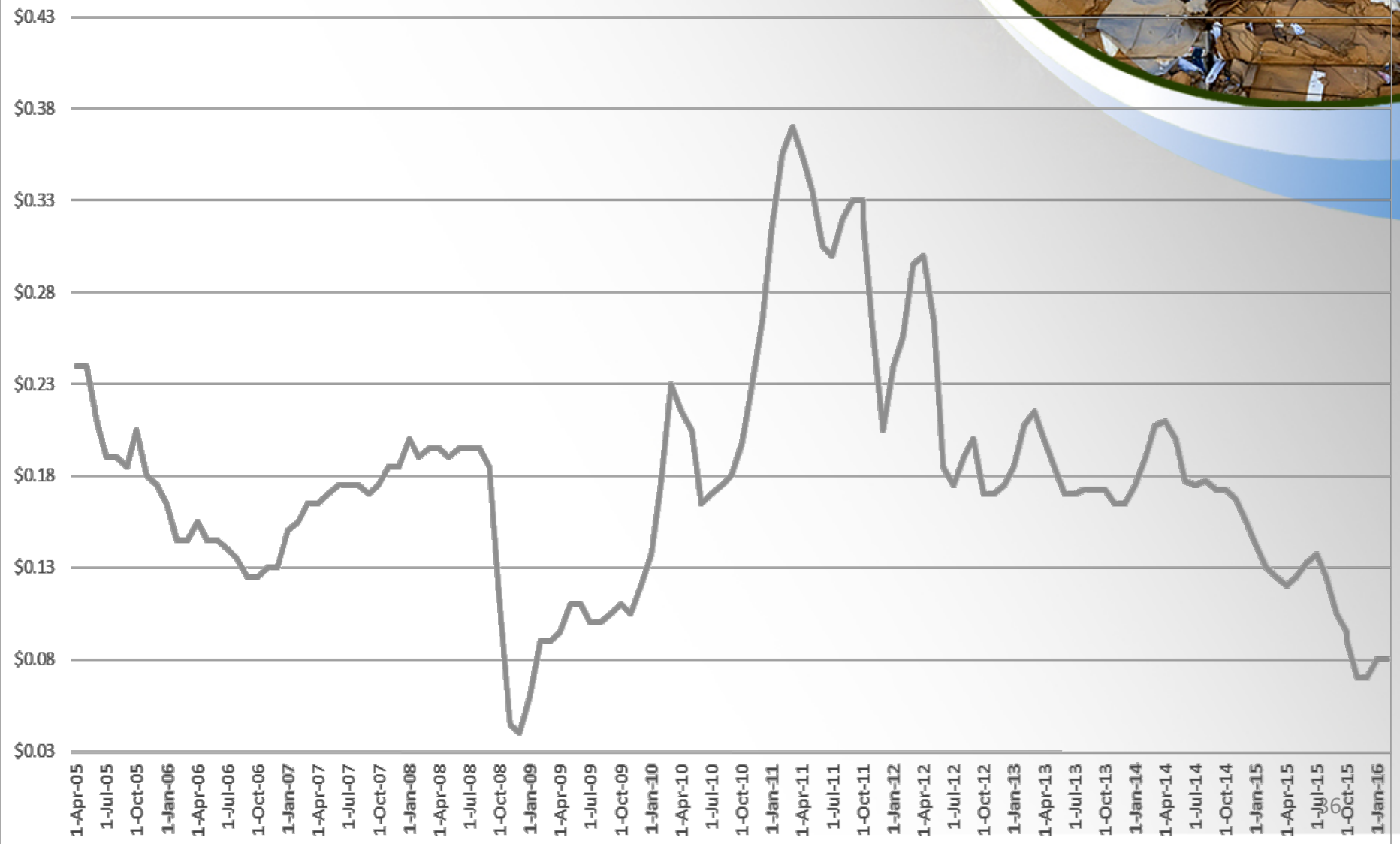
Aluminun Cans (loose)

NY Average Price per pound
Secondary Material Pricing.com



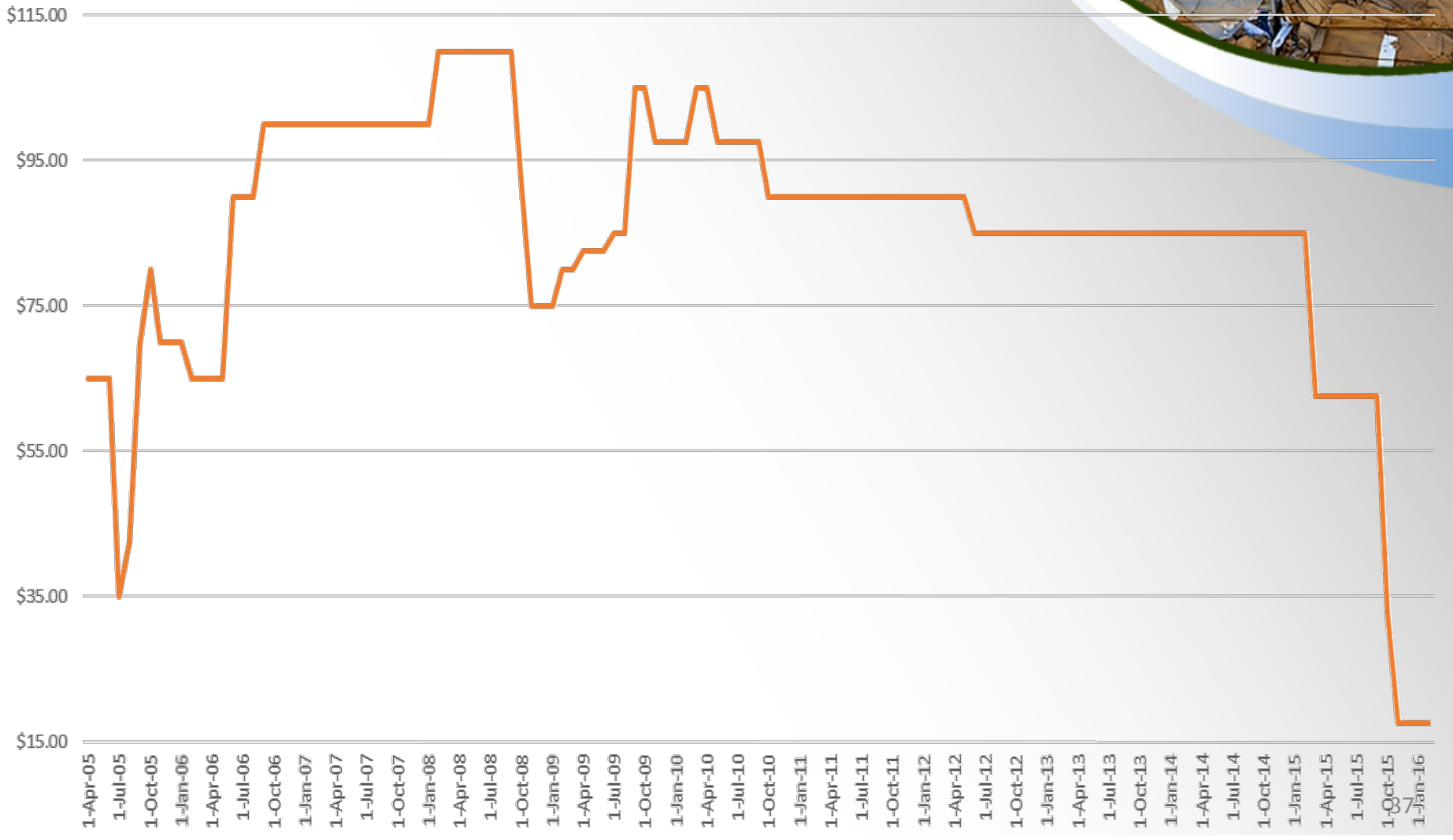
PET (#1) Baled

NY Average Price per Pound
Secondary Material Pricing.com



Steel Cans (loose)

NY Average Price per ton
Secondary Markets Pricing.com





The
Future

Today & Tomorrow

- Markets are dropping significantly
 - Charges for acceptance of Recyclables
 - Single Stream Charges
 - Commingled Container Charges
 - Elimination of Floor Prices
 - Sharing Risks
 - Markets can no longer absorb cost of contamination
 - Still positive revenue for source separated fiber (paper)



**Dear Life,
When I asked if my
day could get worse,
it was a rhetorical
question not a
challenge.**



Thank You

