Health Crisis Impacts Recycling Markets

As 2020 got underway, recyclable materials commodities markets remained weak with correspondingly low recyclable commodity prices. The onset of the worldwide health crisis in March, however, changed the dynamics of the recycling markets in some interesting ways.

**Corrugated cardboard** - Online purchasing is booming due to the health crisis and so the demand for recyclable corrugated cardboard has skyrocketed since new shipping boxes are made from old corrugated containers and mixed paper. With most businesses closed, however, not enough old corrugated cardboard is being generated and recovered from the commercial sector to match the increased demand. Residential collection of corrugated cardboard has increased about 20 percent during the health crisis, but the residential sector cannot make up for the decreased supply of corrugated seen in the commercial sector. Consequently, the price of old corrugated cardboard more than tripled in one month’s time. While the market price for old corrugated cardboard has cooled off of late, its commodity price is now considerably stronger than it was prior to the health crisis.

**Paper** - Consumers have been purchasing every package of toilet paper, paper towels and tissues available and thus have driven up the demand for the raw materials used to make these products. Many of these paper products are made with recyclable paper grades, especially office paper, printer overruns and mixed paper. With most businesses closed, however, very little of this material is being generated and recovered. Once again, with demand up and supply down, the prices paid for these paper grades shot up quickly and so the paper market is now considerably stronger than it was prior to the health crisis.

**Plastics** - Plastics are a petrochemical product and thus are influenced greatly by the price of oil. When the price of oil is high, less expensive recyclable polyethylene terephthalate (PET) plastic (soda and water bottles) and high-density polyethylene (HDPE) plastic (milk jugs and detergent bottles) feedstocks become more economically attractive to manufacturers. Conversely, when the price of oil is low, there is less of a demand for recyclable PET and HDPE plastic feedstocks.

At the start of 2020, there was a worldwide oversupply of oil and so oil prices were low. Consequently, the market prices paid for recyclable PET and HDPE plastics were weak and on the decline. The onset of the health crisis resulted in a further reduction in the demand for oil due to businesses closing and greatly reduced automobile travel. This has led to oil prices dropping even more, which has further weakened the commodity market prices for recyclable PET and HDPE plastics. In fact, commodity prices for recyclable PET and HDPE plastics are now at or near historic lows.

**Scrap Metal** - With manufacturing and building greatly reduced during the health crisis, the demand for products made from scrap metal, such as various steel building products, has declined. This in turn has led to a decline in scrap metal prices.

DEP Recycling Awards

The DEP is now accepting nomination applications for its annual recognition program celebrating excellence in recycling. Applications are due by July 31, 2020. Learn more at recycle.nj.gov.
Did You Know…

- Pitch In For Baseball & Softball is a nonprofit organization that accepts donations of new and gently used baseball and softball equipment and then redistributes the donated bats, gloves and balls to children around the globe enabling them to play ball. For additional information, visit pifbs.org.
- The Northeast Recycling Council’s "Rebooting Recycling" fall conference will take place on October 20-21. Contact Mary Ann Remolador at maryann@nerc.org for details.
- The United States Environmental Protection Agency recently launched its Sustainable Materials Management Prioritization Tools, which are life cycle-based tools that will help users identify potential opportunities for environmental improvement in the production and consumption of goods and services. Learn more at https://www.epa.gov/smm/sustainable-materials-management-prioritization-tools.
- I Support the Girls is a nonprofit organization that accepts donations of new and gently used bras which are then distributed to girls and women experiencing homelessness. The New Jersey affiliates for this organization are located in Pennington and Springfield. Visit isupportthegirls.org for details.
- Sled dogs in Denali National Park and Preserve in Alaska assist park rangers in many ways, including hauling trash and recyclables out from remote places.
- The DEP’s Small Business Assistance Program helps New Jersey’s small businesses better understand the complex world of environmental regulation. For more information, visit https://www.state.nj.us/dep/ages/sbap/.
- The Association of New Jersey Recyclers provides numerous educational training programs and helpful resources to the recycling community. For additional information, visit www.anjr.com.
- Sustainable Jersey’s Sustainable Communities Grant Program supports municipal environmental stewardship and resiliency projects. Applications are due by July 16, 2020. Learn more at https://www.sustainablejersey.com/grants/.

New Jersey Food Waste Recycling Law Passed

Governor Phil Murphy recently enacted legislation that requires large-scale generators of food waste to recycle their food waste rather than send it to a landfill or incinerator. The law defines large-scale generator as an establishment that produces at least 52 tons of food waste per year and states that this food waste must be recycled if the generator is located within 25 road miles of an authorized food waste recycling facility. Large food waste generators include commercial food wholesalers, distributors, industrial food processors, supermarkets, resorts, conference centers, banquet halls, restaurants, educational or religious institutions, military installations, prisons, hospitals, medical facilities or casinos. The new law will take effect in 18 months.