

RECYCLING COMMODITY UPDATE

— OCTOBER 2022 —

Due to a variety of global economic factors, the value of recycling commodities has sharply declined over the past few months; to market lows last experienced in 2017. The value of Fibers grades, which includes cardboard and paper and comprises of almost 60% of the overall residential recycling stream, have declined roughly -80% since April 2022.

FIBER



Mixed Paper value has decreased in value approximately -85% since April 2022 as the global economy continues to slowdown. Most domestic mills currently have high inventories of Mixed Paper – and will take a few months to run through this excessive volume. Approximately 35% of single stream recycling material is Mixed Paper which consists of junk mail, newspaper, magazines, paperboard packaging—such as cereal boxes—and office paper.



Similarly, **Corrugated Cardboard (“OCC”)** has experienced a decline in value of greater than -70% through the summer months. Again, an economic slowdown has had an impact within the packaging industry. With the uncertainty of the economy many consumers are cutting back on their overall spending which has cause a decrease in demand for this recycled product. As we exited COVID-19 restrictions, most mills overbought both domestically and internationally and will also need to run through inventories over the next several months. This oversupply within the mills has contributed to the decline in OCC value.

PLASTIC & METAL & GLASS



Casella continues to honor our pledge to sell all recycled residential **plastic** domestically. In line with the entire industry, we expect to see stronger demand in the PET & HDPE plastic grades as we move into the winter months. The big push to add more recycled content to finished products has also contributed to higher demand..

For example, milk jugs (HDPE Natural) have become the “universal” plastic grade, they can be used to make many different cleaning containers.



Domestic **aluminum** and **steel** have become increasingly dependent on recycled metal as their main raw material input due in part to the large energy and cost savings associated with consuming secondary scrap over primary. The supply of used beverage cans is currently outweighing the demand causing a slight decline in value.



Glass recycling continues to be challenging and costly with insufficient demand from end markets. Much of the glass we recycle is transported far distances domestically to end markets to be reused in beneficial use and aggregate mix products.



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