

RECYCLING COMMODITY UPDATE

— MAY 2019 —

After 18 months of feeling the impacts of National Sword – a Chinese government initiative to which banned the import of Mixed Paper and Mixed Plastics and imposed the new contamination standard of 0.5% on March 1, 2018 – the Recycling Commodities remain at an all-time historical low. These impacts have continued to negatively pressure fiber commodity prices as 15 million tons/year have been diverted from China to secondary markets such as India, Vietnam, Korea and Southeast Asia (with very limited diversion domestically). The majority of these markets, although full in inventories, have stabilized as Mill inventories begin to level off within secondary and domestic markets.

Mixed paper prices continue to be down by over 90% since September 2017 – and just recently OCC is down 40% from the beginning of January, 2018. OCC mill inventories remain high with most Mills taking downtime for maintenance during a very busy Holiday season.

Also adding stress on the recycling industry is the closure of the largest glass bottle manufacturer in the Northeast. Glass has been problematic as end-markets continue to be insufficient with the sole end site being limited to aggregate mix or beneficial use.

From a plastics standpoint, PET (soda bottles) has been the only consistent since our last update. HDPE has seen a significant decline of the past 90 days with a decline value of 45% of HDPE Natural (milk jugs) – mostly due to Producers moving to the “white” milkjug replacing the clear bottle.

Aluminum and Tin, which had been impacted by the “trade wars” from tariffs has been consistent of the past 6 months with supply matching inventory levels.

Sincerely,



Bob Cappadona
Casella Recycling



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