

Market Forces

October 2, 2019



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RECYCLING IS DEAD.
NOW WHAT?

*The US Recycling System
Is Garbage*

U.S. Recycling Industry Is Struggling To Figure Out A Future Without China

**Your Recycling Gets Recycled, Right?
Maybe, or Maybe Not ...**

Americans' plastic recycling is dumped in landfills

**As Costs Skyrocket, More U.S. Cities
Stop Recycling**

*Recycling isn't about the planet.
It's about profit*

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NOW WHAT?

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Your Recycling Could Be Worthless, Right?
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Recycling Material Flow

Continuing Demand

❖ Southeast:

- 360 Manufacturers
- 98,000 Employees
- \$40,000,000,000 Annual Sales



OCC \$/ton

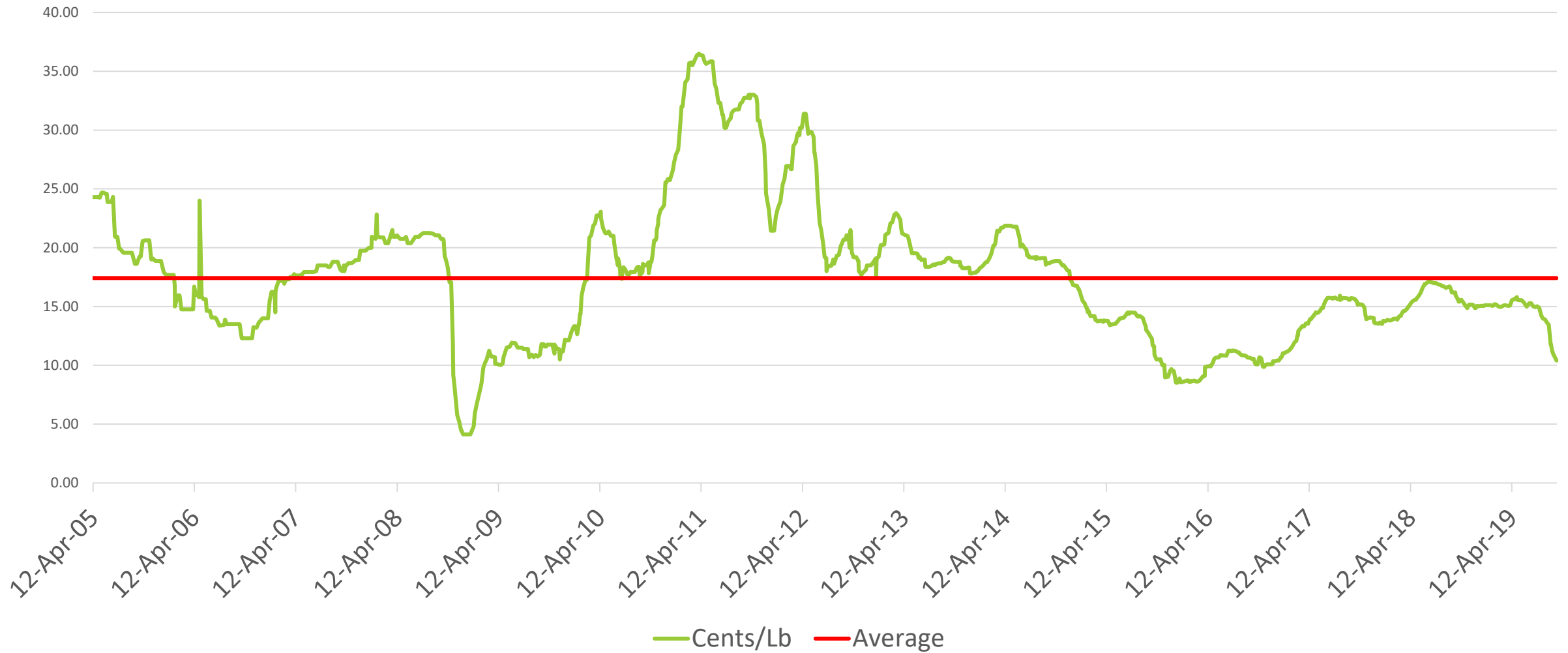


September 2019

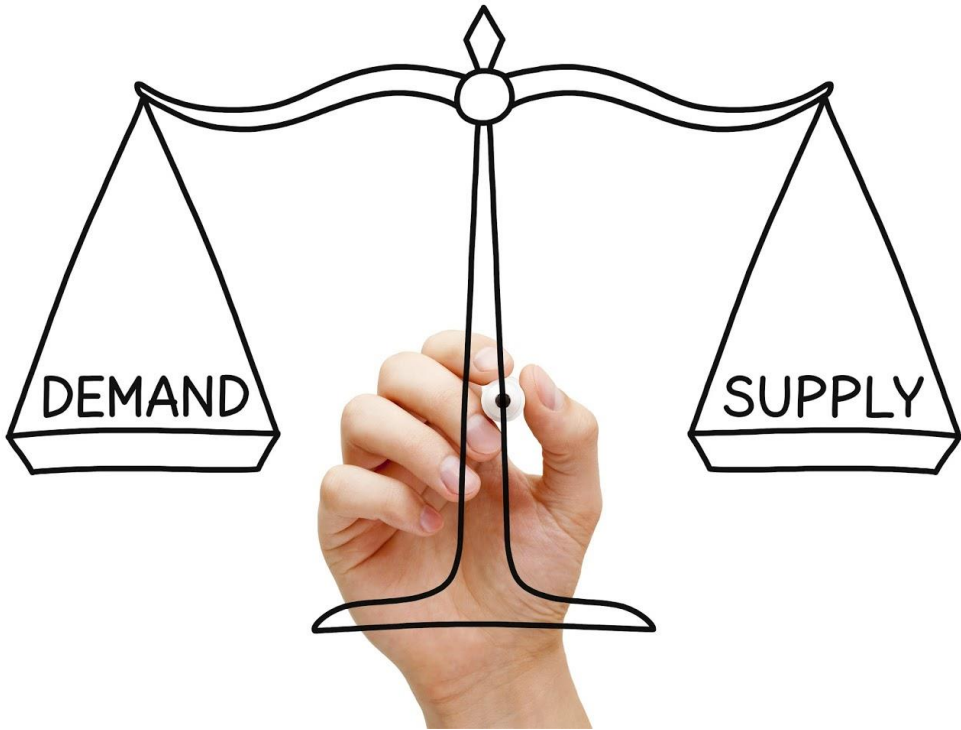
Mixed Paper \$/ton



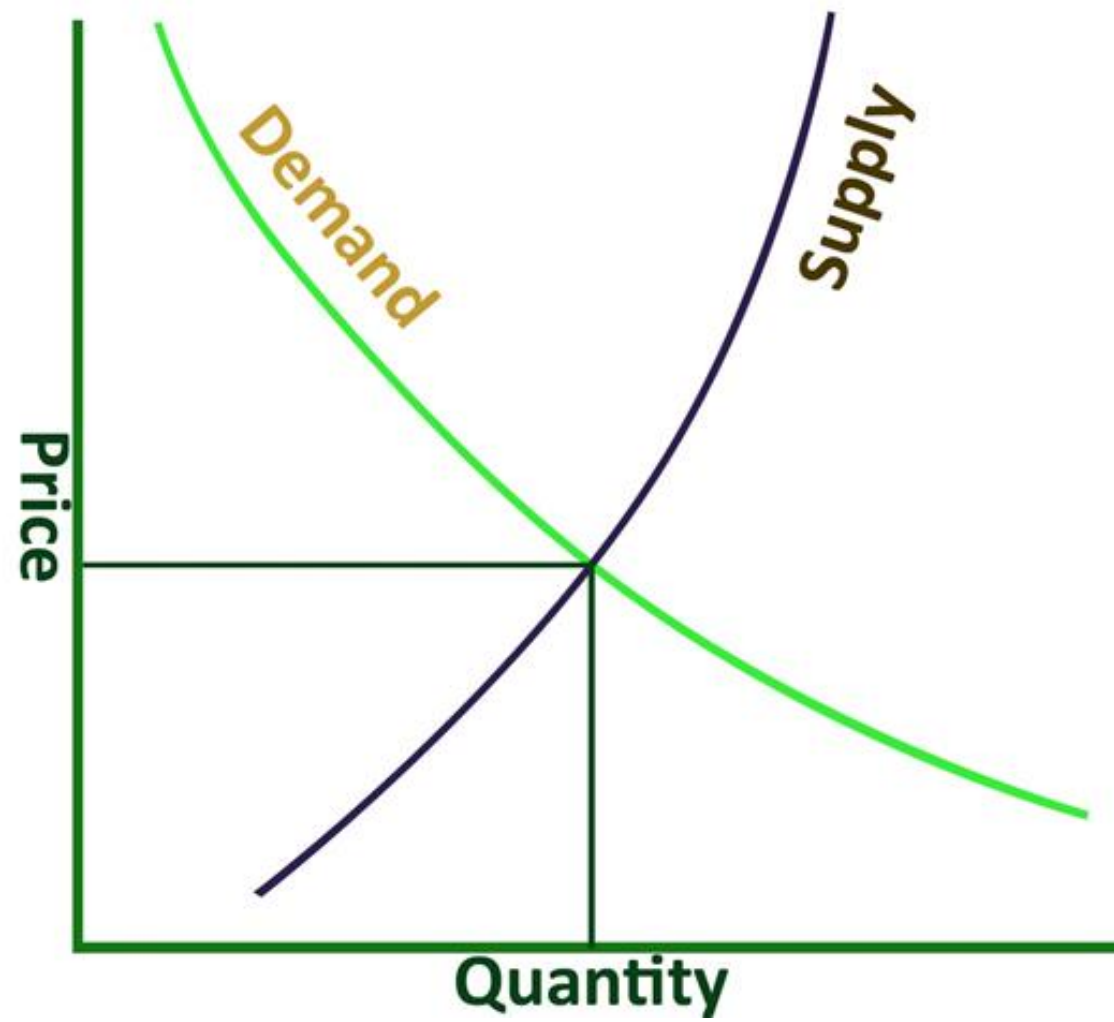
PET Cents/Pound



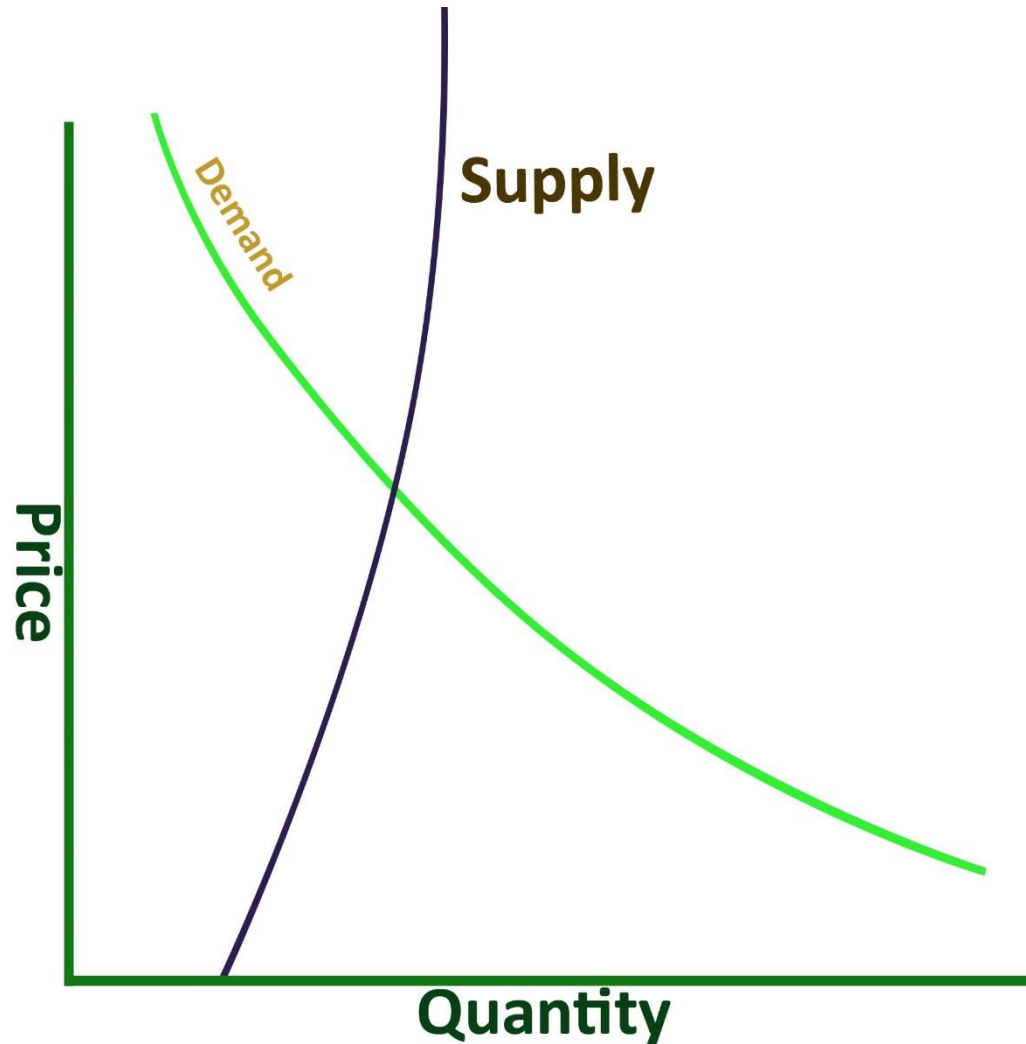
September 2019



- Supply/Demand –Domestic and Global
- Liquidity
- Alternatives/Substitutes
- Quality
- Currency
- Location/Logistics
- Seasonality/Timing
- Import restrictions
- Tariffs



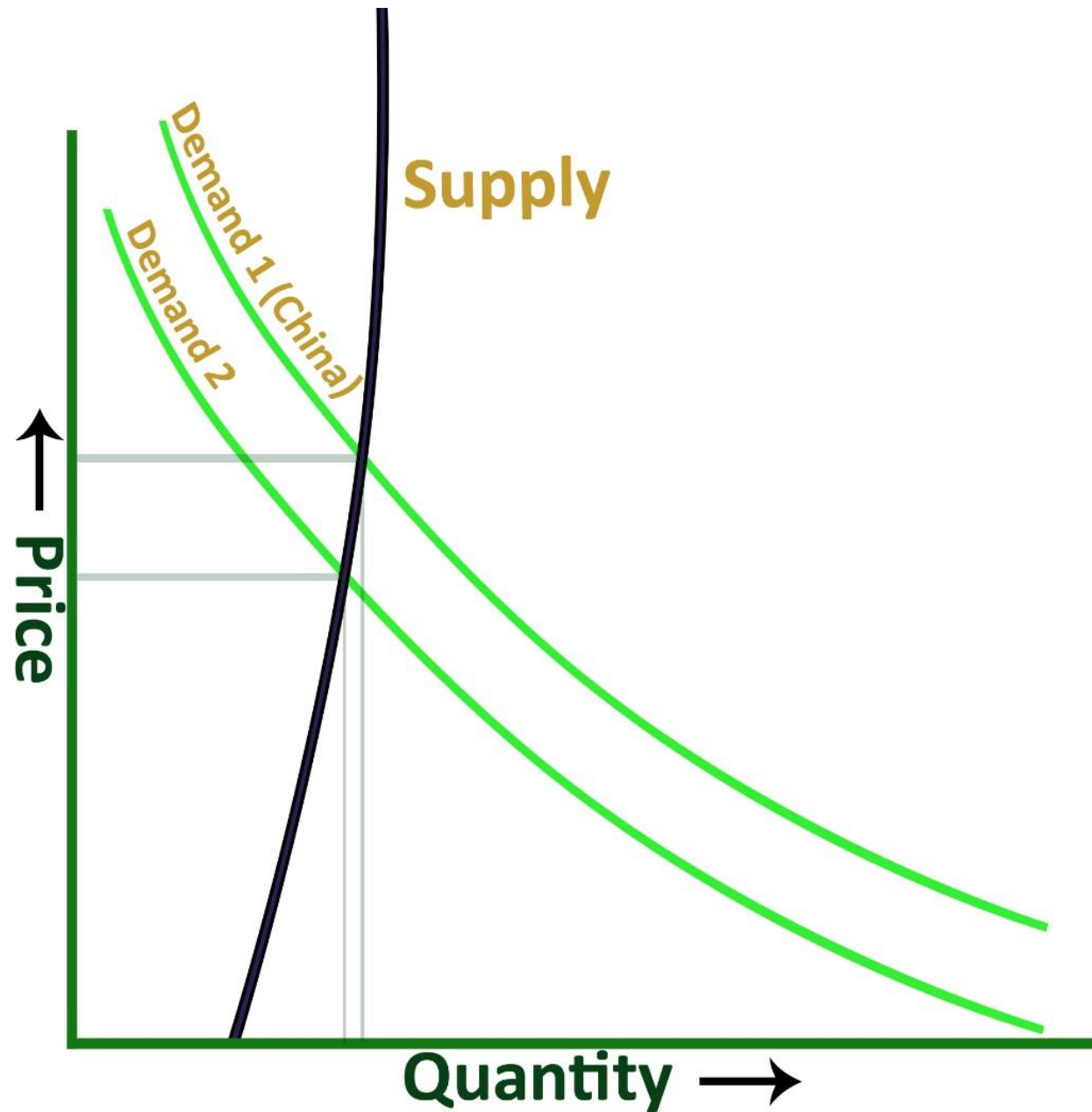
Inelastic Supply



A small change in quantity can result in a large change in price. A small drop in demand, can result in a large price drop.



- Exports represent only 30% of all recycled materials
- China was half of that or 15% of all recycled materials
- Remaining 70% recycled domestically



Small
Change in
Demand
Leads to
Large Price
Impact.

Consumption				
Grade	2017	2018	% Change	
Mixed	3,723.7	3,797.8	2.0%	
News	1,241.9	1,201.8	-3.2%	
Corrugated	21,986.9	22,594.4	2.8%	
Pulp Subs	1,002.3	968.7	-3.4%	
High Grade Deinking	3,208.0	3,285.5	2.4%	
Total:	31,162.9	31,848.2	2.2%	

Exports				
Grade	2017	2018	% Change	
Mixed	3,909.4	2,913.9	-25.5%	
News	4,506.6	3,181.7	-29.4%	
Corrugated	9,902.7	12,526.0	26.5%	
Pulp Subs	833.4	1,234.2	48.1%	
High Grade Deinking	996.7	1,134.6	13.8%	
Total:	20,148.8	20,990.4	4.2%	

1,000s tons

Paper consumption
increased in 2018.
Both domestic and
export.

		TPY
PCA	Louisiana	150
Hood	Louisiana	120
IP	Alabama	450
Cascades	Virginia	400
Shanying	Kentucky	
Ecomelida	SC	120
	Total Southeast	1,240
Total US		3,806

1,000s tons

New paper
demand under
construction

\$1 Billion

and counting invested
by U.S. paper industry
to expand capacity for
recycled paper.*

See how to [#KeepRecyclingPaper](https://www.keepprecyclingpaper.com) at [keepprecyclingpaper.com](https://www.keepprecyclingpaper.com)



Plastic

❖ Downward Pressure:

- Export market contraction
- Basel Convention

❖ Positive Pressure:

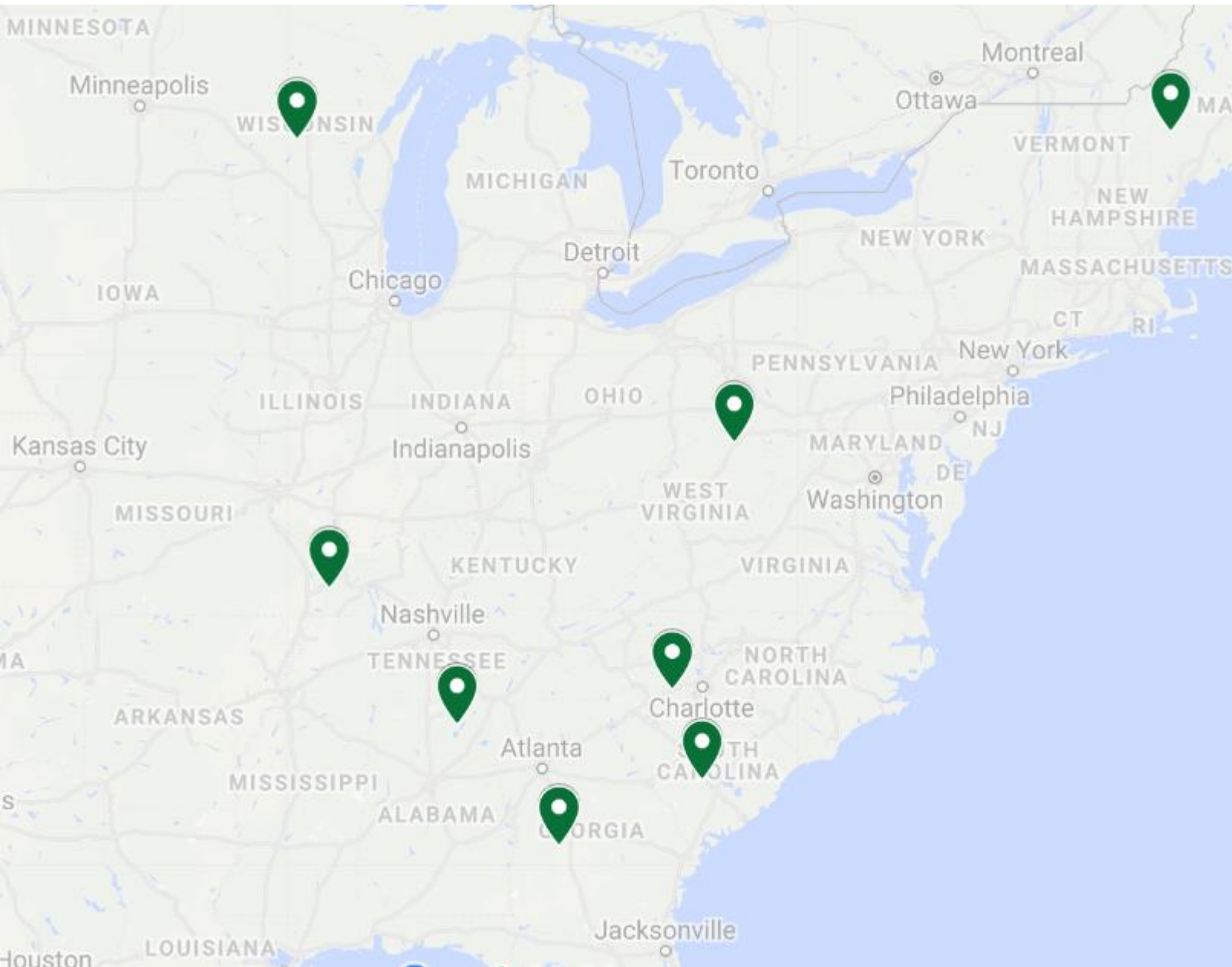
- Chemical Recycling
- China investments
- Troy Plastic Research Center

Plastic Scrap Exports

Jan - Jun	Billllion lbs	Previous	2 Year	Export
2017	2.1			34%
2018	1.5	29%		24%
2019	0.8	49%	63%	12%

❖ Expansions

- Indorama – Mexico
- Kal-Polymers – Georgia
- Trex – Virginia
- EFS-Plastics – West Coast
- Merlin/Peninsula - California



Chinese Investments

Ecomelida: Orangeburg, S.C.

Green Tech Solution: Blacksburg, S.C.

Nine Dragons: Biron, Wis.

Nine Dragons: Fairmont, W.Va.

Nine Dragons: Rumford, Maine

Roy Tech Environ: Grant, Ala.

Subsidiary of Shanying International:
Wickliffe, Ky.

Yunnan Xintongji Plastic Engineering:
Montezuma, Ga.



- Tennessee
 - Messaging survey
 - Common Suite of Materials messaging
 - Customized community pages
- US EPA
 - ARD Market Development
 - MMP
- Coca-Cola Infrastructure Grant Program
- SERDC Events
 - Annual meeting, Columbia Zoo, October 16
 - SERDC Summit 2020 with NERC

Thank you

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RECYCLING
It's a **JUNGLE** out there!

**Annual Meeting and
Recycling Workshop**
October 16, 2019
Riverbanks Zoo, Columbia SC
www.serdc.org/2019-Fall-Event

SERDC
Southeast Recycling Development Council
www.SERDC.org

Thanks to our sponsor:
