Status of Recycling Markets in the Northeast
Merrimack NH Town Council Meeting
January 9, 2020

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Bonnie Bethune, Member Services Manager
Northeast Resource Recovery Association

NRRA
About NRRA

- Recycling nonprofit
- 400+ members, primarily municipalities
- Founded nearly 40 years ago
Cooperative Marketing and Purchasing

Enable communities to manage their own recycling programs

40 programs, including single stream and municipal solid waste

Connect sellers of recyclables to purchasers
Education

- Workshops
- Facility tours
- Annual conference
- Technical assistance
- School Club programs
Average Outbound Ton (by weight)

Source: Northeast Recycling Council (2019)
| Positive: Typically requires less space and equipment for collection and storage |
| Negative: Typically lower value commodities because more contamination |
| Higher contamination key factor leading to China’s National Sword Policy |
China’s National Sword Policy

- Ban effective Jan. 1, 2018
- All plastics, unsorted mixed paper & textiles
- Some glass and metals
- 0.5% contamination limit versus prior 2%
Fibers

- Biggest impact from China’s National Sword
- Pre-Sword, China purchased 55% of world’s scrap paper
Jan. 2020 Cost over $70 per ton

(Source: NRRA)
Silver Lining

Domestic investment in paper mills

22 new and existing mills increasing capacity for mixed paper

ACR* ($/TON) AND MRF PROCESSING COST

*ACR is short for average commodity revenue and represents the blended value of materials moving through a facility.

Source: Resource Recycling Dec. 2019
MRF PROCESSING COSTS IN DETAIL

Source: Resource Recycling Dec. 2019
# Materials Recovery Facility Financials

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipping Fee with Contract (Calendar year 2018)</td>
<td>$38.00</td>
<td></td>
</tr>
<tr>
<td>Processing Costs (Calendar year 2018; July - Sept 2019)</td>
<td>$82.00</td>
<td>$83.00</td>
</tr>
</tbody>
</table>
| Commodity Value Per Ton with Residuals (April - June 2019; July - Sept 2019)| $45.83  | $34.85  | **-24% change**

*Source: Northeast Recycling Council (2019)*
Trends We’re Seeing

- Tipping fees over $100 per ton for recycling
- $5 credit if glass removed in some cases
- Fixed flat rate and revenue/cost sharing options
- Steep cost increases for mixed paper in recent weeks
## Sample Single Stream Pricing

<table>
<thead>
<tr>
<th>Spot Market Costs</th>
<th>Cost/Ton</th>
<th>Cost/ton</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>w/ Glass</td>
<td>w/o Glass</td>
</tr>
<tr>
<td>Waste Management - Rochester</td>
<td>$143</td>
<td>$123</td>
</tr>
<tr>
<td>Waste Management - Billerica</td>
<td>$103</td>
<td>$83</td>
</tr>
</tbody>
</table>

**Proposed Contract Costs**

<table>
<thead>
<tr>
<th>Facility</th>
<th>Cost/Ton</th>
<th>Cost/ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA Facility</td>
<td>$105</td>
<td>n/a</td>
</tr>
<tr>
<td>ME Facility (w/Flat Rate)</td>
<td>$155</td>
<td>n/a</td>
</tr>
<tr>
<td>ME Facility (w/Revenue/Cost Share)</td>
<td>$125</td>
<td>n/a</td>
</tr>
<tr>
<td>Springfield MA MRF</td>
<td>$145</td>
<td>$140</td>
</tr>
</tbody>
</table>

*NOTE: THERE ARE NO SINGLE STREAM MRFS IN NEW HAMPSHIRE*

Delivered pricing only as of 1/7/20; all pricing subject to change (snapshot in time only)
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