

REDUCE, REUSE, REFORMAT?

PRESENTED BY BEAU PECK, SCOTT SIMAR, & JIM JENSEN



Changes Over the Last Year.

- Was China Bluffing with the warnings of what was to come?
- When will things settle down or revert back?
- What Caused the China Recycling Ban?



塑料王国

PLASTIC CHINA



National Sword 2017/ Blue Sky 2018

- Is a Government Policy change to improve air, water, and pollution.
- Much like the EPA
- Americans Recycled 66 Million Tons in 2017 (EPA)
- 33% Used to be exported to China and is now unmarketable.

National Sword Timeline

Green Fence Launched

First action from China to prevent some items from being exported. Many hard to recycle grades see first bump in the road.



National Sword Timeline

.05% Contamination Limit Announced

With a huge pushback from Recyclers, China moves from a .03% contamination limit to .05%

**January
2018**

China Moves Focus for Clean Materials

China Announces that exporting material will only be allowed for clean material. Many in the industry are confused as communication is poor on Yes / No items.

**March
2018**

**November
2017**

Plastic and Paper Ban

All Mixed Paper and All Post Consumer Plastics are banned from being imported into China. Material Prices plummet.

**February
2018**

.05% Contamination Limit Takes Effect

.05% Contamination Limit becomes new Standard. CCIC Inspections increase to inspect all Cardboard imported to China (About the only material now being Exported)

National Sword Timeline

China Announces Additional Prohibited Materials

Industry has already stopped shipping but it is more clear on the countries intent.

May 2018

China Resumes Shipping

Shipping opens back for Cardboard and other clean items. All Export Containers must have CCIC inspectors stamp and seal. 4 Inspectors for California Alone.

July 2018

April 2018

Full Export Ban

May 4th to June 4th, CCIC inspections closed on West Coast and moved to China for 100% Container Inspection. Shipping Material comes to a grinding halt.

June 2018

Cardboard Markets Slow for Summer

Cardboard inspections slow the industry to a snail pace. Domestic Mills at capacity with increased volume on the market. Market is only open to Companies with Contracts.



National Sword Timeline

CCIC Inspections Cause More Slow Down

Majority of Cardboard is moved in Long Beach, CA. With only 4 inspectors available, facilities experience backlogs and logistical issues.

**August
2018**

**August
2018**

Other Asian Countries Opt Out

Malaysia, Indonesia and other Countries enact similar restrictions on imported goods. Plastic Companies moved operations to other Asian countries, and are now being pushed out.

**September
2018**

25% Tariff Announced / 2020 Pledge

China plans to impose a 25% import tariff for all inbound scrap and recycled goods. Includes Cardboard, Paper and Metal Markets. Country pledges to be out of the scrap industry by 2020!

**Future
2019 +**

Materials Move to Domestic Homes

Outlook is that dirty materials will be continued to be problematic. Cleaner materials that were once exported will stay domestically as companies move and expand operations in North America.

Effect of the National Sword North America

- Loss of market for MRF (Blue Bin) recyclables
- Backlog of OCC
- Decreased Plastic Prices & Unmarketable Plastics
- Mixed Paper (MRF Grades) Negative per ton
- Increase in Domestic Consumption.

Effect of the National Sword China

- Domestic Pricing for Cardboard over \$500 per ton (out of material)
- Paper and Plastic Companies moving processing out of country.
- Moving from Scrap to Raw / Virgin Products to make goods (They still need the material, How it's processed is changing)

Effect of the National Sword




Non MRF Grade Materials

Value has remained intact for many Non MRF Grade materials. Market has been bumpy for many grades, but marketability remains for many of these materials.

MRF Grade Materials

Materials that are generated in MRF's have been graded in a class of their own. Often grades are much less than cleaner materials, and materials have limited markets to feed into. Some grades such as Mixed Paper are unmarketable



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China moves to extend ban to all materials

Posted on July 18, 2018

by [Colin Staub](#)

The Chinese government has released a proposal to completely ban imports of recovered fiber and every other form of “solid waste.”

China’s Ministry of Ecology and Environment on July 11 [posted a draft document](#) that lays out numerous regulations covering solid waste management. The official proposal serves as confirmation of [recent industry discussion](#) suggesting a full ban could be coming from China.

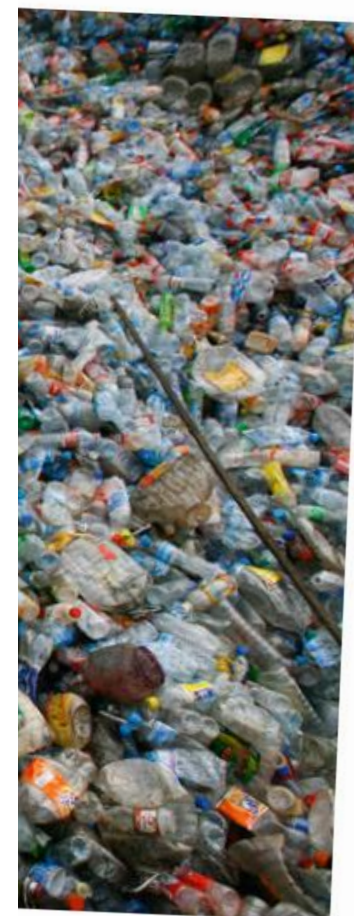
While China’s National Sword policy has already [shut the door](#) on most recycled plastics and mixed paper since the start of this year, higher grades of fiber have been allowed to continue to move into the country.

Fiber research firm [RISI first reported](#) on the latest import proposal, noting it would “entirely ban the import of solid waste, including recovered paper,” and would do so sooner than previously anticipated.

The proposal was released in Chinese and an official English translation is not yet available. According to



The West's



NRC Press Release – China and Recyclables, May-16-2018

FOR IMMEDIATE RELEASE

Contact: Marjorie Griek, Executive Director, National Recycling Coalition (NRC)

Phone: 720/745-0966

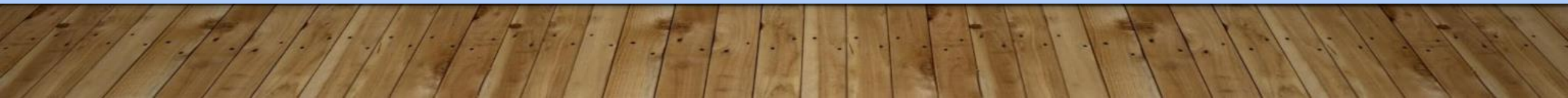
Email: marjie@nrcrecycles.org

[NRC Press Release – China and Recyclables PDF Download](#)

The China Crisis – **Whose Crisis is It?**

WASHINGTON DC, May 15, 2018 — ***It is ours.*** Recycled materials and trash should look very different from

each other, but for years they have been converging in the U.S. China has not been the creator of today's crisis in the industry – U.S. mills have been complaining for years – but China's recent embargo of U.S. recycling imports is shining a mirror on our recycling industry and providing a clear signal that we can no longer pretend diversion of waste into a recycling bin is recycling.

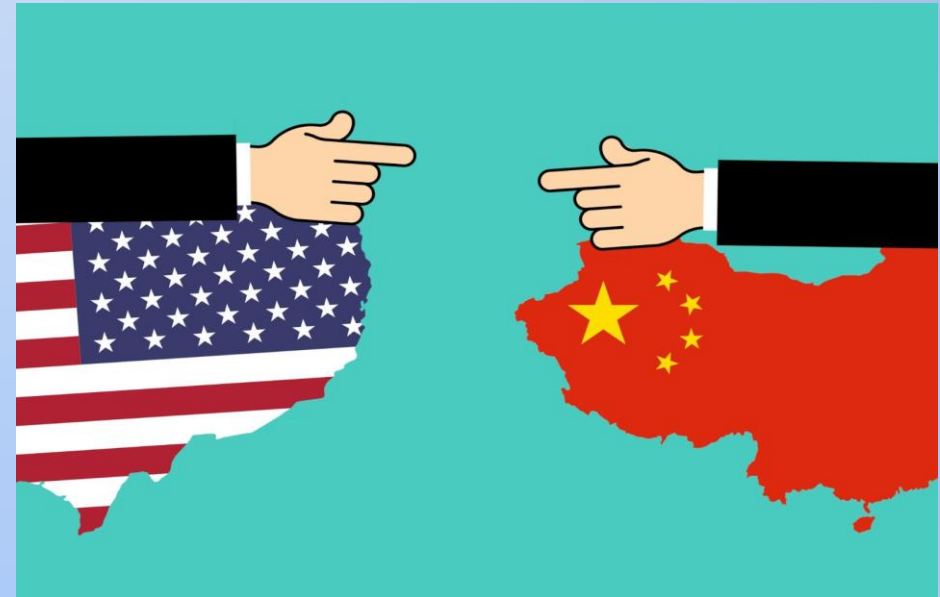


❖ Other Export Options

- ❖ Moving Material Export to Other Countries
 - Malaysia, Vietnam, Thailand, and many others
- ❖ Restrictions Being Placed Similar to China's
 - No one else wants to have the same problems.

Increasing Tariffs on Scrap Materials

- August 23rd are placed
- 25% on OCC, Recovered Fiber, And Scrap Plastics
- Part of Ongoing Trade War
- Ban all Solid Waste by 2020



Impact on Domestic Markets.

**Domestic
Supply
Abundance**



**Domestic
Recycling
Capacity**



**Lower Overall
Cost for
Recyclable
Materials**

Avoid Going Single Stream

- MRF's (Municipal Recycling Facilities) create finished goods that are too dirty to recycle.
- Source Separation Works! Focus on capturing smaller quality tons, versus higher tons / less quality to better support your program
- Streamline your program to only accept clean materials, and stick to the Basics. Avoid hard to recycle items to reduce costs

Reformat Cardboard

Focus on Cardboard

- Cardboard is the grade of the future. Many packaging companies are switching to brown grades to make packaging more recyclable.
- If your recycling program is suffering: Discontinue Plastics / Mixed Paper but keep the Cardboard.
- Online Shopping (Amazon) is creating excess cardboard and is a growing stream that is easier to capture than some items and is Growing!

Reformat Recycling

Reduction of Accepted Materials

Simplify Recycling by only accepting the “Basics”. Recycling many off grade items will be difficult to recycle.



Cleaner Material

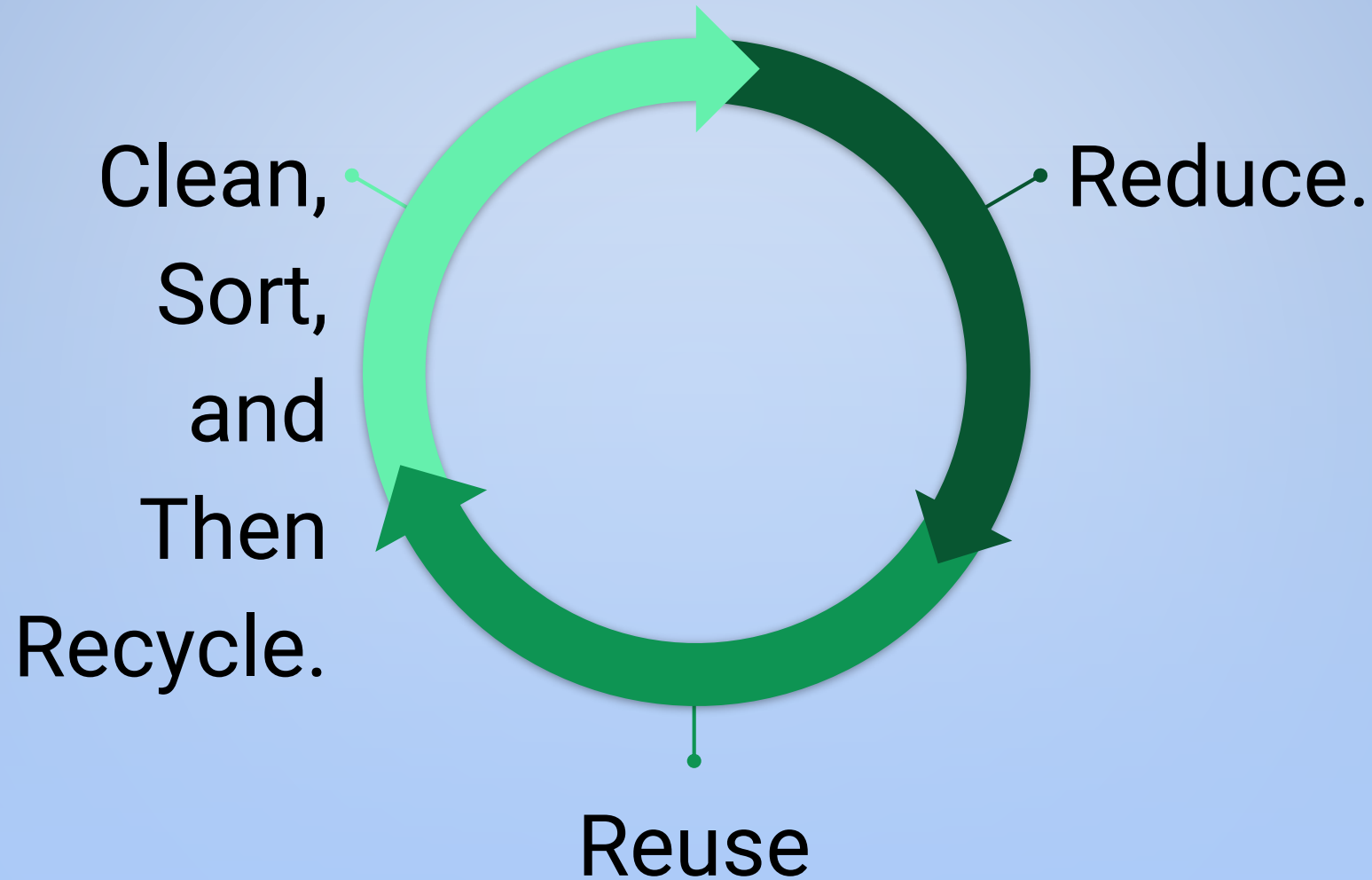
Mixed Grades and Dirty Materials are out. Industry will need to adapt and create better packaging products that are more easily recyclable.



Return to Domestic Markets

Industry will adapt and in 1-3 years processing and manufacturing will increase to Local Markets in North America.

New Recycling Format



Remember
when you said
you'd use
recycled content
if there was
only more
of it?



U.S.
RECYCLERS

Yeah....



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Well...I've got about
a **BILLION POUNDS**
that won't be going
to **CHINA** this year...

