
Recycling Trends in the United States

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In recent months, there has been a great deal of media attention directed on the “ills” of recycling in the United States in both the solid waste industry press as well as national reports published in such mainstream publications as *Fortune*, the *Wall Street Journal*, and the *Washington Post*. In short, the common theme of these articles is that recycling in the United States has stalled and the situation is dire. How dire is it? Industry executives have opined that prices for recycling commodities have largely fallen to the point over the past several years that it is not economical for them to process recyclables and market them to largely Asian markets, which have set standards on contaminants (a.k.a., the “Green Fence”). One of the largest recyclers in the United States, Recycle America, which is owned by Waste Management, has “mothballed” several MRFs and has deferred capital investments on many other facilities.

For those of us in the solid waste industry prompting increased recycling as a means of promoting sustainability, the question is: is this a momentary setback to recycling in the United States or a harbinger of a new normal?

Markets Are Squeezed – Recycling Crisis

For someone who has seen ebbs and flows in the recycling market over the past 35 years, the notion that it is the end of the world for recycling, I have to say that the Yogi Berra quote, “It’s déjà vu all over again,” fits the current situation in 2016.

Price volatility in recycling markets is almost a universal truth across the globe. Being able to manage the ever-fluctuating changes in market prices can either produce success or break the community recycling program. Most recycling industry observers have opined that prices for most, if not all, recycled materials tend to follow expansions and contractions in the overall world or national economy such as major economic recessions and market crashes (Great Recession), Iraq war, Y2K fears, and oftentimes irrational market exuberance. There are, however, specific trends in particular industries that move prices for different recycled materials in entirely opposite directions. One can argue that the long-term 30-year average of curbside recyclables market has moved up substantially from the average levels during the 1991-1993 Recession to the next economic downturn in 2001-2003 and the next downturn in the Great Recession in 2009.

Experience over the past three decades has shown that communities that collect many different materials may experience less revenue volatility over the course of an economic cycle. Nevertheless, curbside recycling programs that collect a wide variety of materials, such as residential mixed paper, newspapers, cardboard, glass, metals, and plastic bottles, may experience significant and pronounced revenue swings.

Changing Times Necessitates Changing Solutions

Lighter packaging, dwindling demand for newsprint, and lower commodity prices have allowed some to argue that it is no longer profitable for industry to continue to provide recycling services without local governments picking up their losses. So should we sound the death knell for recycling in the United States? I would argue that that this is not necessarily the case and there is a way to cobble together a solution by confronting some of the myths being painted on the state of recycling:

1. Recycling is not going away – it is now mainstream in most areas of the country, and is an essential public service like police, fire, and street lighting, and cannot be turned off and on with the cycles and swings of the recycling market.
2. Recycling often is not profitable in many years. Financial systems need to be developed to handle these economic realities through establishing “Rainy Day Funds” or Rate Stabilization Funds to continue to fund community programs when recycling markets are down.
3. Recycling should not be considered a free service. It takes money to send out the recycling truck. Perhaps more of the costs of recycling should be shifted to extended producer responsibility where some of the costs of recycling are included in the initial prices of the products themselves.
4. Change the “when in doubt, recycle it” philosophy. Consider bans of materials from recycling programs such as glass, plastic bags and polystyrene. These contribute to contamination problems and poorer commodity prices.
5. Recycling continues to be a challenge no different than when the first drop off facility and curbside program was developed. The Chinese “Green Fence” and lower commodity purchase prices, light weighting, and contamination put stresses on the success of these programs.
6. It starts in the bin or cart. Communities need to continuously invest in recycling education. It is not a one-time thing. We all need to do a better job in educating what materials can be recycled and what materials should be deposited in the garbage cart or disposed in special waste collection.
7. Recycling markets need to be developed in the United States. We have become so dependent on markets in Asia. We need to consider national legislation requiring a certain amount of recycled content to be used in new products.
8. Make processing contracts equitable for all parties. Follow the guidance released by the Solid Waste Association of North America (SWANA) and the National Waste and Recycling Association (NWRA) to develop mutually beneficial relationships that are cost-effective and produce high-quality service.

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