

What Happened to the Recycling Markets?

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November 12, 2008

Recycling Markets have taken on every verb short of vanished. For those of you who remember the earlier times of recycling, commodity prices have seen lower value, but never in the history of this industry have they decreased with such degree. To isolate one contributing factor would be impossible, but calling to blame the “economic crisis” is the ultimate culprit. Where did the pricing decline start is the one question pondering many. The decline in the country’s housing market, the lack of consumer buying, overseas manufacturing dependency, etc, etc? One thing is for sure; China and India’s consumption and appetite for our waste paper clearly had a major impact on the rate of which these commodities fell. As mill inventories increased and finished product sales declined the need for recovered fiber halted. Paper mills reduced production, lowered pricing or ultimately ceased buying. China, the largest consumer of recovered corrugated cartons simply stopped buying from our shores. This in turn created a panicked state for suppliers looking to move their tonnage at any rate and in some areas, any cost. Mixed office paper and other high grades were also impacted by the lack of foreign demand. As less and less orders became available the domestic market became flooded, thus supply exceeded demand. The major difference between the current and past industry crisis is now waste paper movement is extremely limited, but will normalize.

Where is the recycling industry going and when will commodity prices be back to usual many are asking. The first part of this question is a simple answer, while the later is indefinite. The recycling industry is here to stay. Sustainability and the need to reduce our environmental footprint will become more and more important over the next several years. Recycling is mandatory not because it is the position of a governmental body, but because it saves our earth and we the consumer money. As our nation becomes more independent for energy and manufacturing, we will begin to see improvement in all aspects of our economy. As all of us know the recycling market is not the only market suffering at the moment. As manufacturing begins to resurface and consumer buying improves, mills will begin to need recovered fiber at a consistent rate. Once current mill inventories are consumed and economy flourishes demand will once again exceed supply. As recycling rates increase in the typical \$5, \$10, \$15 increments, we will once again see substantial returns. It is at this point we must reflect on history and make sure we prevent the crisis of the past.

In conclusion, what goes up must come down and fortunately what goes down must come up as is the trend with all commodities. However through the ups and downs, remember, recycling always pays. Recycling saves money and our planet’s valuable resources too. **RECYCLE-----“IT’S THE RIGHT THING TO DO”, and besides, it’s the law!**