Nightmare on Recycling Street?

It’s late February and my phone is ringing about materials not being able to reach export markets because of something happening down at the ports. I had to look up to see what year it was — is it 2013? Did China build another fence? Ah, I see — it’s different, but the same.

Last time, it was a customs enforcement issue in China that sent ripples throughout the recycling industry. This time, it’s like something out of an old horror movie: “The call from the killer is coming from within your own house!” Cue shrieking violins.

This time, our port problems are right here at home, with an ongoing slowdown or stoppage of ports occurring all along the West Coast of the U.S. And the result is eerily similar to 2013: Recyclable materials are unable to make their way overseas to key mills and processors in Asia. Those same recyclable materials are piling up, costing brokers and materials recovery facilities money.

It’s bad enough that markets are down across the board—scrap ferrous prices are cratering, non-ferrous markets aren’t exactly booming and prices for all fiber bales are heading downward. And much of that bad news was being reported before the recent ports debacle. Now, it very well may be that the ports are back to normal by the time this magazine reaches mailboxes, but not only is the damage done, the backlog of materials will continue to depress prices for some time after bales start moving. And the recycling industry can scarcely afford it.

Take, for example, the country’s largest waste and recycling company, Waste Management. The publicly traded company’s CEO, David Steiner, recently went on the record — again — complaining about the lack of profitability of his company’s recycling business (see At Press Time at the back of this issue for our report). And this was after he was sharing good news about the overall health of his company. It’s difficult to argue against his stance. Markets for recyclable materials are down, and the cost of processing those same materials is going up — add those two facts together and it’s bad for business. Which means it’s bad for recycling.

Not all the news regarding recycling these days is bad, mind you. There are increasing efforts to highlight the use of recyclable materials here in North America. On page 37, we have an article by Abby Goldsmith describing efforts in Georgia to aggregate information (using Re-TRAC Connect) on the Peach State’s reclamation activities and mill capacity. One purpose of the effort is to show product manufacturers the valuable recycled material feedstock available and lure them to the state.

Georgia isn’t alone. Various players (Curbside Value Partnership, SERDC) and other states (Texas, California, Oregon) are looking to give domestic recycling a boost of visibility to the industries that are buying recovered materials.

Will this alone cure what ails MRFs and material brokers? Of course not. But increased efforts such as those could be a part of a much-needed turnaround. And in the process they may turn what feels right now like a horror movie into a narrative with a much happier ending. Cue swelling string section.

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