



Recycling market development – Part 1

by Roger Guttentag

The development of municipal recycling has always possessed two important sides: the development of supply through the evolution of collection systems and the development of markets that utilized the materials these collection systems recovered. The collection side of the recycling equation appears to get the majority of attention from local government, since this is the side it can affect indirectly through legislation and directly through the procurement or actual management of collection services. Market development for recyclable materials, on the other hand, has often proven to be a more challenging task since it is dependent upon the exercise of entrepreneurial innovation coupled with private sector confidence that making products with recycled content is a winning investment. For this reason, the two principal public sector strategies that

have been used to stimulate recycling market development by has been through “buy recycled” policies and the creation of various types of incentives, such as financial and technical assistance programs. The subject of this month’s column and the next one will be a survey of state-level incentive-type market development programs that are currently available in the U.S. State program descriptions will be alphabetically ordered and will be based on information provided by their websites.

Arkansas

The Market Development Branch (MDB) of the Solid Waste Division within the Department of Environmental Quality is responsible for collecting information on recycling markets, helping Arkansas’ local governments to market recyclable materials and encourage the utilization of recyclable materials by existing, or new, businesses

within the state. The principal economic incentive offered by the MDB is an income tax credit equal to 30 percent of the installed cost of equipment that is used for waste reduction, reuse or recycling of waste materials.

California

CalRecycle’s Market Development Resources page provides links to a wide range of information resources on the use, location or sourcing or recyclable materials. The most important link to consult is for the Recycling Market Development Zone (RMDZ) program. The RMDZ provides many types of incentives and assistance to recycled content manufacturers such as:

- Low-interest loans.
- Expedited siting, licensing and permitting process and assistance.
- Assistance with technology evaluation and product marketing.
- Other recommended links to consult would be for the compost market development and rural market development programs.

Florida

The Florida Recycling Business Assistance Center (FLRBAC) was created in 2010 as a business development portal for helping companies to use more recyclable materials within the state. The three key sections of this site are financing, recycling markets and business assistance. The financing section has links to various types of loan, grant, tax incentive and other economic development programs available to Florida businesses. The other two sections provides links to key information resources that may be needed

Web Address Directory

Arkansas Market Development Branch	http://tinyurl.com/ARRecyclingMarkets
CalRecycle Market Development Resources	http://tinyurl.com/CARecyclingMarkets
Florida Recycling Business Assistance Center	http://tinyurl.com/FLRecyclingMarkets
Illinois Recycling Market Development	http://tinyurl.com/ILRecyclingMarkets
Indiana Recycling Market Development Program	http://tinyurl.com/INRecyclingMarkets
Massachusetts Loan Fund Program	http://tinyurl.com/MARecyclingMarkets
Minnesota Recycling Market Development	http://tinyurl.com/MNRecyclingMarkets
Missouri Market Development Program	http://tinyurl.com/MORecyclingMarkets
Montana Recycling Tax Incentives	http://tinyurl.com/MTRecyclingMarkets
New York State Environmental Investment Program	http://tinyurl.com/NYRecyclingMarkets

by businesses such as recycling markets locations, state demographic and business data and other assistance programs that are available to Florida companies such as state and federal small business development centers.

Illinois

The Illinois Department of Commerce & Economic Opportunity (ILDCEO) has two market development programs that are currently available to business, non-governmental organizations and local governments. The first, the Recycling Expansion and Modernization program (REM) is designed to expand the use of recyclable materials for a product or service by providing matching grants for implementation or demonstration projects. The second program, Food Scrap Composting Revitalization & Advancement (F-SCRAP), seeks to increase the diversion of waste organics from disposal through composting. Both REM and F-SCRAP grants are competitively awarded through requests for applications that can be downloaded from the ILDCEO website.

Indiana

The Indiana Recycling Market Development Program (RMDP), which is managed by the Department of Environmental Management, awards grants on a competitive basis that provide a 50 percent match for equipment that is used to manufacture recycled content feedstock or products. According to the program's website, \$500,000 was made available for the latest round of grants (the application deadline for them was in June 2012) in amounts ranging from \$25,000 to a maximum of \$200,000. There are also links to the 2011 RMDP annual report that identifies grants that were made in the previous fiscal year and to a listing of the members of the Recycling Market Development Board.

Massachusetts

The Recycling Loan Fund (RLF) is a program that is funded by the Massachusetts Department of Environmental Protection and managed by BDC Capital, a business development corporation. Loans of \$50,000 to \$500,000 can be made for eligible expenses to Massachusetts-based recycling or reuse business. Additional program and contact information can be found on the RLF home page.

Minnesota

The recycling market development program of the Minnesota Pollution Control Agency primarily offers information assistance to companies that manufacture recycled-content products or use recyclable materials as part of their operations. This site has a number of links to market information directories and recycling research reports that were funded by the state of Minnesota.

Missouri

Missouri Market Development Program (MOMDP), which is under the jurisdiction of the Environmental Improvement and Energy Resources Authority (EI ERA), provides both financial and technical assistance to Missouri-based companies that are interested in using recyclable materials or finding recycling alternatives for their waste materials. The MOMDP business assistance may include funding up to 75 percent of eligible equipment purchases up a maximum of \$50,000. Links to reports summarizing previous financial and technical assistance provided by this program as also provided.

Montana

According to the Montana Department of Environmental Quality, the following recycling market development financial incentives are currently available:

A tax credit for recycling equipment purchases based a declining percentage schedule, of up to a \$1million.

A business tax deduction for the purchase of recyclable materials, especially from post-consumer sources, that are used for business purposes.

A business and personal tax deduction for the purchase of organic fertilizer, such as compost, that is made and used in Montana.

A credit to be applied to specific state permitting fees based on the eligible use of post-consumer glass.

New York

The Environmental Investment Program (EIP) of the New York's Empire State Development awards funding on a competitive basis to projects that promote recycling, reuse, remanufacturing, composting and other forms of waste reduction. Links on the EIP page are provided to online documents that provide a more detailed overview of this program and a guide to applying for financial assistance including a discussion of EIP project priorities and examples of ineligible uses of EIP awards.

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