Recycled commodities at a glance

Antoinette Smith
Journalist, Resource Recycling, Inc.
December 2024

RESOURCE
RECYCLING, INC.

OUR SERVICES

Annual conferences

Plastics Recycling Conference

E-Scrap

Resource Recycling

Weekly e-newsletters

Resource Recycling

Plastics Recycling Update

E-Scrap News

Monthly print edition

RESOURCE RECYCLING, INC.

About Antoinette Smith

Analysis

- Post-consumer and recycled plastics
- Chemical intermediates including PET feedstocks
- Trade data and macroeconomic drivers
- Broad network within industry

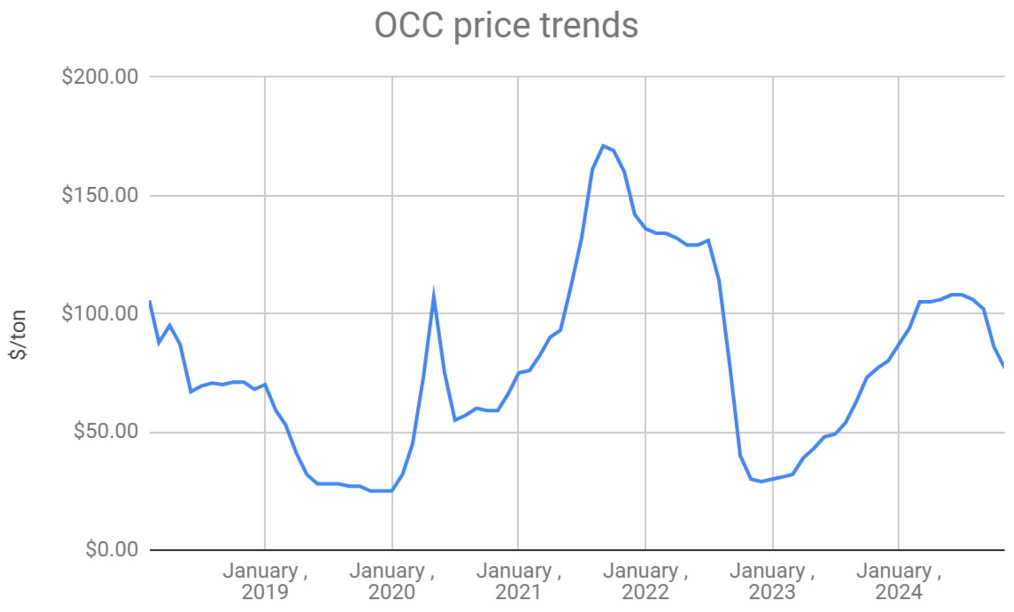
Journalism

- 25+ years writing and editing in wide variety of fields
- 10+ years in plastics, chemicals and energy

RESOURCE RECYCLING, INC.

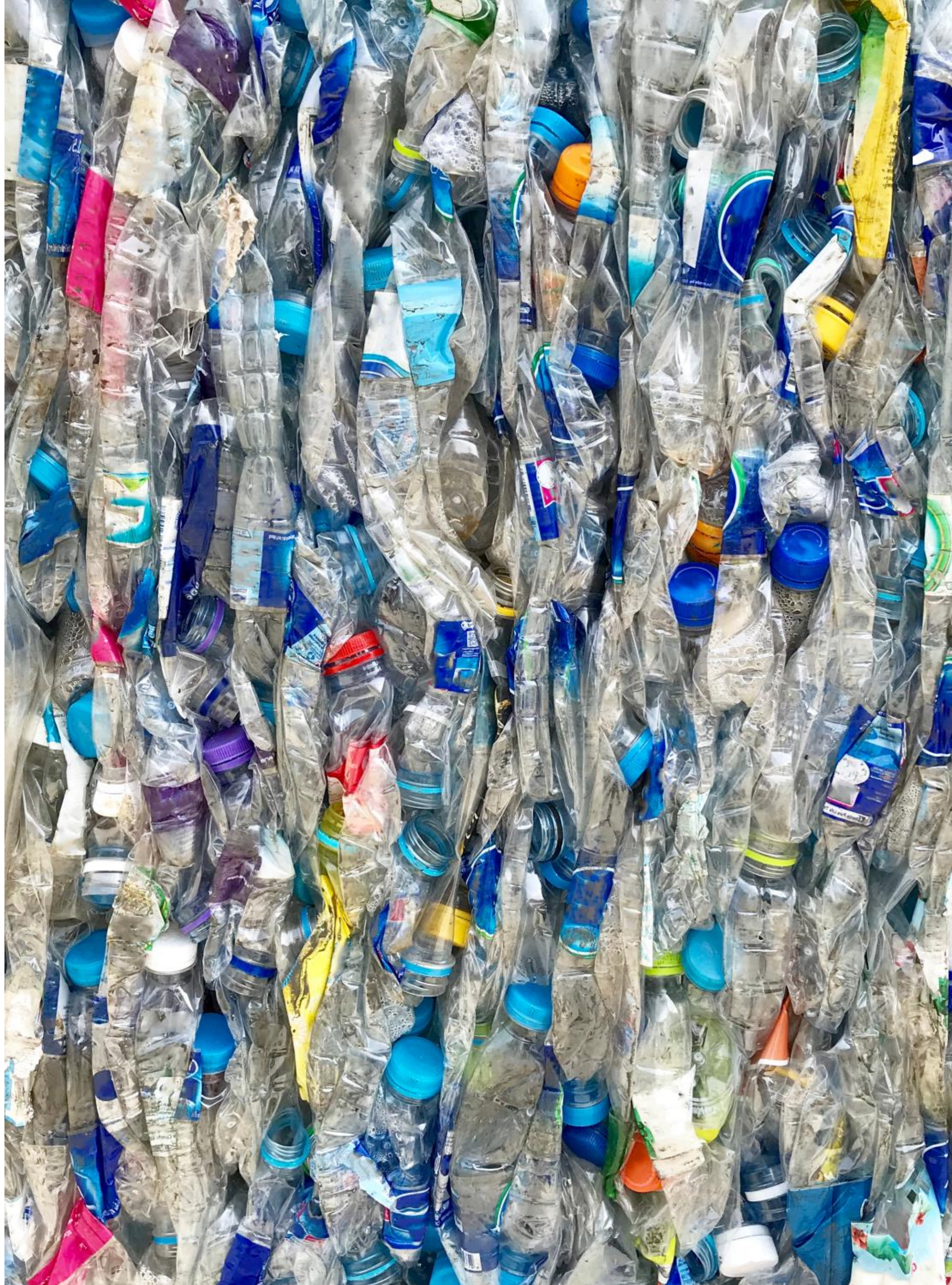
Commodity pricing drivers: Cardboard

- Export markets
- Dockworker strikes
- Freight rates
- Increasingly automated systems
- Overcapacity in Europe, Asia
  - Suppressed mill operating rates
  - Reduced demand for US volumes



Commodity pricing drivers: PET

PET
- Consumer spending especially with travel
- Seasonality
- Availability of cheap imported virgin or recycled resin
  - Deep-sea shipping rates affect import volumes
- Weather
  - Collection
  - Consumption/demand (hot weather; eg California during cool, rainy summer in 2023, also berry season on USWC, consuming RPET for clamshell containers called thermoforms)
  - Generation/supply
- Mexico demand
  - Primarily in California and south/southwestern states
  - Appetite for "premium" (deposit return) bales
  - Significant PET capacity in Mexico
  - US bales are cheaper than in Mexico
  - Mexico has higher recovery rates due to "pickers"



Commodity pricing drivers: HDPE

HDPE natural
- Oversupply of virgin/off-spec material
- Seasonality – more milk consumed in summer

HDPE color
- Much smaller market than natural
- KW Plastics buys large volumes consistently
- Smaller buyers enter the market and push up prices for a month or two, then withdraw

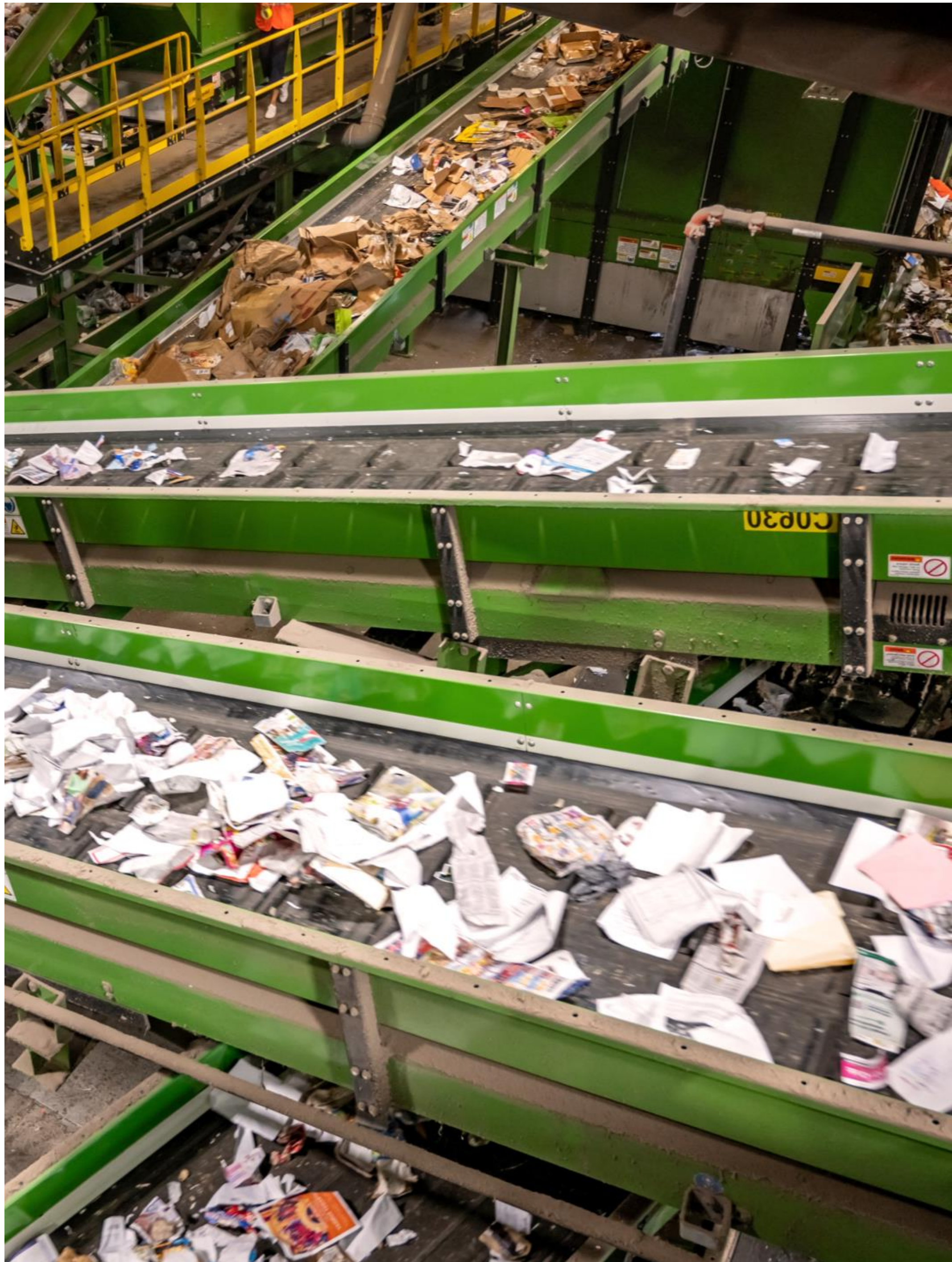
What to watch

Automation
- Higher processing volumes
- Lower labor costs
- Better quality bales

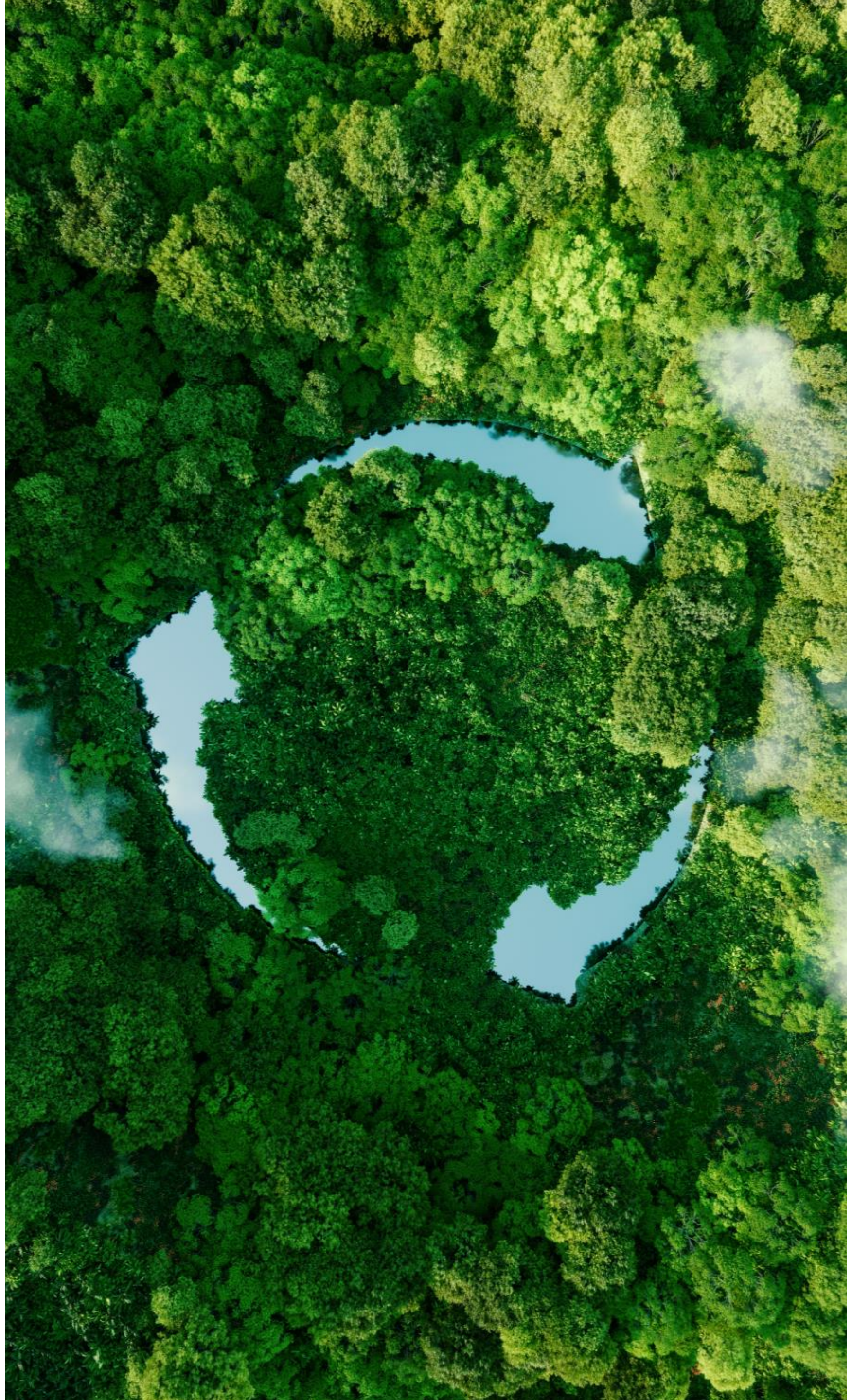
EPR
- Five states passed laws;
- More expected in 2025

2030 brand targets
- Many brand owners pulled back on 2025 goals
- Moving toward measuring carbon footprint of entire supply chain (Scope 3)

Change in presidential administration
- Tariffs on Canada, Mexico
- End of Biden-era incentives for recycling



See Resource Recycling publications online



RESOURCE RECYCLING, INC.

Thank you!

Antoinette Smith

Journalist, Resource Recycling Inc.

Antoinette@resource-recycling.com