



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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December 15, 2017

NOTICE

To: All Interested Parties

Subject: 2018 Processing Payments

Section 14575 of the Public Resources Code (PRC) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a processing payment for any beverage container type that has a scrap value less than the cost of recycling.

CalRecycle makes processing payments to processors. Processors pay recyclers the entire processing payment. This notice announces the 2018 processing payments.

Pursuant to PRC Section 14575, the calculation of the 2018 processing payments is based on the difference between the scrap values offered to recyclers and the sum of the actual costs of recycling for certified recycling centers, excluding centers receiving handling fees, plus a reasonable financial return. In addition, a cost of living adjustment is applied to the 2018 calculations.

CalRecycle has an emergency regulation that amends California Code of Regulations, Section 2975 that changes how the reasonable financial return is calculated for calendar year 2018. This change will help support beverage container recycling by taking into account rural and non-rural costs associated with recycling.

Scrap values are based on the average scrap values paid to recyclers for the period between October 1, 2016, and September 30, 2017.

The processing payments shown below become effective January 1, 2018.

<i>2018 Processing Payments per Pound Redeemed</i>		
<i>(effective January 1, 2018)</i>		
	Urban Recyclers	Rural Recyclers
Glass	\$0.05998	\$0.06263
Plastic		
#1 – PET (Polyethylene Terephthalate)	\$0.12544	\$0.13650
#2 – HDPE (High Density Polyethylene)	\$0.21022	\$0.22458
#3 – PVC (Polyvinyl Chloride)	\$0.38443	\$0.40702
#4 – LDPE (Low Density Polyethylene)	\$0.70301	\$0.73522
#5 – PP (Polypropylene)	\$0.61478	\$0.64368
#6 – PS (Polystyrene)	\$0.35516	\$0.37306
#7 – Other	\$0.42784	\$0.44746
Bi-metal	\$0.38769	\$0.40578



Table I and II, attached, shows the following detailed information for glass, plastic, and bimetal beverage containers:

- The cost of recycling
- The scrap value paid to recyclers
- The processing payment (if any)

To review notices of changes impacting participants in the beverage container recycling program, please visit CalRecycle's Beverage Container Recycling Program website at www.calrecycle.ca.gov/BevContainer/ or call the Department of Resources Recycling and Recovery at (916) 323-3836.

For further information on the determination of processing payments, please contact Mr. Hieu Le, Recycling Operations Branch, Division of Recycling, at (916) 323-5778.

Scott Smithline
Director

Attachments

Table I
2018 Processing Payments for Nonrural Recyclers
Effective January 1, 2018
Glass, Bimetal and Plastic

	Glass	Plastic						Bimetal	
		PET	HDPE	Vinyl	LDPE	PP	PS		Other
Cost of Recycling per Ton & COLA	\$103.97	\$433.52	\$562.98	\$885.56	\$1,263.32	\$1,133.37	\$702.02	\$769.18	\$709.66
Reasonable Financial Return	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Cost of Recycling per Ton with Reasonable Financial Return & COLA	\$115.93	\$483.37	\$627.72	\$987.40	\$1,408.60	\$1,263.71	\$782.75	\$857.64	\$791.27
Scrap Value per Ton	-\$4.03	\$232.49	\$207.28	\$218.53	\$2.59	\$34.14	\$72.43	\$1.95	\$15.90
Processing Payments to Urban Recyclers, Curbside, Dropoff/Collection, and Community Service Programs									
Processing Payment Per Ton Redeemed	\$119.96	\$250.88	\$420.44	\$768.87	\$1,406.01	\$1,229.57	\$710.32	\$855.69	\$775.37
Processing Payment Per Pound Redeemed (To be used on Shipping Report)	\$0.05998	\$0.12544	\$0.21022	\$0.38443	\$0.70301	\$0.61478	\$0.35516	\$0.42784	\$0.38769

Table II
2018 Processing Payments for Rural Recyclers
Effective January 1, 2018
Glass, Bimetal and Plastic

	Glass	Plastic						Bimetal	
		PET	HDPE	Vinyl	LDPE	PP	PS		Other
Cost of Recycling per Ton & COLA	\$103.97	\$433.52	\$562.98	\$885.56	\$1,263.32	\$1,133.37	\$702.02	\$769.18	\$709.66
Reasonable Financial Return	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%	16.6%
Cost of Recycling per Ton with Reasonable Financial Return & COLA	\$121.23	\$505.48	\$656.43	\$1,032.56	\$1,473.03	\$1,321.51	\$818.56	\$896.86	\$827.46
Scrap Value per Ton	-\$4.03	\$232.49	\$207.28	\$218.53	\$2.59	\$34.14	\$72.43	\$1.95	\$15.90
Processing Payments to Rural Recyclers									
Processing Payment Per Ton Redeemed	\$125.26	\$272.99	\$449.15	\$814.03	\$1,470.44	\$1,287.37	\$746.13	\$894.91	\$811.56
Processing Payment Per Pound Redeemed (To be used on Shipping Report)	\$0.06263	\$0.13650	\$0.22458	\$0.40702	\$0.73522	\$0.64368	\$0.37306	\$0.44746	\$0.40578