WHY SHOULD I CONSIDER MARKETS FROM THE START?
Prior to accepting materials in a recycling program, it is essential to know where each material will end up and how it will get there. This information will help guide program operations, capital expenditures, and material collection decisions. The best recyclables are the ones in demand that can quickly move through a processor to an end market.

Talking to nearby MRFs and neighboring programs will help to assess the resources available to your program and answer some important questions such as: How must my material be prepared? Will I need a baler? What types of trucks, trailers, or equipment are required? Will the market pick up materials or must my program deliver them? Where is the price of a material set – at pickup or delivery? Do you provide brokerage services? Commodities buyers will sometimes make recommendations for program design to increase efficiency, co-op (or partner) with neighboring communities, or improve collection techniques.

HOW DO I KNOW IF I’M GETTING A GOOD PRICE?
In the business of recycling, it is important to monitor market prices for recyclable materials. There are many resources available from which to access this information.

Nebraska Recycling Council members can subscribe to recyclingmarkets.net, an online recycled markets website, for $50/year (discounted from $600). Market prices are published twice per month for different grades of paper fibers as well as cans, bottles and plastic containers.
as cans, bottles and plastic containers. Other online resources are SCRAPindex.com and recycle.net.

“Pulp and Paper Index” is the main resource for paper pricing used by MRFs. Often, price quotes will reference this resource. For example, a MRF or end market might provide a quote like, “90% of Pulp and Paper Index for OCC.” Regular updates on market prices and commentary are also published in journals like “Waste360” (waste360.com), “Resource Recycling” (resource-recycling.com), and others.

HOW DO I FIND A RECYCLING PROCESSOR NEAR ME?
Contact NRC or one of the following commodity groups for a listing of processors in your area:
• Glass Packaging Institute (GPI): www.gpi.org
• Association of Plastic Recyclers (APR): www.plasticsrecycling.org
• American Forest and Paper Association (AF&PA): www.afandpa.org
• Institute of Scrap Recycling Industries (ISRI): www.isri.org
• Steel Recycling Institute (SRI): www.recycle-steel.org

WHAT SHOULD I ASK A POTENTIAL RECYCLING PARTNER?
Recycling program managers need to have a full understanding of a buyer’s requirements for materials. Questions to ask potential buyers include but are not limited to:
• What types of recyclables will the buyer accept, and how must they be prepared?
• What contract terms does the buyer require?
• What type of contract will be required?
• Who provides transportation?
• What is the schedule of collections?
• What are the maximum allowable contaminant levels, and what is the procedure for dealing with rejected loads?
• What are the maximum allowable levels for food, chemicals, or other contaminants?
• Are there minimum quantity requirements?
• Where will the materials be weighed?
• Who will provide containers for recyclables?
• Can “escape clauses” be included in the contract?

WHAT ARE THE FACTORS BEHIND A GOOD MARKET PRICE?
Full trucks and clean loads are important goals for any recycling program. Curbside and drop-off recycling programs should strive for high community participation and high quality materials with low contamination rates. The cleaner the material and the more of it, the better the economic investment will pay off. Clean material can have a significant effect on price returns because less handling time means lower labor costs.
When marketing baled material directly to a recycler, be prepared for them to ask you how often you can get a tractor trailer load full of clean bales to them. If your community, like many others, doesn’t collect a tractor trailer load of a single commodity on a regular basis, it may be worth exploring regionalization.

**HOW CAN REGIONALIZATION HELP COMMUNITIES LIKE MINE?**

Joining forces with other local governments in your area can improve the cost-effectiveness and efficiency of your program. Here is a list of some regionalization examples to consider:

- **Networking.** Regular meetings with representatives of local recycling programs are excellent ways to share information about markets, program initiatives, financing, and grant ideas. The best recycling programs are ones that regularly seek to learn from others.

- **Joint Contracting/Hub and Spoke.** Markets prefer large, singular sources of supply over many small sources. Combining your materials with other local programs in one “request for bids” or “request for proposals” will help attract better offers. An alternative to this to establish a “hub and spoke” collection system in which one community or MRF serves as the “hub” for recyclable materials and then works with surrounding communities to accept their recyclable materials. Frequently, the hub will keep the recycling revenues and the spokes will benefit from avoiding costs.

- **Marketing Cooperatives.** Similar, but broader than joint contracting, marketing cooperatives are formal arrangements for marketing the range of materials collected by regional programs. By establishing an ongoing framework for joint marketing, cooperatives keep you from having to reformulate every material contract.

- **Shared Facilities.** Material recovery facilities or other large-scale processing centers can be expensive and often beyond the means of smaller communities. By working together to capitalize and run a common MRF, local recycling programs can procure processing capacity and gain advantage in the marketplace.

- **Solid Waste Authorities.** In certain areas of Nebraska, communities have come together to form a solid waste authority, centered on the disposal of waste in regional landfill. Community member representatives serve on a governing board and set a per-ton fee for the disposal of their waste. An authority can be a good way to organize, finance, and govern a set of combined facilities, such as a MRF, landfill, and a compost facility, all accessible and shared by a group of local governments. Authorities can also cover ongoing capital and operational costs through the ability to raise and collect fees.

**OTHER THINGS TO KNOW ABOUT MARKETS AND MARKETING MATERIALS**

- **Recyclables are globally traded commodities, so their pricing often follows economic trends.** A number of economic factors, ranging from China’s ban on mixed plastics and mixed paper, the high value of the U.S. dollar, and tariffs have adversely affected overseas markets for recyclables. Current domestic processing capacity is not able to absorb the volumes of recyclables previously shipped overseas. Until the processing capacity catches up to supply, the price paid for recyclable materials will remain depressed.

- **Is it possible to survive down markets?** One school of thought is to maintain loyalty to your main markets even when you might get a slightly better price somewhere else. These markets will remember your good faith when markets get tight again. It is also important to maintain the highest quality of clean materials possible for better returns.
How about when markets are good? Sometimes market prices are exceptional and exceed revenue expectations. A market windfall is a good opportunity to pay down debt or make critical capital purchases. Replacing an old baler when prices are good is much easier than trying to buy one when revenues are down.

How does a program build high participation and lower contamination? Education, outreach, proper signage, and communication. Communicating specific materials requirements and encouraging stronger participation are smart ways to invest in your program.

Markets are always evolving and new opportunities may become available. There is a growing market for electronics, for example, that could allow communities to start collection programs. Attending recycling conferences, reading trade journals, and networking with fellow recyclers are ways to increase awareness of new opportunities.

This document was produced with permission based on a fact sheet developed by the Southeast Recycling Development Council (SERDC) with the same title.