



## **SUPPORTING THE BUSINESSES BEHIND THE BIN**

### **Policy Statement**

**It is the policy of the Virginia Recycling Association (VRA) to recognize that the plastic, metal, paper, glass, textiles, electronics and rubber materials generated through curbside and drop-off recycling are commodities that can be bought and sold in an active, and sometimes volatile, international marketplace, and are subject to the same laws of supply and demand that govern the value of any and all other tradable commodities.**

**The VRA is asking consumers to support the businesses behind the bin through understanding the value of recyclables as a commodity, actively reducing recycling contamination, and by following recycling guidelines to make sure that all materials are dry, empty and loose before they go into the bin.**

### **Reason for Policy**

The purpose of the “Supporting The Businesses Behind The Bin Policy” is to provide context for the economic value of recycling in relation to curbside and drop-off collection. While many consumer items may be recyclable, their value as commodities fluctuates with the supply and demand of the marketplace. This is the reason why some materials are not included in collections or accepted at Materials Recovery Facilities (MRFs).

The recycling industry contributes over \$1.7 billion to the Virginia economy<sup>1</sup>. The VRA is asking consumers to recognize and support the businesses behind the bin by understanding the value of recyclables as a commodity, and to help reduce recycling contamination by

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<sup>1</sup> <https://www.isri.org/recycling-commodities/economy>

following recycling guidelines and making sure that all materials are dry, empty and loose before they go into the bin.

### **Who is/will be affected**

Members, Public, Government, Suppliers, Manufacturers, Recycling and Solid Waste Industries

### **Supporting Information**

The next time someone asks “Is recycling really worth it?” Consider the economic value of recyclable materials in a global market and here in Virginia.

Recycling is often associated with environmental stewardship, and rightly so. The diversion of recyclable materials from landfills is an important factor in ensuring the conservation of natural resources for the betterment of our environment and our economy. There is, however, a gap of understanding regarding the destination and value of the materials that we recycle.

According to the Virginia Department of Environmental Quality, the state recycling rate for the calendar year was 42.8%. The volume of reported recyclable material was 2,596,863 tons<sup>2</sup>. That volume contributes to the US export of recyclable materials in the global marketplace.

Statistics provided by the Institute of Scrap Recycling Industries, Incorporated (ISRI)<sup>1</sup> show the impact that our recycling has as a commodity:

*“U.S. exports of scrap totaled nearly 38 million metric tons valued at \$17.85 billion and were shipped to industrial consumers in 145 countries around the world in 2017. In the United States, scrap recyclers processed a total of approximately 130 million tons of scrap metal, paper, plastics, electronics, textiles, glass, and rubber last year for domestic and overseas consumption.”<sup>3</sup>*

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<sup>2</sup> (2018, November). Virginia Annual Recycling Summary Report. Virginia Department of Environmental Quality. Retrieved from <https://www.deq.virginia.gov/Portals/0/DEQ/Land/RecyclingPrograms/CY2017RecycleRateReport.pdf>

<sup>3</sup> (2018, June). Recycling Industry Yearbook 2018. Institute of Scrap Recycling Industries, Incorporated (ISRI). Retrieved from [https://www.isri.org/docs/default-source/leadership-update-materials/2018-yearbook\\_final.pdf?sfvrsn=2](https://www.isri.org/docs/default-source/leadership-update-materials/2018-yearbook_final.pdf?sfvrsn=2)

There is a caveat when it comes to the trade of recyclables as a commodity. Everything is based on a marketplace made up of manufacturers who use recycled materials. Processors purchase materials from thousands of sources each day to keep up with expected consumer demand. Customers have orders to fill and thus only buy the material they need. Consequently, processors are viewed as price takers and not price setters.

*"Prices are set by the marketplace and reflect domestic and global manufacturing demands, changes in currency markets, transportation disruptions, energy prices, and the comparative cost and availability of virgin commodities."<sup>4</sup>*

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## **Definitions**

### **Commodity**

A commodity is a basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

### **Scrap**

Scrap value is the worth of a physical asset's individual components when the asset itself is deemed no longer usable. An item's scrap value is determined by the supply and demand of the materials for which it can be broken down. Scrap value is also referred to as the residual value, salvage value, or break-up value.

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<sup>1</sup> Institute of Scrap Recycling Industries (ISRI). Retrieved from <https://www.isri.org/>

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<sup>4</sup> (2018, June). Recycling Industry Yearbook 2018. Institute of Scrap Recycling Industries, Incorporated (ISRI). Retrieved from [https://www.isri.org/docs/default-source/leadership-update-materials/2018-yearbook\\_final.pdf?sfvrsn=2](https://www.isri.org/docs/default-source/leadership-update-materials/2018-yearbook_final.pdf?sfvrsn=2) (p14)