

THE EVOLUTION OF RECYCLING:

Worldwide Impact of China's National Sword

In recent years, China consumed 55 percent of the world's scrap paper and was a major destination for other recyclables. In 2017, the Chinese government announced the National Sword policy to minimize waste and pollution by mandating recycling purity standards on imported materials—purity standards so stringent that many recyclers dependent on Chinese markets had to cease exports to the country.

“For years, China has been the single largest consumer of recyclable materials exported by the U.S.,” said Steve Sargent, Rumpke director of recycling. “The Chinese government is trying to improve their environmental standards by banning anything that could come in and negatively impact that effort.”

Suspending All U.S. Scrap Imports

China's National Sword policy slowed or restricted the export of recyclables from the U.S. In mid-June 2018, a 30-day recertification process was enacted that basically stopped the export of these materials for this time period.

Commodity values have plummeted. Mixed paper dropped from \$75 per ton in November 2016 to \$0 per ton in June 2018. Mixed Paper is the single largest commodity generated from single-stream material recovery facilities (MRF) today. The price of cardboard also declined by nearly 60 percent from August 2017 to June 2018. The financial impact is immense.

“The Chinese government has done this in the past,” said Sargent. “But generally, after some time, those standards have relented, and shipments have continued. This time, it's different. We got the message. We're now having to change the way we do business.”

Rumpke's Response to China's National Sword

Rumpke has implemented an action plan to maintain recycling. We have slowed processing lines at our recycling facilities and added labor to improve material quality by removing contaminants that don't belong in the stream.

We have increased the frequency of material audits by conducting “bale breaks” – breaking apart random bales of recyclables and weighing the contaminants (e.g. pieces of plastic in a bale of cardboard). The new goal: to achieve less than 1 percent contamination (vs. the previous standard of 2 to 3 percent). Material audits are also being conducted on delivered loads to identify contaminants contributing to the problem.

Rumpke continues to enhance education efforts and to address the importance of recycling the right items.

“We are attempting to reach as many people as possible in a variety of ways,” said Amanda Pratt, Rumpke director of communications. “We have met face-to-face with municipal and commercial customers. Our social media continues to grow. We have sent direct mail pieces to nearly 100,000 residents. Our team speaks at countless conferences and workshops. Our tour program grows year after year.”

“It's Going to Make Us Stronger”

China's National Sword has affected the entire recycling industry. Rumpke is cooperating with the National Waste & Recycling Association (NWRA) and other industry leaders to research new markets and develop better technology.

“We continue to encourage China to work with U.S. recyclers to keep this valuable relationship intact and to give our companies time to respond to their new standards,” said NWRA President & CEO Darrell Smith, as reported by Waste360. “However, I remain optimistic that the waste handlers in the United States will find solutions to this bump in the road as they investigate new markets, develop new technological innovations, encourage new uses domestically for recyclables and use this as an opportunity to educate the American people about the importance of getting the trash out of the recyclables stream.”

Unfortunately, some states – especially in regions of the country dependent on export markets – have issued waivers to send recyclable material to the landfill. For example, there are some cities in California that exported over 80 percent of their processed recyclables to China.

Rumpke is not dependent on export markets to sell recyclables. We have developed long-term, domestic customers for our processed material. Rumpke has NOT landfilled recyclables, and we will continue to work with credible end-users.

“Rumpke is not having to ask for waivers to put recyclable material in a landfill,” said Sargent. “This market situation as a result of China's National Sword may require a couple of years to correct. New domestic markets for fiber and plastics are already under construction. The markets will begin to come back because the demand will be there. It will further prompt focus on domestic options to take care of most of our recycling consumption needs. In the meantime, we must focus on removing contaminants from our recycling stream before they enter our recycling facilities.”



Domestic markets: Rumpke has led efforts for glass recycling by cultivating relationships with local and regional end-users.



Tackling contamination: Rumpke has ramped up efforts to ensure the highest quality of recovered recyclables in its facilities.



Education in action: Rumpke offers tours of its recycling and landfill facilities. Annually, we welcome nearly 10,000 visitors.