



December 16, 2020

NOTICE

To: All Interested Parties

Subject: 2021 Processing Fees

Section 14575 of the Public Resources Code (PRC) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a processing payment and a processing fee for any beverage container type that has a scrap value less than the cost of recycling. CalRecycle makes processing payments to processors, who then pay recyclers the entire processing payment. Beverage manufacturers pay processing fees to CalRecycle. This notice announces the 2021 processing fees.

Pursuant to PRC Section 14575, the calculation of the 2021 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 will be applied to the 2021 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 2021. This change will provide stability to the processing payment calculation by ensuring that the reasonable financial return stays at a constant 10 percent.

Scrap values are based on the average scrap values paid to recyclers for the period between October 1, 2019, and September 30, 2020.

Other than as specified in Section 14575(f), Section 14575(e) provides that a processing fee will equal 65 percent of the processing payment. Section 14575(f) provides that a processing fee be equal to a specified percentage of a processing payment based on the recycling rate for the specified material.

Section 14575(j) directs CalRecycle to reduce total processing fees for glass and PET plastic if sufficient surplus funds remain in the respective processing fee accounts and if the recycling rates equaled or exceeded 45 percent in the preceding calendar year. Since there are sufficient funds in the processing fee accounts, a reduction for glass and PET plastic will be provided.

The processing fees shown below become effective January 1, 2021.

<i>2021 Processing Fees per Container Sold</i>	
<i>(effective January 1, 2021)</i>	
Glass	\$0.00417
Plastic #1 PET	\$0.00094
Plastic #2 HDPE	\$0.00689
Plastic #3 PVC	\$0.05106
Plastic #4 LDPE	\$0.01795
Plastic #5 PP	\$0.05792
Plastic #6 PS	\$0.00356
Plastic #7 Other	\$0.13871
Bi-metal	\$0.04956

Table 1, 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)
- The processing fee payable by manufacturers (if any)

Note to beverage manufacturers: Pursuant to PRC Section 14575(g)(1), beverage manufacturers shall pay applicable processing fees for each container sold or transferred to a distributor or dealer within 40 days of the sale.

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 fees, please contact Mr. Hieu Le, Recycling Operations Branch, Division of Recycling, at (916) 323-5778. If you have any questions concerning processing fee reporting requirements, please contact your assigned account representative in the Accounts Management Section at (916) 323-1837.

Ken DaRosa
Chief Deputy Director

Attachment

Table 1 - 2021 Processing Fees (Effective January 1, 2021)

	Glass	PET	HDPE	Vinyl	LDPE	PP	PS	Other	Bimetal
Cost of Recycling per Ton with Reasonable Financial Return & COLA	\$ 153.40	\$ 580.87	\$ 968.81	\$ 1,523.95	\$ 2,174.05	\$ 1,950.41	\$ 1,208.11	\$ 1,323.67	\$ 1,221.24
Scrap Value per Ton	-\$5.19	\$ 126.87	\$ 188.30	\$ (0.01)	\$ (7.72)	\$ (9.92)	\$ 4.37	\$ 0.57	\$ 1.21
Processing Payment Per Ton Redeemed	\$ 158.59	\$ 454.00	\$ 780.51	\$ 1,523.96	\$ 2,181.77	\$ 1,960.33	\$ 1,203.74	\$ 1,323.10	\$ 1,220.03
Processing Payment Per Pound Redeemed	\$ 0.07929	\$ 0.22700	\$ 0.39026	\$ 0.76198	\$ 1.09089	\$ 0.98017	\$ 0.60187	\$ 0.66155	\$ 0.61002
Containers Per Pound	\$ 1.97	\$ 22.60	\$ 6.80	\$ 9.70	\$ 39.50	\$ 11.00	\$ 110.00	\$ 3.10	\$ 8.00
Manufacturers' Percentage of Processing Payment	12%	11%	12%	65%	65%	65%	65%	65%	65%
Processing Fee Pursuant to Section 14575(f)	\$ 0.00483	\$ 0.00110	\$ 0.00689	\$ 0.05106	\$ 0.01795	\$ 0.05792	\$ 0.00356	\$ 0.13871	\$ 0.04956
Section 14575(j) Processing Fee Reduction	\$ 0.00066	\$ 0.00016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Processing Fee to be Paid by Beverage Manufacturers	\$ 0.00417	\$ 0.00094	\$ 0.00689	\$ 0.05106	\$ 0.01795	\$ 0.05792	\$ 0.00356	\$ 0.13871	\$ 0.04956