



December 16, 2020

NOTICE

To: All Interested Parties

Subject: 2021 Processing Payments

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 payments.

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.

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

<i>2021 Processing Payments per Pound Redeemed</i>	
<i>(effective January 1, 2021)</i>	
Glass	\$0.07929
Plastic #1 PET	\$0.22700
Plastic #2 HDPE	\$0.39026
Plastic #3 PVC	\$0.76198
Plastic #4 LDPE	\$1.09089
Plastic #5 PP	\$0.98017
Plastic #6 PS	\$0.60187
Plastic #7 Other	\$0.66155
Bi-metal	\$0.61002

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)

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.

Ken DaRosa
Chief Deputy Director

Attachment

Table 1 - 2021 Processing Payments for Recyclers (Effective January 1, 2021)

	Glass	PET	HDPE	Vinyl	LDPE	PP	PS	Other	Bimetal
Cost of Recycling per Ton & COLA	\$ 139.45	\$ 528.06	\$ 880.74	\$ 1,385.41	\$ 1,976.41	\$ 1,773.10	\$ 1,098.28	\$ 1,203.34	\$ 1,110.22
Reasonable Financial Return	10%	10%	10%	10%	10%	10%	10%	10%	10%
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