



September 15, 2023

NOTICE

To: All Interested Parties

Subject: 4th Quarter 2023 Processing Payment Adjustments

Section 14575 of the Public Resources Code requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a processing payment for any beverage container type that has a scrap value less than the cost of recycling. The calculation of the 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. CalRecycle makes processing payments to processors. Processors pay recyclers the entire processing payment.

CalRecycle has discretion to adjust processing payments not more than every three months if the department:

- Determines the statewide scrap value paid for a specific beverage container material type for the most recent available twelve-month period directly preceding the quarter the processing payment is calculated is five percent more or less than the scrap value used as the basis for the processing payment currently in effect.
- Funds are available in the processing fee account for the material type.
- Adjusting the processing payment is necessary to further the objectives of the beverage container recycling program.

PROCESSING PAYMENT ADJUSTMENTS:

Effective October 1, 2023, CalRecycle will adjust the processing payment for glass and #1 PET as noted in Table 1. The change in scrap value for glass and #1 PET, for the 12-month period of July 2022 through June 2023, is greater than five percent.

The processing payment for #2 HDPE, bimetal, and plastics #3 - #7 are not being adjusted.

Table 1 - Adjusted Processing Payment Rates*

	Glass	#1 PET	#2 HDPE
Scrap Value Per Ton (Basis for Processing Payment July 1 - September 30, 2023)	-\$2.08	\$281.94	\$256.91
Scrap Value Per Ton (July 2022 – June 2023)	-1.88	180.4	\$263.80
Percent Change	6.92%	-26.42%	2.68%
Current Processing Payment Per Ton (Effective 7/1/23)	\$172.03	\$272.86	\$843.41
Adjusted Processing Payment Per Ton (Effective 10/1/23)	\$171.83	\$374.40	\$843.41
Current Processing Payment per Pound Redeemed (Effective 7/1/23)	\$0.08602	\$0.13643	\$0.42170
Adjusted Processing Payment/Pound Redeemed (used on Shipping Report, Effective 10/1/23)	\$0.08592	\$0.18720	\$0.42170
Percent Change to Processing Payment/Pound Redeemed	-0.12%	37.21%	0.00%

* Scrap values are based on the average scrap values paid to recyclers for the period between July 1, 2022, and June 30, 2023.

Table 2 - Estimated Processing Payment for Quarter 4 displays the anticipated Processing Payments per the Adjusted Processing Payment rates effective October 1, 2023.

Table 2 - Estimated Processing Payments for Quarter 4 of 2023

	Glass	#1 PET	#2 HDPE
Estimated Current Processing Payments	\$81,841,677	\$53,794,886	\$5,835,867
Estimated Adjusted Processing Payments	\$81,746,045	\$73,811,588	\$5,835,867
Difference (For the Year)	(\$95,632)	\$20,016,702	\$0
Difference (For Remaining Quarter)	(\$23,908)	\$5,004,175	\$0

Please contact Jim Huck, Statistical Information Section, at (916) 323-5778 or jim.huck@calrecycle.ca.gov, for additional information on processing payments. Notifications for the Beverage Container Recycling Program are available on CalRecycle's website at <http://www.calrecycle.ca.gov/BevContainer/Notices/>.

Sincerely,

Rachel Machi Wagoner
Director

Attachment

Table 1 - 2023 Processing Payments for Recyclers (Effective October 1, 2023)

	Glass	PET	HDPE	Vinyl	LDPE	PP	PS	Other	Bimetal
Cost of Recycling per Ton & COLA	\$ 154.50	\$ 504.36	\$ 1,000.29	\$ 1,573.40	\$ 2,244.60	\$ 2,013.71	\$ 1,247.32	\$ 1,366.63	\$ 1,260.88
Reasonable Financial Return	10%	10%	10%	10%	10%	10%	10%	10%	10%
Cost of Recycling per Ton with Reasonable Financial Return & COLA	\$ 169.95	\$ 554.80	\$ 1,100.32	\$ 1,730.74	\$ 2,469.06	\$ 2,215.08	\$ 1,372.05	\$ 1,503.29	\$ 1,386.97
Scrap Value per Ton	-\$1.88	\$ 180.40	\$ 256.91	\$ 2.07	\$ 1.46	\$ 9.32	\$ 6.19	\$ 4.36	\$ 3.64
Processing Payment Per Ton Redeemed	\$ 171.83	\$ 374.40	\$ 843.41	\$ 1,728.67	\$ 2,467.60	\$ 2,205.76	\$ 1,365.86	\$ 1,498.93	\$ 1,383.33
Processing Payment Per Pound Redeemed	\$ 0.08592	\$ 0.18720	\$ 0.42170	\$ 0.86434	\$ 1.23380	\$ 1.10288	\$ 0.68293	\$ 0.74947	\$ 0.69166