



March 15, 2024

## NOTICE

**To: All Interested Parties**

**Subject: 2<sup>nd</sup> Quarter 2024 Processing Payment Adjustments**

Section 14575 of the Public Resources Code (PRC) 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. This notice announces adjustment to the processing payment of #2 HDPE effective April 1, 2024. Table 1 provides details on the inputs used for calculating the adjustments of processing payment for glass, #1 PET, and #2 HDPE.

Pursuant to PRC Section 14575, the calculations of the processing payments are 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. [Senate Bill 353 \(Dodd, Chapter 868, Statutes of 2023\)](#) amended the process of how the quarterly adjustment to the processing payment is determined. CalRecycle may make an adjustment to the processing payment not more than once every three months using the preceding 3-month or 12-month average scrap value, whichever is lower. The scrap values used to calculate the processing payments beginning the 2<sup>nd</sup> Quarter of 2024 are based on the average scrap values paid to recyclers for the 3-month average period between October 1, 2023 and December 31, 2023 and for the 12-month average period between January 1, 2023 and December 31, 2023.

As #2 HDPE scrap value is lower for the 3-month average, CalRecycle has concluded it is appropriate to adjust the processing payment for #2 HDPE effective April 1, 2024, using the 3-month average scrap value.

The scrap values for glass and #1 PET for the 3-month average period between October 1, 2023 and December 31, 2023 and for the 12-month average period between January 1, 2023 and December 31, 2023 are not lower than the scrap value that was used to determine the current processing payment, effective as of January 1, 2024. If adjusted, the processing payments for glass and #1 PET would decrease. As such, CalRecycle has determined not to adjust the processing payments for glass and # 1 PET. Processing payments for bimetal and plastics

#3 - #7 are also not being adjusted as the scrap values for these container material types are highly volatile and based on small volumes.

Table 1 displays the data used to determine the processing payment adjustments. Table 2 displays the difference of the estimated payments to be issued per the adjusted #2 HDPE processing payment.

Updated information regarding the program, including all processing payment rates (Attachment 2), is available on CalRecycle's Beverage Container Recycling Program home page at <http://www.calrecycle.ca.gov/BevContainer/Notices/>.

For further information on the determination of processing payments, please contact Amy Yhnell, Statistical Information Section at (916) 324-5036.

If you have any questions concerning processing payment reporting requirements or completion of the Shipping Report, please contact the Recycler Training and Review Section at (916) 323-3008.

Sincerely,

Mindy McIntyre  
Chief Deputy Director

Attachments (2)

## Attachment 1

**Table 1 – Estimated Adjusted Processing Payments**  
(Effective April 1, 2024)

	<b>Glass</b>	<b>#1 PET</b>	<b>#2 HDPE</b>
Scrap Value Basis for Current Processing Payment	-\$1.39	\$144.31	\$248.74
3-Month Avg (October 2023 - December 2023)	\$1.91	\$168.33	\$171.76
12-Month Avg (January 2023 - December 2023)	-\$0.39	\$154.39	\$247.69
<b>Lowest Scrap Value</b>	<b>-\$0.39</b>	<b>\$154.39</b>	<b>\$171.76</b>
Percent Change	71.94%	6.98%	-30.95%
Current Processing Payment/Ton (Effective 1/1/24)	\$212.47	\$552.02	\$757.00
Estimated Adjusted Processing Payment/Ton (Effective 4/1/24)	\$211.47	\$541.94	\$833.98
Current Processing Payment/Pound Redeemed (Effective 1/1/24)	\$0.10623	\$0.27601	\$0.37850
<b>Adjusted Processing Payment per Pound</b>	<b>\$0.10573</b>	<b>\$0.27097</b>	<b>\$0.41699</b>
Percent Change to Processing Payment/Pound Redeemed	-0.47%	-1.83%	10.17%

**Table 2 - Estimated Processing Payment for Remaining Three Quarters**

	<b>Glass</b>	<b>#1 PET</b>	<b>#2 HDPE</b>
Estimated Current PP Payout	\$93,284,688	\$108,939,543	\$4,585,408
Estimated Adjusted PP Payout	\$92,854,408	\$106,925,695	\$5,052,236
<b>Difference (For Year)</b>	<b>(\$430,280)</b>	<b>(\$2,013,847)</b>	<b>\$466,828</b>
<b>Difference (For Remaining 3 Quarters)</b>	<b>(\$322,720)</b>	<b>(\$1,510,385)</b>	<b>\$350,121</b>

**Attachment 2**

**2nd Quarter 2024 Processing Payments for Recyclers**

(Effective April 1, 2024)

	<b>Glass</b>	<b>PET</b>	<b>HDPE*</b>	<b>Vinyl</b>	<b>LDPE</b>	<b>PP</b>	<b>PS</b>	<b>Other</b>	<b>Bimetal</b>
Cost of Recycling per Ton & COLA	\$ 191.89	\$ 633.03	\$ 914.31	\$ 1,438.09	\$ 2,051.56	\$ 1,840.53	\$ 1,140.05	\$ 1,249.10	\$ 1,152.44
Reasonable Financial Return	10%	10%	10%	10%	10%	10%	10%	10%	10%
Cost of Recycling per Ton with Reasonable Financial Return & COLA	\$ 211.08	\$ 696.33	\$ 1,005.74	\$ 1,581.90	\$ 2,256.72	\$ 2,024.58	\$ 1,254.06	\$ 1,374.01	\$ 1,267.68
Scrap Value per Ton	-\$1.39	\$ 144.31	\$ 171.76	\$ -	\$ 4.23	\$ 28.46	\$ 2.90	\$ 3.49	\$ 15.33
Processing Payment per Ton	\$ 212.47	\$ 552.02	\$ 833.98	\$ 1,581.90	\$ 2,252.49	\$ 1,996.12	\$ 1,251.16	\$ 1,370.52	\$ 1,252.35
<b>Processing Payment per Pound</b>	<b>\$ 0.10623</b>	<b>\$ 0.27601</b>	<b>\$ 0.41699</b>	<b>\$ 0.79095</b>	<b>\$ 1.12624</b>	<b>\$ 0.99806</b>	<b>\$ 0.62558</b>	<b>\$ 0.68526</b>	<b>\$ 0.62618</b>

\*The processing payment for wine or distilled spirits contained in a beverage container that is a box, bladder, or pouch, or similar container is equivalent to the HDPE processing payment.