



September 13, 2024

NOTICE

To: All Interested Parties

Subject: 4th 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 there will be no adjustment to the processing payment for glass, #1 PET, nor #2 HDPE. 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 for the 4th Quarter of 2024 (effective October 1, 2024) are based on the average scrap values paid to recyclers for the 3-month average period between April 1, 2024 and June 30, 2024 and for the 12-month average period between July 1, 2023 and June 30, 2024. The scrap values for glass, #1 PET, and #2 HDPE for the 3-month average period and for the 12-month average period were not lower than the scrap value that was used to determine the 3rd Quarter processing payment (effective July 1, 2024). If adjusted for the 4th Quarter, the processing payments for glass, #1 PET, and #2 HDPE would decrease. As such, CalRecycle has determined not to adjust the processing payments for glass, # 1 PET, and #2 HDPE. 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 if glass, #1 PET, and #2 were adjusted.

To: All Interested Parties
September 13, 2024

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 the Statistical Information Section, at MarketInformation@calrecycle.ca.gov or (916) 323-5778.

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,

Zoe Heller
Director

Attachments (2)

Attachment 1

Table 1 – Estimated Processing Payments

	Glass	#1 PET	#2 HDPE
Scrap Value Basis for Current Processing Payment	-\$1.39	\$144.31	\$171.76
3-Month Avg (April 2024 – June 2024)	\$3.83	\$229.93	\$187.29
12-Month Avg (July 2023 - June 2024)	\$2.73	\$170.90	\$187.72
Lowest Scrap Value	\$2.73	\$170.90	\$187.29
Percent Change	296.40%	18.43%	9.04%
Current Processing Payment per Ton (Effective 7/1/2024)	\$212.47	\$552.02	\$833.98
Calculated 4 th Quarter Processing Payment per Ton	\$208.35	\$525.43	\$818.45
Current Processing Payment per Pound (Effective 7/1/2024)	\$0.10623	\$0.27601	\$0.41699
Calculated 4 th Quarter Processing Payment per Pound	\$0.10417	\$0.26272	\$0.40923
Percent Change to Processing Payment per Pound	-1.94%	-4.82%	-1.86%
Processing Payment per Pound Effective 10/1/2024	\$0.10623	\$0.27601	\$0.41699

Table 2 – Estimated Processing Payments for Remaining One Quarter

	Glass	#1 PET	#2 HDPE
Estimated Current PP Payout	\$93,284,688	\$108,939,543	\$5,052,236
Estimated Adjusted PP Payout	\$91,477,512	\$103,665,181	\$4,958,318
Difference (For Year)	(\$1,807,176)	(\$5,274,362)	(\$93,918)
Difference (For Remaining 1 Quarter)	(\$451,794)	(\$1,318,590)	(\$23,480)

Attachment 2

4th Quarter 2024 Processing Payments for Recyclers
(Effective October 1, 2024)

	Glass	PET	HDPE*	Vinyl	LDPE	PP	PS	Other	Bimetal
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
Processing Payment per Pound	\$ 0.10623	\$ 0.27601	\$ 0.41699	\$ 0.79095	\$ 1.12624	\$ 0.99806	\$ 0.62558	\$ 0.68526	\$ 0.62618

*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.