

Crash in trash creates mountains of unwanted recyclables in US

American towns are being forced to abandon recycling their household waste after the global economic downturn has crashed the once profitable market for "trash".

By Philip Sherwell in New York
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Financial crisis is rubbish for trash Photo: EDDIE MULHOLLAND

Mountains of used plastics, paper, metals and cardboard are piling up in the warehouses and yards of recycling companies across the US. Some contractors are negotiating to rent old military hangars and abandoned railway depots because they have run out of storage space for the glut of suddenly unwanted rubbish.

The collapse in the recycling market is a direct by-product of the financial crisis, as demand has slumped for material to be converted into everything from boxes for electronics to car parts and house fittings.

Householders have long been able to feel virtuous about their impact on the environment by sorting out their rubbish each week. But now the great trash market crash has even raised the environmentally alarming spectre that some waste intended for recycling may end up in landfills.

"The crash is all the more dramatic because as recently as mid-October the prices for recyclables stood at record highs," said Bruce Parker, president of the National Solid Wastes Management Association (NSWMA).

Newsprint is now fetching less than \$60 (£40) a ton, down from \$160; corrugated boxing has slumped from \$50 a ton to \$10; while tin fetches \$5 a pound compared to about \$25.

Other materials are performing even worse, Mr Parker said. His members are now having to pay for the removal of low-grade mixed paper that two months ago was bringing in \$120 a ton. "And plastics, you cannot even give them away," he added with a sigh.

The previous surge in prices had largely been driven by soaring demand from China and India. The emerging economic powerhouses were swallowing up rubbish as soon Americans were discarding it - often to turn into goods and packing that were then sold back to the US.

But the demand from Asia has now collapsed as the economic crisis has spread around the globe. "We truly live in a global economy where what happens at one end of the earth directly affects business at the other end," said Mr Parker.

The impact is devastating commercially - and not just for recycling businesses. Already confronting crippling budget shortfalls, local and state authorities have now seen a lucrative source of income dry up as recycling centres are no longer paying for their rubbish.

Some towns have even suspended their recycling operations, although in much of the country those programmes are required by law.

Residents in West Virginia's Kanawha county, which includes the state capital Charleston, have been told to stockpile plastics and metals, the materials worst hit by the crash, as they will no longer be collected. Small towns with tight budgets are particularly badly affected - Frackville in Pennsylvania has recently suspended its recycling programme.

The collapse has even hit the nation's most prestigious academic institutions. Harvard University used to receive \$10 a ton for mixed recyclables from a nearby centre, but last month was told that it would have to start paying \$20 a ton to send students' discarded newspapers and empty bottles there.

"I have been in the recycling business for 30 years and never seen a time as bad as this," said Johnny Gold, senior vice-president of the Newark Group, one of America's biggest recycling companies.

"It's a combination of the economic collapse and Chinese over-capacity.

"Our industry is a textbook case of supply and demand. We sell our product to paper mills that make boxes to supply companies making goods and if those goods are not selling, then they don't need the boxes and they don't buy our product."

Mr Parker believes that the market may not bounce back until late 2010 - and by then the mountains of unwanted rubbish would have turned into major mountain ranges. The NSWMA argues that to handle the crisis, the US will have to step up investment in its own recycling mills to fill the gap left by Asia and that contractors may have to impose recycling surcharges.

"It may cost communities more in the meantime but from an environmental point of views, the savings in terms of reducing greenhouse emissions and other benefits are still much greater," he said.

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