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China restricts imports of recyclables

By: Stan Huskey, April 20, 2018

The looming trade war between the United States and China hit the domestic waste management industry as China, the world's top destination for recyclable commodities, imposed restrictions on imported recyclables for reuse.

The restrictions include an outright ban on 24 different categories of recyclable materials that China imports from the United States and the rest of the world. Because of the ban, U.S. recycling markets are in turmoil, with serious stress in the industry and for regional recyclers.

The ban, referred to in China as the National Sword policy, was implemented Jan. 1 and turned the recycling industry in the United States and around the world upside down. Under National Sword, China is now refusing to accept recyclables unless they meet the highest quality standards and, more important, unless they meet lower contamination standards than what were previously considered normal and acceptable in the industry.



Under its so-called “National Sword” policy, China has placed restrictions on importation of recyclable material. The move has put the U.S. recycling market into turmoil.

(Photo courtesy of commons.wikimedia.org.)

As a result, U.S. recyclers are being forced to stockpile or, worse yet, landfill nonqualifying recyclables, or accept drastically reduced prices from other non-China end-users that are 50 percent to 100 percent below what was paid last year. Many end-users are now charging recycling plants to receive their recyclables.

One company, J. P. Mascaro & Sons, a privately owned waste

service company based in Audubon and an industry leader in recycling, promised it will not allow China National Sword policy to lessen its commitment to recycling and sustainability, or to its customers.

J.P. Mascaro has already invested over \$100 million in its recycling and sustainability efforts, including \$25 million in its fully-automated, ultra-modern, 85,000-square-foot TotalRecycle single



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stream recycling facility in Exeter Township, Pennsylvania, and more is on the way.

“TotalRecycle is one of the premier single-stream recycling material recovery facilities in the United States and Mascaro’s commitment to continued and increased recycling will not falter,” said Joseph P. Mascaro Sr., director of sustainability and general manager of the TotalRecycle facility. “Our company will take whatever steps are necessary to weather this China National Sword” storm, and we will become a stronger industry participant because of it

“The China ban has created many serious challenges for U.S. recyclers, including our TotalRecycle operation, but our company’s commitment to recycling and sustainability and to our recycling customers is here to stay. We will continue to invest in our recycling operations to meet today’s market challenges.”

As an example, Mascaro has ordered and by early 2019 will install more than \$4 million of additional state-of-the-art optical sorting equipment at its TotalRecycle facility to meet the higher quality/lower contamination standards that are now a reality in the China-dominated marketplace.

The equipment will enable Mascaro and TotalRecycle to produce end-use paper/fiber

recyclables of outstanding quality and with the lowest contamination levels, which will be in high demand in paper mills everywhere, including China.

China has historically imported and processed more than 55 percent of the world’s recovered paper and plastic commodities. In an average year, the United States produces more than 21.5 million metric tons of the almost 70 million metric tons of those products that are produced worldwide. Before the National Sword ban, China imported in excess of 36.5 million metric tons annually, leaving recyclers in the United States and the rest of the world scrambling now to find alternatives for more than half of the materials they generate.

Companies such as Mascaro that double down on their industry-leading commitment to recycling will sustain and grow their business for the benefit of their customers. Others, that do not, will likely find it difficult to continue as successful participants in the recycling industry.

An increased recycling commitment by companies like Mascaro to meet today’s market realities will likely result in some consumer cost increases for recycling services, but when compared to what it would cost to landfill or incinerate those materials, such increases will be acceptable to customers,

particularly when the environmental, social and sustainability benefits of recycling are considered.

“Our industry has historically experienced volatility, with many peaks and valleys, and our company has always successfully dealt with such industry volatility by staying the course and by doing whatever is needed to remain ahead of the curve,” Mascaro company President Pat Mascaro said. “At J. P. Mascaro & Sons, we address and resolve industry problems, like the current China ban problem, when they occur, and as a company we grow stronger and better serve our customers because of it.”

“Both our trash and recycling customers know that J. P. Mascaro & Sons, as an industry leader, is a company that plans and invests for the long-term as it relates to its business and facility operations, including its recycling operations in today’s changing marketplace,” Mascaro continued. “During difficult times like are now being experienced because of China’s National Sword policy, we always strive to inform and deal with our customers in good faith, and they, in turn, reward us with their continued patronage.”