

# Journal

**ENCORP**  
ATLANTIC INC

20/20  
1992 • 2012 • 2032

20 years of successful  
beverage container  
recycling in N.B.  
20 ans de gestion  
des récipients  
à boisson au N.-B.

SINCE 1992, ENCORP ATLANTIC HAS RECYCLED OVER  
2.5 BILLION CONTAINERS IN NEW BRUNSWICK

RETURN RATE AS OF  
**70%** JUNE 30,  
2012

## SUMMER

### NOTICE



A recent product, "VITA COCO" in 330 ml Tetra Pack form, has been introduced in New Brunswick. The current label does not have the "return for Refund" message. But we ask that all redemption centers accept this product for refund.

This product is currently being distributed by Costco. The retailer has already received assurance from their supplier that the non-compliant container will be modified to meet the labeling guidelines with the next production run. The issue will be cleared up once the current stock is exhausted.

### HALF-FILLED BAGS

Recent reports by some redemption centers on drivers wanting to clean out RCs have put in question the notion of efficiency. It is paramount to the efficiency of the beverage containers program that bags be filled at maximum capacity (with exception to aluminum). Drivers wanting to top off their loads or to clean out RCs with bags not filled to maximum capacity should be reported to Encorp.



## NEW "CAPS OFF" SIGNS

As a continued effort to help depot operators in their quest for a "caps-off society", Encorp has just received a new series of artist Andy Warhol inspired neon colored signs for RCs. These will be distributed over the summer. We hope that depots will display these in a prominent area for all to see!



### PROVINCE OF NEW BRUNSWICK - BUDGET

In early March, the government announced the amalgamation of the departments of Environment and Local Government. These structural changes were deemed part of the "Renewal of Government Strategy". And the March 27 Budget and main estimates did bring about significant changes to the funding of the Environmental Trust Fund (ETF). Under the new budget, an additional \$3.2 M to ETF funding is listed. This would entail changes to the Beverage Containers Program. From Encorp's assessment, it appears that the government would rather have industry and consumers pay more than find efficiencies in the current program. Department officials did request the industry's advice on how to increase yearly funding to the ETF. It is obvious that government has absolutely no notion on how the Beverage Container Program actually works. From a business perspective, all further program efficiencies will have to come from innovations at the redemption center level.

### QUALITY CONTROL

Over the past year, the count adjustment method with redemption centers has resulted in overall continued accuracy. For the full 12 month period, reported accuracy was -0.01%, which is near perfect. Total cost of QC for the period was \$74,000, while \$36,000 was recovered by adjustments. The return rate as of June 30<sup>th</sup> was 71%

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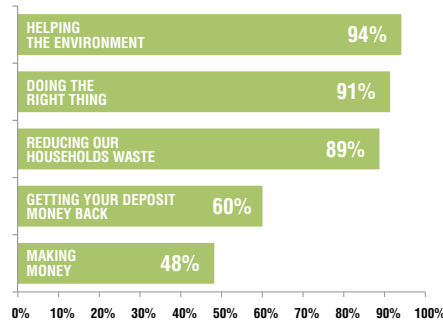
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## PUBLIC SURVEY ON RECYCLING IN NB

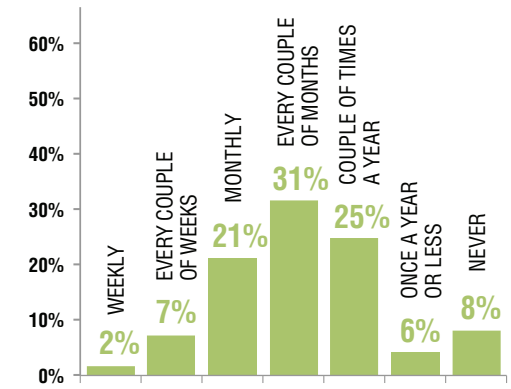
Despite our best efforts at achieving maximum recycling rates, recent data indicate that more targeted communication efforts are needed in order to achieve optimal results. According to a recent survey (MQO Research - March 2012) commissioned by Encorp Atlantic, New Brunswick residents do not primarily recycle their beverage containers for monetary reasons, but rather for moral reasons. Survey results also indicate that the public requires more convenience for returning their post-consumer containers.

## How important are the following in encouraging you to return your beverage containers to a bottle depot for a refund?

% Indicating 8 or higher



## How often does your household return empty beverage containers to a bottle depot?



## LITTER SURVEY

A province-wide litter survey is being commissioned by Recycle NB in partnership with Encorp Atlantic to look at the issue of roadside litter throughout the province and determine the baseline quantity of waste being discarded near roadways. The survey will look at the types of materials and the brands that are most discarded. Once the initial survey is complete, additional surveys may be performed in the future to develop new recycling programs or to benchmark existing program performance. The survey is made possible through funding provided by the New Brunswick Environmental Trust Fund (ETF) and Encorp Atlantic.

## MARKETS

Overall markets over the past year are reeling from the global economic uncertainty with price fluctuations for PET and aluminum. Nevertheless, markets are still over the recession levels and better, particularly on the PET.

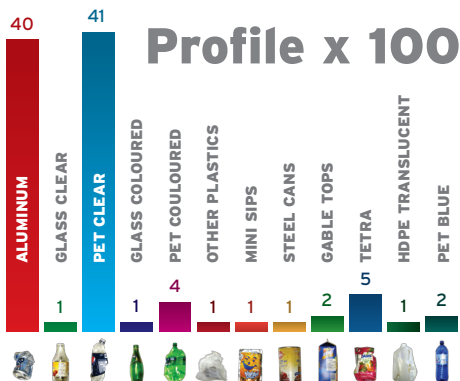
As of January 2012, all Canadian recycling affiliates have agreed to a 2-year renewable contract for the sale of aluminum with Coca-Cola Recycling. From all estimates, the transaction could represent a market improvement of **4.5%** over the previous contract with Evermore Recycling.

## MATERIAL PRICING

Market material pricing compared to this time last year: aluminum 15% below; PET 20% below. Overall, sales of non-alcoholic beverages were marginally higher by **0.06%** over the past year (April 1 – March 31, 2012), while containers redeemed were slightly higher by **0.12%** for the same period.

## CONTAINER PROFILE %

As an attempt to make life easier for redemption centers in New Brunswick, Encorp is currently studying the possibility of reducing individual sorts from the current 13 to a possible 5 or 6. The timeline for this proposal is April 2014. This should give sufficient time to assess the impact of these proposed changes. This will likely increase the costs of sorting these containers at processing but would reduce labor and speed up the process at the RC level.



## OVERVIEW OF MARKET PRICES US \$/LB FOR BALED MATERIAL:

	Aluminum	PET	Exchange
March 31, 2008	\$ 1.03	\$ 0.195	\$ 1.002
March 31, 2009	\$ 0.44	\$ 0.09	\$ 1.225
March 31, 2010	\$ 0.72	\$ 0.23	\$ 1.007
March 31, 2011	\$ 0.88	\$ 0.37	\$ 0.952
As of March 31, 2012	\$ 0.75	\$ 0.29	\$ 0.9684

## MARKET SNAP-SHOT / 3 YEAR PERIOD IN US\$/LB

	Aluminum	PET
High ▲	\$ 0.88 March 2011	\$ 0.37 March 2011
Low ▼	\$ 0.44 April 2009	\$ 0.04 December 2008

\* These figures are based on monthly averages

## YEAR TO YEAR-REFUNDED UNITS:

	Aluminum	Glass	PET	Other	Total
April 1 – March 31 2011	63,215,955	2,946,752	73,526,508	17,776,050	157,465,265
April 1 – March 31 2012	64,367,200	2,429,570	74,309,466	16,543,613	157,649,849
Yr. to Yr. Qty	1,151,245	(517,182)	782,958	(1,232,437)	184,584
Yr. to Yr. %	1.82%	(17.55%)	1.06%	(6.93%)	.12%