

BULLETIN

71.36%

(AS OF DECEMBER 31[™], 2010)

WINTER

NOTICES:

Any damaged bulk bag must be reported on a designated tag (QC) box and returned to the driver regardless of the extent of the damage. Damaged bags will be individually inspected at a later date.

SLIP AND SLIDING AWAY!

Cold winter months usually mean havoc for redemption centers (RC) and drivers alike, because of the spillage of the remaining contents of containers. Recent reports of slippery floors are a problem, especially for RCs that receive large quantities of containers from school programs. Encorp is looking at the possibility of developing an education campaign to remind students to empty their containers before recycling.

2011 CALENDAR

This year, Encorp published its first ever calendar. Photographs from New Brunswick artists were used to depict scenes of our picture province. A limited number of 500 were printed and distributed to RCs in early January.



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NEW YEAR'S RESOLUTIONS

Over the past six months, our staff and student ambassadors visited all RCs in New Brunswick. This has been quite a learning experience but also a rude awakening! It is hard to fault any center for some of the shortcomings of our Beverage Container Program in this province, but one thing is certain: changes will be required sooner than later! Growing costs for centers and agents alike require these changes. It is also clear from reports gathered during these visits that safety and cleanliness at RCs have a direct relationship on customers' experience and thus redemption rates. Furthermore, the tendency in the 25 to 45 age group is to involve the family in recycling activities, yet with the current status of some RCs in NB, this poses a significant challenge for parents to actually want to bring their kids along.

2011

Encorp's first priority is to maximize return rates, and we will continue to seek efficiencies in the system. Every year, approximately 65,000,000 deposit-bearing containers go missing and are never redeemed in this province. This represents over \$ 3,000,000 to consumers and nearly the same for RCs. Maximizing redemption rates is a fundamental principle of the New Brunswick Beverage Containers Program,

and distributors and agents alike are totally committed to this principle.

Again this year, we will stress public education and outreach to consumers on the merits of recycling and waste reduction. A partnership between Recycle NB and Encorp has proven very beneficial in this regard.



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BULK BAGS

With the recent distribution of the new bulk bags, Encorp and RCs have a perfect opportunity to establish a better control as it pertains to bag distribution per center and monitoring of the quality of these bags as they age with time and usage.

Essentially, we are looking at a smarter way of managing the flow and quality of bags in our system to avoid any problems in the future with a lack of bags in the system and most importantly the quality and durability of these.

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CAPS OFF, PLEASE!

Five handouts have been developed to remind the public to remove their caps before returning

their deposit-bearing containers to RCs for recycling. This coupled with free ball caps for all center employees are a first attempt to educate and encourage the public to remove their "caps"!

We suggest that centers display these hanger cards and even include these with their payment to consumers.

- All older bags will be taken out of service once all 10,000 new bags have been distributed. As of February 1st, only the new bags will be accepted for collection by drivers.
- · Accuracy of counts is paramount to the success of the program.
- All bags are to be used solely by the RC for the purpose of the New Brunswick Beverage Containers Program (non-alcoholic).
- · All bags must be stored inside at all times.
- All damaged bags must be reported on the designated tags (QC box) and returned to the drivers regardless of the extent of the damage.
- Any bulk bags reported missing from the RC (pre-determined designated float) will be charged to the center at a nominal fee of \$15.
- Encorp Atlantic reserves the right to audit RCs anytime for the purpose of tracking its bags.

MATERIAL MARKETS & RETURN RATE

Markets in the New Year have shown overall improvements in both PET and aluminum for the period. This is welcome news in spite of the high Canadian dollar which is an inconvenient for our New Brunswick program due to the fact that we sell in USD.

Again, the return rate has seen a slight decrease for this period. This is largely due to enhanced sampling and the implementation of the new count adjustment formula that started on June 1st.

The return rate as of December 31st was **71.36%** compared to **74.9%** the previous year.

COUNT ADJUSTMENT -1.5%

The trend toward our *Target Zero* has again improved in November and December. Since June 1st, RCs in New Brunswick have become one of the most accurate recycling depots in the country with an accuracy rate of -1.5%. When adjustments are made to centers that are over 2% (+ -), that rate goes down to -.5%. These results prove the merit of this program in terms of efficiency but also in recognizing the constant challenge faced by centers in regards to count accuracy.

REMINDER

Encorp Atlantic and our service provider, Hebert Recycling, have an open door policy in terms of visits to the Quality Control Department. If you want a firsthand look at how we count and implement quality control on your containers, just drop in at 53 Walsh Avenue, Miramichi, during regular working hours (no appointment necessary).

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

	Aluminum	PET	Exchange
Dec. 2008	\$.58	\$ 0.04	1.193
Dec. 2009	\$.72	\$ 0.12	1.02
Dec. 2010	\$.80	\$ 0.265	0.9714
December. 2009	\$ 0.72	\$ 0.12	1.02
March 2010	\$ 0.74	\$ 0.22	1.01
June	\$ 0.64	\$ 0.165	1.03
September	\$ 0.75	\$ 0.18	1.003
As of Dec. 31	\$ 0.80	\$ 0.265	0.9714

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

	Aluminum		PET	
Low	\$.44	April 2009	\$.04	December 2008
High	\$ 1.09	August 2008	\$.265	December 2010

^{*} These figures are based on monthly averages.

YEAR TO YEAR REFUNDED UNITS:

Jan. 08 – Dec. 09 Jan. 09 – Dec. 10	Aluminum 67,475,299 64,770,265	Glass 3,500,994 3,107,312	PET 73,235,473 74,798,873	Other 19,546,564 18,442,034	Total 163,758,330 161,118,484
Qty (Yr to Yr)	(2,705,034)	(393,682)	1,563,400	(1,104,530)	(2,639,846)
% (Yr to Yr)	-4.01%	-11.24%	2.13%	-5.65%	-1.61%