

S&P Global Platts to Assess Prices for US Plastic (PET) Bottle Recycling

New US post-consumer PET bottle assessments add price transparency amid increasing market demand for recycled plastics

NEW YORK, April 1, 2020 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced the launch of three new daily spot price assessments for US post-consumer polyethylene terephthalate (PET) bottle bales effective April 1, 2020.

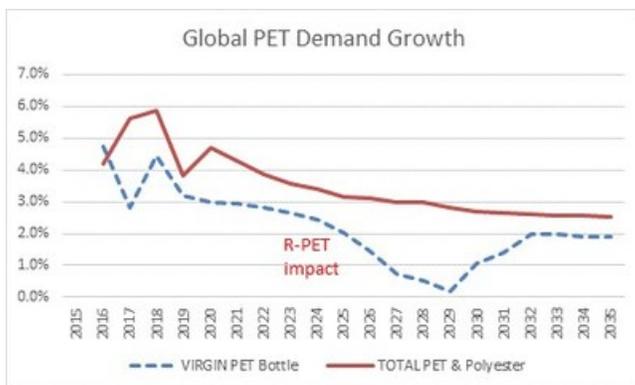
The recycled plastic market is characterised by a lack of standardisation, given that recycled plastic is derived from waste. The new post-consumer plastic bottle price assessments bring crucial market insight and price transparency based on S&P Global Platts' deep experience building independent and robust assessment methodologies. This new transparency will help increase market participants' understanding of how recycled plastics are evolving into tradable commodities.

Ben Brooks, Head of Plastics Recycling Price Reporting, S&P Global Platts said:"Our new recycled plastic assessments offer market participants crucial price transparency that helps develop open and fair markets at a time when the supply of quality recycled plastics raw material is their top challenge. US legislators are considering proposals that mandate radical change to minimum recycled plastic content, which will only increase the need for independent pricing based on a robust methodology."

Proposed US legislation ([Break Free From Plastic Pollution Act of 2020](#)), unveiled in February 2020, aims to create a nation-wide container-deposit system whereby producers will be required to fund waste and recycling systems through an Extended Producer Responsibility Program. This aims to remove the burden of waste collection and recycling from the taxpayers and states, and shift it to the producer companies. The Act proposes incremental increases in the minimum recycled content in food-service products to 25% by 2025 (which broadly matches European standard), with a three-year moratorium on new polymer-resin plant construction and feedstocks.

Rob Stier, Petrochemical Analyst at S&P Global Platts said:"Plastics recycling is a critical component of the circular economy. In a market where demand will continue to outweigh supply, securing a reliable source of recycled plastics at a fair price will be challenging and S&P Global Platts Analytics forecasts that competition for quality, recycled plastics will be fierce over the next decade. The trend seen in Europe with recycled PET flakes pricing higher than virgin PET may become the new normal, with buyers having to pay a premium for food-grade recycled PET. Therefore, having confidence in the recycled plastics prices will be increasingly important to help market participants meet the recycled content demanded by the marketplace."

The S&P Global Platts Analytics chart below shows the impact on the voluntary targets companies have committed to and the direct impact on virgin production as companies increase recycled content. It highlights a pull on recycled food grade material at the expense of lower quality recycled flakes for polyester production.



The daily assessments will reflect price information for the greater Los Angeles, California, and Chicago, Illinois, areas on a free-on-board (FOB) basis, as gathered and published through Platts' price assessment process, closing 4:00 pm CST.

FOB Los Angeles prices will reflect (a) premium-grade material, primarily sourced from redemption centers, with a minimum PET content of 70% and (b) curbside material with a minimum PET content of 60%. Bales sourced from the Los Angeles area should consist of at least 80% clear bottles.

The Chicago assessment will reflect mixed-colored bales, excluding black and solid colors, sold on a FOB basis with a minimum PET content of 60% and gathered from a curbside collection process. Bales could consist of clear, transparent green, or transparent light blue bottles.

The assessment will reflect material that is picked up on the same day up to seven days forward from the date of the transaction. Prices will be published in US cents per pound (/lb). Transaction volumes for both locations will reflect a typical range of 35,000-40,000 lb (approximately one 53-foot trailer load).

Find full methodology for the new price assessments here <https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/petrochemicals>

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