BRITISH COLUMBIA DAIRY COUNCIL
MILK CONTAINER RECYCLING PROGRAM

MID-YEAR REPORT JANUARY TO JUNE 2009

OVERVIEW

The milk container collection and recycling program continued to experience growth and expansion during the first six months of 2009.

Some highlights:

- A significant event was the agreement by the three major soy and rice milk brandowners in the BC market to participate in the program. This participation will include the reporting of unit sales and financial support.

- Since June 2008 the number of participating depots has increased by 20 to 144.

- The total weight of milk and soy containers, both plastic and polycoat, collected through the Encorp depot system in the first six months of 2009 was 43% higher than in the same period in 2008

CONSUMER AWARENESS

Continued consumer awareness is an integral part of the milk container recycling program. Various campaigns are undertaken throughout the year and a summary of 2009 activities will be provided with the full year status report in early 2010.

DEPOT SYSTEM PERFORMANCE

NUMBER OF PARTICIPATING DEPOTS

Since program inception the number of Encorp depots participating in the program has steadily increased. The total number of Encorp-authorized depots is currently 170.

Participating Depots – Mid Year	
2007	**117**
2008	**124**
2009	**144**

TOTAL WEIGHT OF CONTAINERS COLLECTED BY PARTICIPATING DEPOTS (Kg)

	FULL YEAR 2007	JAN-JUNE 2008	**JAN-JUNE 2009**	**JAN-JUNE INCREASE 2008-2009**
PLASTIC	130,024	85,378	**122,192**	**43%**
POLYCOAT	63,159	60,637	**86,781**	**43%**
Totals	193,183	146,015	**208,973**	**43%**

An indication of the growing public acceptance of the program is the ***collection per depot*** *which, for this six-month period alone, has increased from* ***1177 Kg to 1451 Kg, a 23% increase****. This per-depot increase indicates that growth is coming from existing depots as well as from the addition of new ones.*

RECOVERY RATES

Plastic milk jugs, which comprise about one-half of the total weight of milk containers sold, are most often recycled through curbside systems. In the past, estimates of the weight of plastic milk and soy jugs collected at curbside has been possible due to all the material being sold to a single domestic processor. A change of collection contractor in a major municipality, and that contractor's different marketing choices for collected commodities, has diffused the end markets for HDPE plastic and rendered accurate estimates of collection more difficult. HDPE containers collected at curbside by this collector is blended with other plastics for resale rather than being kept as a separate material stream.

While previous reports have included curbside collection estimates in order to give a more accurate picture of the recovery efforts for these containers the above changes have reduced the ability to track these containers. As a result, this report will concentrate on the recovery performance of the depot network and, while still acknowledging that the majority of milk jugs are recovered through curbside, notes that an accurate estimate of the actual recovery rate for these containers cannot be made under current conditions.

In addition to the difficulty of estimating curbside milk jug collection, another factor affecting recovery rates is the inclusion of soy and rice milk sales figures for the first time. Since these containers have been accepted from the program's onset the addition of soy and rice milk sales figures has the effect of reducing the percentage recovery rate.

The number of these containers is much less than those used for milk and, while the overall effect is small, it is noticeable.

January-June 2009 Recovery Rates
Depots Only
Including soy and milk substitute sales

	HDPE (Kgs)	Polycoat (Kgs)
Sales	2,260,565	1,345,039
Depot Recovery	122,192	86,781
Depot Recovery Rate	5.4%	6.5%

Affect of Soy Sales on the Recovery Rate

The above recovery rate figures would have been 5.6% for HDPE and 7.5% for polycoat had soy sales figures not been included. The greater impact on polycoat containers reflects the container type used for most soy and milk substitutes. Since the program has accepted these containers since the outset, the recovery rate shown in the table above is a more accurate representation that previous figures. Even with the inclusion of soy sales, the depot recovery rate has increased over the same period in 2008

Curbside Recovery of HDPE

Due to the changes mentioned above the traceable volume of HDPE containers collected through curbside has decreased since 2008. Using the best available estimates provided by processors, the overall recovery rate for HDPE jugs, from both depots and curbside collection, during the January-June 2009 period was **53.9%.** However, given that there have been no changes to the frequency and extent of consumer curbside collections, it is a reasonable assumption that the overall recovery rate for these types of containers remains in the **75 to 85%** range as previous reports have indicated.

Sales figures for soy and milk substitute containers were not available in 2008; as a result the 2008 figures for this period reflect only milk container sales.

January-June 2008 Recovery Rates
Depots Only
EXCLUDING soy and milk substitute sales

	HDPE (Kgs)	Polycoat (Kgs)
Sales	1,713,760	1,142,615
Depot Recovery	85,378	60,637
Depot Recovery Rate	4.98%	5.3%

- *Even with soy and milk substitute sales now included in the recovery rate calculation, the recovery rate still continues to climb steadily*.

Summary

The expansion of active participants in this recycling program is a good indicator of the future prospects for growth in the volumes of containers recovered. These new participants will extend the reach of the consumer awareness efforts being made.

The increase in the per-depot weight of containers is a significant indicator of growing consumer awareness and confirmation that the growth being experienced is not simply through expansion of the number of depots involved. The fact that milk jug collection through the depots increased at the same rate as for polycoat, despite the availability of curbside collection for this container type, is another indication of growing consumer awareness and support for the program.

A full year-end report for 2009 will be made available in 2010

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