FINANCING
CONTINGENCY PLANNING FOR RECYCLING MARKETS

Rationale

The viability of local recycling programs rests heavily on the availability of markets. As larger levels of investment are made in recycling programs, there is a need to establish contingency plans to anticipate what actions should be taken if different economic conditions develop.

Policy

Local governments should be encouraged to develop contingency plans that:

- Identify materials where market demand is exceptionally weak particularly where the loss of one market might compel the landfilling of the materials.
- Identify alternative uses for materials with weak markets and identify any procurement policies, legislation, or economic development efforts needed to diversify markets for such materials. Priority attention should be given to markets for yard waste and all commodities of paper collected in curbside and commercial recycling programs.

Establish trigger levels and mechanisms to direct recycled materials to other uses once the value of materials falls below established standards. Possibilities for short-term stockpiling of materials should also be fully explored on a regional basis, although limited shelf-life and market-flooding supply stockpiles might weaken a community's negotiating position.

Over the long term, the focus of contingency planning should evolve from short-term protection of recycling programs and minimization of a city's financial risk to development of new markets and new products for recyclables.

Cross-reference: Market Development