Stewardship ONTARIO

Geoff Love

Market Development

Slide 33

Overview of Market Development

1. Approved BBPP on market development
2. Market development progress; where we are relative to BBPP targets
3. Your thoughts on how to proceed on market development

Slide 34

Market Development & Targets

The program will:

- Include **targets** for overall quantity of Blue Box waste to be **diverted** …, & material specific targets for Blue Box waste to be **captured** …;
- Include a plan, with funding provisions, outlining activities to **develop & promote products** that result …

From Minister of Environment's September 2002 request for Blue Box Waste Diversion Program

Slide 35

BBPP Market Development

Three core elements in market development strategy in approved BBPP:

1. Public private **Green Procurement** initiative
2. Targeted Market Development Investment program for **recycled glass**
3. **Market Development Plans** for others as needed to meet targets

Slide 36

Market Development Goals

1. Support developing **capacity** to use all recovered Blue Box materials.
2. Promote enhancement of recovered material **value**.
3. Enhance material **recovery** to meet targets (where markets are the barrier).
4. Reduce overall Blue Box Program **costs**.

Slide 37

Market Development Principles

Guiding principles:

1. Stewardship Ontario to invest in market development in **partnership** with others.
2. Stewardship Ontario's investments to be linked to **material specific targets;**
   – support end markets for targeted tonnes at **next least cost.**

Slide 38

Principles (con't)

3. Avoid **cross-subsidizing** material-specific market development.
4. Implement a Request for Proposal/ **competitive bid process** to allocate market development funds.

Slide 39

Glass Market Development Investment Program

1. Implementation Projects: **longer term**
   - Up to $2 M (from glass Stewards) for 2004/05
   - REOI posted on website (7 responses)
   - MacViro retained to review & evaluate REOIs
   - Initiating meetings with GTA municipalities, re: mixed glass tonnes
   - Detailed RFP for qualified applicants (fall/winter)

Slide 40

Glass (con't)

2. Glass Business Planning/Feasibility Study: **nearer term**
   - $500K business planning & feasibility study fund to support projects up to $25K (matching funding basis)
   - ReMM retained to help develop funding guidelines & identify priority projects (increased tonnes and/or reduced costs)
   - Plan to post guidelines - late July; first project funds expected in fall 2004

Slide 41

Green Procurement Update

- Program Goal: **demand pull for Blue Box materials** (reduce costs)
- Initial design considerations (from BBPP):
  - Voluntary; not labeling driven
  - Public-private joint initiative; not to re-invent wheel
  - Results driven
  - Consider codes/best practice promotion approach

Slide 42

Green Procurement Update (con't)

- "Visioning" **workshop: June 22**
  - 4 expert speakers
  - Technical exchange with London Remade, re: lessons learned from Green Procurement program
  - Workshop report on website (July 19)
- **Green Procurement Business Plan** to Stewardship Ontario Board, mid September

Slide 43

Market Development: Others

- Market development investments tied to **material specific targets** (5 year program)
- WDO's Cost Effectiveness Committee report recommended considering **future** market development activities (**not yet approved**)

Slide 44

WDO's Cost Effectiveness Committee Considerations

1. Prepare/adopt green procurement protocols
2. Assess additional market development levies to support low revenue materials
3. Analyze alternative glass markets/ investigate glass colour sorting technologies
4. Investigate including composite cans/ expand polycoat materials

Slide 45

Cost Effectiveness Considerations (cont'd)

5. Start cost & quality analysis; single stream recycling
6. Assess impact of increasing recovery of "other household papers" on paper markets
7. Investigate cooperative marketing service
8. Implement mixed plastic & plastic film RFQs

Slide 46

Current Recovery Rates

Material	2001 Projected Generation (tonnes)	2001 Actual Reported Recovery (tonnes)	2001 Estimated Recovery Rate (%)	2002 Projected Generation (tonnes)	2002 Actual Reported Recovery (tonnes)	2002 Estimated Recovery Rate (%)	Change 2001 - 2002 (tonnes)	Change 2001 - 2002 (%)
PRINTED PAPER								
Printed Paper Total	724,100	391,435	54.1%	732,000	409,754	56.0%	18,319	4.7%
PACKAGING								
Paper Packaging Total	325,400	134,822	41.4%	332,300	134,980	40.6%	158	0.1%
Plastics Total	232,200	26,989	11.6%	238,700	31,928	13.4%	4,939	18.3%
Steel Total	67,900	32,582	48.0%	69,100	33,472	48.4%	890	2.7%
Aluminum Total	28,100	10,875	38.7%	27,000	10,776	39.9%	(99)	-0.9%
Glass Total	176,300	102,552	58.2%	179,400	106,097	59.1%	3,545	3.5%
PACKAGING TOTAL	829,900	307,820	37.1%	846,500	317,253	37.5%	9,433	3.1%
TOTALS	1,554,000	699,255	45.0%	1,578,500	727,007	46.1%	27,752	4.0%

Similar increase indicated from 2003 Datacall

Slide 47

2006 Target Recovery (50%)

Material	2006 Proposed Target Recovery (tonnes)	2006 Proposed Target Recovery Rate (%)	Increase in Recovery over 2002 (tonnes)	Increase in Recovery over 2002 (%)
PRINTED PAPER				
Printed Paper Total	466,500	60.1%	56,746	13.8%
PACKAGING				
Paper Packaging Total	168,600	47.9%	33,620	24.9%
Plastics Total	36,900	14.6%	4,972	15.6%
Steel Total	43,100	58.8%	9,628	28.8%
Aluminum Total	14,000	49.0%	3,224	29.9%
Glass Total	142,600	75.0%	36,503	34.4%
PACKAGING TOTAL	405,200	45.2%	87,947	27.7%
TOTALS	871,700	52.1%	144,693	19.9%

Total Increase:

~ 20% over 2002

Slide 48

Annual Increase to Reach 50%

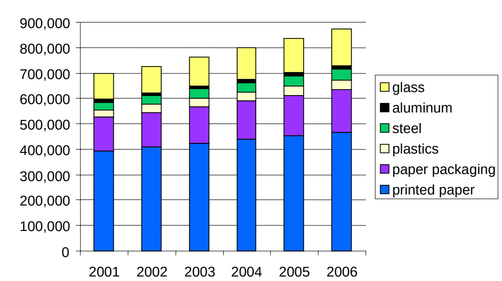
Material	2006 Proposed Target Recovery (tonnes)	2006 Proposed Target Recovery Rate (%)	Annual Increase in Recovery over 2002 (tonnes)	Annual Increase in Recovery over 2002 (%)
PRINTED PAPER				
Printed Paper Total	466,500	60.1%	14,300	3.5%
PACKAGING				
Paper Packaging Total	168,600	47.9%	8,400	6.2%
Plastics Total	36,900	14.6%	1,300	4.1%
Steel Total	43,100	58.8%	2,500	7.5%
Aluminum Total	14,000	49.0%	800	7.4%
Glass Total	142,600	75.0%	9,100	8.6%
PACKAGING TOTAL	405,200	45.2%	22,100	7.0%
TOTALS	871,700	52.1%	36,400	5.0%

Annual increase similar to recent years

- 2001 to 2002
- 2002 to 2003

Slide 49

50% Recovery by 2006



Similar increase to 2003 Datacall

Slide 50

Stewardship ONTARIO

Stewards' Reports & Generation Estimates

Material	Steward Reports Compared to BBPP Generation Estimates
Newsprint	Low
Catalogues & Magazines	High
Other Printed Paper	Low
Corrugated Cardboard	Low
Boxboard	High
Laminants	Low
Plastic Film	Low
Steel	Slightly High
Aluminum	Slightly High
Non-LCBO Glass	Low
LCBO Glass	High

- Registration of Stewards & verification of reports ongoing
- Revisions only if Stewards reports substantially complete and/or supported by waste audits

Slide 51

Stewardship ONTARIO

Some issues to consider…

Slide 52

Stewardship ONTARIO

Market Development Required?

- Are *additional* market development initiatives required to meet material specific recycling targets & to improve material revenues?

  Considering:
  - increases in recovery required (5% per year)
  - recent increases in recovery
  - current & projected market capacity
  - trends in management, e.g., greater commingling

Slide 53

Stewardship ONTARIO

If additional Market Development … What Strategies?

- Green procurement?
- Cooperative marketing?
- What materials are a priority & what are the next steps?
  - Plastics?
    - Focus on all bottles only or include other plastic packaging?
  - Other paper?
  - Glass - are current initiatives enough?
  - Metals?

Slide 54