

Markets for Cartons – Summer 2012

The Carton Councils of the US and Canada represent the leading food and beverage carton manufacturers in North America, including Elopak, Evergreen, SIG Combibloc and Tetra Pak. These companies are responsible for the development, manufacturing and marketing of processing and packaging systems for food and liquid food that are safe, convenient and environmentally sound.

The Carton Council's mission is to increase the environmental performance of food and beverage cartons while minimizing their life cycle impacts, including diverting them from landfill through increased recycling.

Currently, several mills in North America and Asia recycle aseptic and gable top cartons sourced from curbside and depot collection programs in the US and Canada. Each mill has unique arrangements for their supply of feedstock, including cartons, often working through their own broker network. Contacting individual mills directly to sell single loads is not advised. *Please contact the Carton Council at info@recyclecartons.com for details on broker channels for moving post consumer cartons to these facilities.*

Offshore Mills Have Been Recycling Cartons for Many Years

Export markets for post-consumer fiber have existed for more than 30 years, with mills that employ unrivalled state-of-the art technology. With over 140 mills that work with Carton Council partners worldwide, demand is rising for recovered cartons fuelled primarily from markets in Europe and the Pacific Rim. Rising international demand and a strong domestic market for recovered cartons provides flexibility and price stability to recycling operators, brokers and other participants in the recycling value chain.

At this time, mills accepting cartons in the Pacific Rim are located in South Korea and Thailand. As with the domestic markets, recovered fiber from cartons is primarily used to produced tissue and toweling. In Thailand, the poly/al material is also recovered to be converted into roofing board product.

While China does consume its own aseptic and gable top cartons, they are unable to import post consumer cartons because of customs regulations



Selling Overseas 101

Marketing materials overseas is an involved and complex process. Here are a few key challenges that are faced within the export market:

- 1. Every transaction is unique.** Every part of moving a commodity to market is taken under consideration and impacts the cost, timing, and transportation. Through carefully planned logistics, these materials are delivered to international markets.
- 2. A good agent will yield the best results.** In some markets, relationships for brokering materials are worked through local agents. Often, the success or failure of these transactions is entirely dependent on your local agent and his/her ability to arrange a deal.
- 3. Markets are markets, no matter where you are located.** Just like domestic markets, pricing can fluctuate and mills that are demanding a material one day may not be accepting the material the next.

4. The China Market

While one of the largest buyers of materials, China also has many rules and regulations around the trade of recovered materials.

For example, food-contaminated materials are prohibited as exports to and imports in China.

Other Asian markets may have additional restrictions such as only allowing locally sourced materials, which would limit the import of commodities from the US.

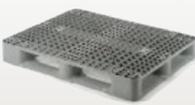
Mills in North America Seek Out Cartons for Recycling

Great progress has been made in North America over the past three years. The Carton Council has worked with the North American paper industry to expand the number of mills taking cartons for recycling. This number has risen from one to ten and more mills are expected to come on-stream in the coming years.

Paper mills view cartons as a valuable source of fiber because they offer high quality virgin, bleached long fiber which can be used in several applications including tissue, towelling product, de-inked pulp and green building products such as wallboard.



Products Made from Recycled Cartons

Product	Overseas Mills	North American Mills	Source Material
Tissue and toweling products 	<ul style="list-style-type: none"> Daehan Pulp (S. Korea) Daewang Paper (S. Korea) Samjung Pulp (S. Korea) Daewon Paper (S. Korea) 	<ul style="list-style-type: none"> Atlas Paper Mills (FL) Great Lakes Tissue (MI) Kimberly-Clark (Mex.) SCA Tissue (WI) Tissue Technology (WI) 	<ul style="list-style-type: none"> Post-Consumer cartons Factory (pre-consumer) waste ONP, OMG, white ledger, other grades
De-inked pulp 	<ul style="list-style-type: none"> Fiber Pattana (Thailand) 	<ul style="list-style-type: none"> Fibrex (WV) Fox River Fiber (WI) GET (Mex.) South Georgia Tissue (SC) 	<ul style="list-style-type: none"> Post-Consumer cartons Factory (pre-consumer) waste ONP, OMG, white ledger, other grades
Building products (wall-board, sheathing, ceiling tiles, roofing sheet) 	<ul style="list-style-type: none"> Fiber Pattana (Thailand) 	<ul style="list-style-type: none"> ReWall (IA) 	<ul style="list-style-type: none"> Post-Consumer cartons Factory (pre-consumer) waste
Low density granulated plastic resin (construction materials, pallets, etc.) 		<ul style="list-style-type: none"> Groupe RCM (Can.) 	<ul style="list-style-type: none"> Post-Consumer cartons Factory (pre-consumer) waste