VARIABLE RECYCLING REFUND VALUES INCREASE INCENTIVE TO RETURN LARGER CONTAINERS, ADD MINIMAL OR NO ADMINISTRATIVE COST



Recycling Refund Values: Between 5 and 15 cents

WHAT ARE RECYCLING REFUNDS?

In a recycling refund system (i.e., beverage container deposit return system), consumers pay an upfront deposit when purchasing a beverage that is refunded when the empty container is returned. These systems deliver much <u>higher recycling rates</u> and cleaner material for recycling, which translates into a significant environmental and economic impact. Variable rate deposit programs have different deposit/refund rates for different containers based on attributes such as size, material, and beverage type.

REPORT CONCLUSION

"In general, deposit return programs (DRPs) interviewed for this project reported that multiple deposit levels may add some small amount of additional cost in systems that rely on manual sorting, but that the additional operational or administrative cost is not significant in their opinion."

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VARIABLE RECYCLING RATE REFUNDS ARE IMPORTANT SINCE THEY:

Provide an added incentive to return large containers that comprise a relatively large amount of recyclable material. Help avoid market distortion by bringing more in balance the deposit cost of a couple large containers versus a multi-pack of small containers.

The report mentions the following states, provinces, and countries have introduced a variable rate deposit system: California, Maine, Vermont, Alberta, British Columbia, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec, Saskatchewan, Denmark, Finland, and Sweden.

REPORT METHODOLOGY

In 2022, Circular Matters assessed the degree to which multiple deposit levels place an operational or administrative burden on the operation of deposit return programs. The assessment was conducted through interviews with operators of 14 different system operators globally (3 U.S., 8 Canada, and 3 Europe) that employ multiple rate deposits in their programs. The assessment includes a review of both the advantages and disadvantages of multiple rate deposits as well as the key components of the multiple deposit level systems in each jurisdiction interviewed.

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