

FOXe: Recycling Profits

- Chris Coffey 

AUSTIN - When you recycle, your waste gets remade into new products. But what if the market dries up for those products? The economic slowdown means recycling companies are struggling just to make ends meet. 7 On Your Side's Chris Coffey shows us why in this Fox 7 Energy Team Report.

At Texas Disposal Systems in Creedmoor, they can crush it, bale it, or compost it.

"All types of metal, wood waste, brush, yard waste," said company president Bob Gregory.

Your recycled waste is their business, and until recently, business was very good.

"The markets were near or at all-time highs," Gregory said. "Adjusted for inflation, all time highs."

But then came the financial crisis. Now recyclers can hardly give these materials away.

"The markets for recycled products are at a very, very low point right now," he said.

The drop has been fast and dramatic. Take cardboard, usually a big seller. In October, TDS got \$91 a ton for it. Just two months later, the price dropped to \$31 -- a third of its previous value. Why the steep drop? Since consumers aren't buying, manufacturers aren't producing, so raw materials aren't selling.

"They're living off of inventory perhaps, because they don't know how much to go into this next year building up inventory," Gregory said.

For you, that could mean fewer recycling options.

"Some companies probably will cut back," said Gregory. "It's an economic decision."

Other companies may shut down altogether.

"Certainly, some recyclers are going under right now," said Adam Gregory, also with TDS. "In the past year, with prices so high, there was a mad rush for a lot of folks to get into the recycling business. It was very profitable for awhile."

Texas Disposal believes it can survive because their operation is big enough to hold onto recycled materials until the market improves. They're also coming up with new ways to compost recyclables -- selling them locally at a lower shipping cost.

"What we would like to do is, develop local markets where these materials can be produced here, used here, recycled here, and re-used here," said Adam Gregory.

TDS handles all trash and recycling collection for Georgetown, San Marcos, and several other cities. In spite of the economic slowdown, they plan to expand recycling services in San Marcos in March.