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Companies Pick Up Used Packaging, and Recycling's Cost

By **STEPHANIE STROM**

Brushing your teeth with a yogurt container? Wiping your mouth with a coffee cup?

You might be doing both, as a result of a new trend in recycling, courtesy of the manufacturers who make the original products. A growing number of large food and beverage companies in the United States are assuming the costs of recycling their packaging after consumers are finished with it, a responsibility long imposed on packaged goods companies in Europe and more recently in parts of Asia, Latin America and Canada.

Several factors are converging to make what is known as “extended producer responsibility” more attractive and, perhaps, more commonplace in the United States.

“Local governments are literally going broke and so are looking for ways to shift the costs of recycling off onto someone, and companies that make the packaging are logical candidates,” said Jim Hanna, director of environmental impact at the [Starbucks Corporation](#). “More environmentally conscious consumers are demanding that companies share their values, too.”

Perhaps most important, he said, “companies are becoming more aware that resources are limited and what they’ve traditionally thrown away — wow, it has value.” It is now cheaper to recycle an aluminum can into a new can than it is to make one from virgin material, and the same is becoming true for plastic bottles.

“Shredding, melting, recasting and rerolling used aluminum beverage cans into new aluminum can sheet saves 95 percent of the energy that it takes to make can sheet from raw ore,” said Beth Schmitt, director of recycling at Alcoa.

The principle is the same with used plastic bottles, which are made from petroleum — and are one of the country’s largest exports to China, where they are used to make fabric fibers. “Tuna cans, cereal boxes, laundry detergent bottles — all of it has value in end markets that are thirsty for it,” said Michael Washburn, director of sustainability at Nestlé Waters North America, a bottled-water producer.

So far, company-sponsored recycling efforts are voluntary in the United States. Many states have

laws requiring companies to take responsibility for spent products like batteries and mercury switches, but so far, only [Maine has a law](#) that might shift the cost of discarded packaging to business. Passed in 2010, it established a framework that allows the state to add products, including packaging, to the list of those for which manufacturers must assume the costs of disposal. So far, however, no new products have been added.

Opposition to mandated responsibility for packaging after use is widespread, even among companies that are already required to do it abroad. "We're not convinced there's compelling evidence that it's the most appropriate solution for the U.S.," said Meghan Stasz, director of sustainability at the Grocery Manufacturers Association, which represents more than 300 food, beverage and packaged goods companies.

Nonetheless, a few prominent food and beverage companies are moving on their own to recapture their packaging after their customers are done with it.

Coca-Cola has a whole subsidiary, [Coca-Cola Recycling L.L.C.](#), devoted to its stated goal of ensuring the recycling of 100 percent of its cans and bottles in North America by 2015 and 50 percent in the rest of the world. To that end, seven factories owned wholly or in part by the company toil away around the globe recycling plastic, including one in Spartanburg, S.C.

Coke is also experimenting with nonpetroleum-based packaging materials. Products like Dasani and Sprite come in PlantBottles made of polyethylene terephthalate, or PET, which are up to 30 percent plant-based and can go through the same process that regular, 100 percent oil-based PET bottles go through. The packaging has won awards and last year became a new source of revenue for Coke when the H. J. Heinz Company licensed it for use in its ketchup bottles. The company also places bins at events and locations like Nascar races to collect bottles for recycling.

Asking customers to return packaging to bins is a growing trend among companies. Starbucks now has bins in which customers can deposit their cups at 18 percent of its stores in the United States and Canada, up from 5 percent just a year ago. The company has a goal of 100 percent by 2015.

In Chicago, the company has developed a closed-loop system in which cups from its stores are trucked to a recycling facility in Green Bay, Wis., where they are mixed with other recycled material and turned into paper napkins that it uses in its stores.

"There are financial benefits to doing this," said Mr. Hanna of Starbucks. "It lowers operating costs, and we also save money because it helps us retain good people every year and builds brand reputation at no cost to the marketing budget. It makes business sense."

Starbucks did a pilot project with a paper mill in Mississippi to prove that used cups could be recycled into new paper cups in much the same way that PET bottles and aluminum cans can be recycled into new bottles and cans. But there still is little demand from recyclers for used cups, and

many communities lack the infrastructure to collect and process them.

Stonyfield Farm, the New Hampshire yogurt maker, has had more success with its containers. By chance, Eric Hudson, the founder of Preserve, a company created in 1996 to create products out of recycled materials, bumped into an executive from Stonyfield Farm. Stonyfield has the kind of customers who “call asking, ‘Have you considered putting your products in glass?’ ” according to Amy Elkes, its brand program and consumer insights manager, and it was eager to find a way to recycle its yogurt cups.

Despite its wholesome image, yogurt, one of the most widely sold dairy products, is largely sold in polypropylene, or No. 5, plastic cups, which most municipalities do not recycle.

After a meeting with Mr. Hudson, Stonyfield told its customers that they could mail in their used cups for recycling. About 200 customers responded.

Finally, in 2008, the company struck a deal to put collection bins in Whole Foods stores, and the effort took off. Customers can take any No. 5 container to Whole Foods stores — margarine tubs, other brands' yogurt containers — where they are collected, taken to a plant for processing, and then turned into toothbrushes and razors by Preserve.

Last year, some 11 million six-ounce No. 5 yogurt cups were collected through the program, up from 2.3 million in 2009, according to Stonyfield.

Two other large producers of yogurt in No. 5 cups, General Mills and Danone, would not comment, but they, like almost all other consumer packaged goods companies, are no doubt keeping a wary eye on Walmart, the giant retailer, which already requires its suppliers to tell it the composition of their packaging.

Brooke Buchanan, a Walmart spokeswoman, said the company did not favor legislation that would mandate extended producer responsibility. But environmental advocates say the impact would be enormous if the company were to require its suppliers to participate in, say, a program in which consumers returned packaging to its stores.

Bill Sheehan, executive director of the Product Policy Institute, a nonprofit group that works to build support for extended producer responsibility, said, “Walmart is doing some pretty good things environmentally all on their own, and because of their size, they’re able to have a broad effect on what suppliers do.”

This article has been revised to reflect the following correction:

Correction: March 24, 2012

An earlier version of this article incorrectly referred to Stonyfield Farm as a Vermont yogurt maker.

Stonyfield Farm is based in New Hampshire.