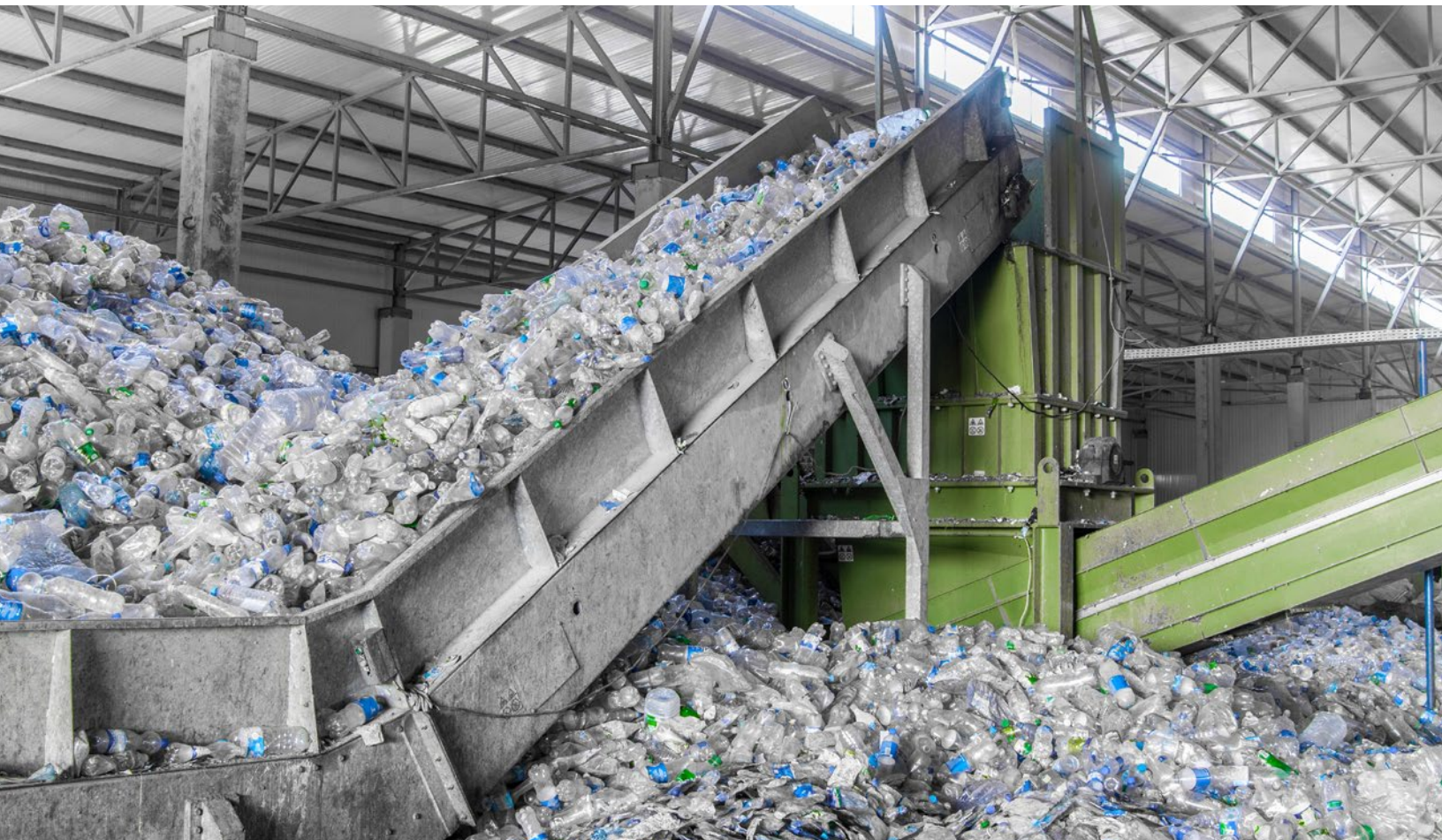


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10 Questions With... Greg Janson

President and CEO of Granite Peak Plastics

By **Kathy Hall** Executive Director,
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PetroChemWire.com

Executive Summary:

In this interview, we speak with Greg Janson, President and CEO of Granite Peak Plastics, Co-Chair of the APR Market Development Committee and Chemical Recycling Research Working Group. With over 40 years of experience in the recycling industry, Greg shares his insights on the growth and evolution of the company, the impact of the Sword Law, the shift towards post-consumer resin, and the need for greater understanding of the PCR market differences throughout the value chain.

Greg explains the company's focus on PP and PE and the three lines at their St. Louis facility, which includes a washline for large, mixed, rigid plastics, a post-commercial line, and an extrusion and pelletizing line. He also shares his observation of the Sword Law and its impact on the industry. Although it has been difficult in the short term, he believes that it will be good for North America and the EU in the long run.

Furthermore, Greg sheds light on the shift towards post-consumer resin, its growing demand, and the quality gap between what the CPGs and brands want and what exists in the market. He also addresses the challenges of the opening up of these markets to international standards and regulations.

As Co-Chair of the Market Development Committee, Greg shares his initiative to promote understanding of the PCR market differences by resin, processing technology, or material form throughout the value chain, from collection to the sale of the recycled resin.

Overall, this interview provides valuable insights into the recycling industry and the challenges and opportunities it faces in the current climate.



KATHY HALL: Let's start with a bit about your company, which has been in the recycling business practically since recycling plastic began in the 1970s. How has the company adapted to the growth in the markets and what is its focus today?

GREG JANSON: Our company was started by my Father in 1974, but we did not focus on plastics until 2011. We started as a traditional scrap yard, paying cash for delivered scrap. In addition to metals we also bought cardboard and old newspaper. From there we evolved into commercial paper stock plants, working with the waste haulers and doing some of our own hauling with a fleet of trailers. Our next evolution was to single stream processing plants – both commercial single stream and residential. We were the largest single stream processor in St. Louis, Louisville, and Nashville. And then, after selling our St. Louis operations to Republic Services in 2011, we pioneered the regional plastic recovery facility model and focused exclusively on plastics.

Today our focus is exclusively on PP and PE and we have three lines at our St. Louis facility: 1) a washline for large, mixed, rigid plastics – this line can process a very dirty pack including metal contamination; 2) a post-commercial line for material that does not need to be washed and is free from metal contamination; and 3) an extrusion and pelletizing line that is fed from regrind, rigids, and flexible material such as film and super sacks.

KATHY HALL: As a significant buyer of scrap plastic, what is your take on the Sword Law aka Operation National Sword? It essentially banned solid waste imports such as plastic waste from being sent to China starting in 2017, and I think the broad narrative on its effect is that the US found itself building alarming levels of plastic waste without this export outlet. What's been your observation, and your experience with it?

GREG JANSON: In the short term, it's been difficult. Even though we sold very little to China, the industry lost a huge market for scrap plastic. However, in the long run, National Sword will be good for North America and the EU. We were exporting our challenging plastic waste streams to China. When we export our challenges we outsource our innovation. It's important that these problems bubble up to the surface and we grapple with them. That's where innovation comes from. But it takes time for innovation to bear fruit, especially when interrupted by events such as Covid. I believe that we are in the gestation period of innovation – both with mechanical and chemical recycling.



KATHY HALL: In a fairly coincident timeframe of 2015-2016, big box retailers in particular began issuing mandates for their vendors & suppliers to increase recycled content in their products and also in their packaging. This seems to have created a bigger (and growing) appetite for post-consumer resin. Can you explain from your perspective what a shift in demand away from post-industrial resin to post-consumer resin has meant for the market?

GREG JANSON: When we talk about post-consumer resin we need to be specific about what polymers and grades we are referring to. What the CPGs and brands want is colorable, FDA approved for food contact, post-consumer resin. The large volumes that qualify for this are PET clear and HDPE natural. However, HDPE color (frac and injection), PP color, and L/LDPE films are not, by and large, colorable or FDA approved. That's why HDPE natural bales are trading at .79 / lb. and HDPE colored bales are at .17 / lb. We see an FDA, colorable premium of over 450%!

There is a quality gap between what the CPGs and brands want and what actually exists when it comes to HDPE color, PP, and most films. How can this be addressed? One way is for the users of plastic resin to embrace HDPE color and PP for use in their tertiary packaging such as pallets, carts, and returnables. Brands should be credited for virgin plastic reduction when PCR is used in all forms of packaging - primary, secondary, and tertiary.

KATHY HALL: Do you think that the scrap and PCR markets have become more global, or is the opening up of these markets to international standards and regulations presenting a new raft of challenges? Do you see a palpable shift from your own customers eyeing material from outside of the US or Canada?

GREG JANSON: I do not believe PCR markets are global. However, I do believe that wide spec markets are global. And I believe the demand for true PCR and PIR in the US is greatly reduced by both domestic and foreign produced wide spec flooding the US market at cost or close to cost.

KATHY HALL: As Co-Chair of the Market Development Committee, part of your mission is to promote understanding of the PCR market differences by resin, processing technology or material form, throughout the value chain — from collection to the sale of the recycled resin. Tell me more about that initiative — how did this problem of a knowledge gap or the need to promote greater understanding present itself?

GREG JANSON: APR is a fantastic organization. Steve Alexander and his team do an amazing job on many different fronts to keep plastic recycling at the table in an ever more relevant way. The Market Development Committee was a part of APR well before I was a member or involved in the Committee. Folks like Liz Bedard and Steve Sikra established a precedence for structure and professionalism that is still influential today.

When my company got involved in APR we gravitated toward what was then called the Olefin Rigids Committee and is now the Market Development Committee. I remember being at the first meeting and seeing representatives from P&G, Unilever, Target, WM, KW, Merlin and many others. And I remember thinking what a great representation of the value chain we had all in one room. So as the years have progressed I've tried to help the Market Development Committee realize the full potential in collaboration, education, and communication that having the value chain together represents.

After serving on the APR Board for four years I decided not to run again and asked to co-Chair the Market Development Committee instead. I was grateful that Kate Eagles and Lynn Dyer agreed to have me! I just felt that this is an important time for PCR markets because we have many forces converging at once – EPR, minimum content legislation, chemical recycling, etc. I hope that my experience at the front end of the value chain can help make an impact with the great team I get to work with.

KATHY HALL: You recently wrote an article about the effect of wide-spec (or off-spec) virgin resin on the recycled plastics markets, particularly as PCR demand caused those prices to rapidly increase to eclipse virgin and wide-spec material. Tell us a little more about that trend and the chaos it portends for resin consumers in general.

GREG JANSON: Again, we have to be specific about which PCR resin we're talking about. The demand and price for PE color and PP actually crashed starting in Sep / Oct of '22 as consumer purchasing of goods slowed down. This coincided with the continued expansion of virgin capacity. When the market crashed, the folks that trade in wide spec / off spec started moving it to buyers that often use recycled resin. And I believe this wide spec is often sold at or below cost. So you have buyers and molders switching back and forth from recycle to wide spec based solely on price. I can't overstate how devastating this is to the growth and stability of the recycled plastic supply chain. If this industry is going to mature we have to move away from short term, tactical, quarter by quarter thinking and toward longer term, strategic relationships – for ALL grades.



KATHY HALL: Let's turn to Chemical Recycling, certainly a hot topic in some circles. Another Committee you serve on at the APR is the Chemical Recycling Research Working Group. What is the focus of that group, and do you feel that chemical recycling is either unfairly maligned as a disruptor, or unrealistically viewed by manufacturers as a panacea? [Or is it a less extreme view?]

GREG JANSON: The primary purpose of the Chemical Recycling Working Group is to educate industry stakeholders in parts of chemical recycling that pertain to APR's areas of expertise. Specifically, data around post-consumer volumes, feedstock specifications, collection, sortation, markets, and package design as these relate to the various technologies around chemical recycling.

The Working Group's first project is focused on olefin based film and flexible packaging as feedstock for pyrolysis. We see that the end of life recycling challenges of film and flexible packaging are most readily addressed by chemical recycling. It's notable that 19 billion pounds of film and flexible packaging resin is produced every year in North America alone. Only a small fraction of that is currently recycled.

Regarding the image of chemical recycling as a maligned disrupter on one hand and a panacea on the other, I think it was launched in a way that was not accurately aligned with the realistic capabilities of the technology. By that I mean that chemical recycling was sold to the public as the answer to all the plastic that doesn't work for mechanical recycling. The impression was that all plastic, regardless of the polymer, additives, or properties could be baled together and dumped into the front of the chemical recycling machine and virgin resin would come out of the back. That's just not true. This established unrealistic expectations from the beginning. One of the roles that we try to play with the Working Group is to be a clearinghouse for information regarding chemical recycling. What's emerging from the information available is that pyrolysis technology actually has a pretty specific spec. It's typically looking for 90+% PE and/or PP with a 5% - 10% tolerance for PS as part of that 90%, less than 1% PVC, less than 5% PET, and no rocks, metals etc. that would harm an extruder. Compared to mechanical recycling this is a liberal spec. But it's not "all challenging plastic".



Another point that I find interesting is that the chemical recycling industry always says, “We’re not competing with mechanical recycling” and “We want what mechanical recycling doesn’t”. While I don’t believe that to be true, it also doesn’t need to be said. My position has always been that no form of recycling is entitled to a given waste stream. The market will decide where the waste stream goes. If chemical recycling does compete for mechanical recycling feedstock, that’s fine.

Finally, what I find most interesting and exciting about chemical recycling is the volumes that are being contemplated. Hungry and stable markets for scrap plastic will set the conditions for entrepreneurs to creatively mine the waste stream. When the entrepreneurial spirit of American business is unleashed we will see the problem of waste plastic start to be solved.

KATHY HALL: In the past 5 years, it seems that the commitments are everywhere for chemical companies, resin converters and downstream manufacturers and brand owners to “green up” plastics either through mechanical recycling or use of non-fossil feedstocks created through chemical recycling. Yet the general statistics about progress on meeting these commitments either on time or at all seem to be a bit underwhelming. Is that another myth, or do you think we are currently immersed in a transformative time that will bring the plastics supply chain to a new way of existence sooner rather than later?

GREG JANSON: For the reasons I’ve already stated above, I believe it’s the latter.

KATHY HALL: What are some of the most encouraging trends that you have seen during your time in the markets and is there anything on the horizon that you are keeping your eye on?

GREG JANSON: I’m a huge fan of what could be called “engines of circularity”. This is when a company or a community creates a circular solution from within their own eco-system. A great example of this is when WM mandated that all of their carts must contain 10% post-consumer, curbside collected, HDPE. The cart manufacturers weren’t happy about this. But, because WM had so much purchasing power, they got on board. This created significant demand for the very material that WM was collecting at the curb and processing into bales at their MRFs. Just beautiful! Now imagine if every city, state, company, and corporation did something similar. That would move the needle!



