Q4 2026 & 2027
NJ Recycling Market Outlook

Market conditions • Commodity trends • NJ policy • Municipal implications

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September 2026

Executive Summary

What matters entering Q4 2026 and looking into 2027

Fiber is firmer

OCC and mixed paper strengthened into September 2026, improving the fiber side of the residential stream.

Plastics are mixed

Natural HDPE retains meaningful value, while PET remains under pressure and PP is relatively flat.

2027 demand signals

NJ recycled-content standards step up again in 2027, increasing the importance of clean, specification-grade material.

- Commodity volatility remains a core operating and contract risk.
- Contamination and residual disposal costs can materially reduce the net value of the recycling stream.
- Technology, quality control and reliable domestic/regional end markets become more important—not less.

Entering Q4 2026: Commodity Snapshot

National sorted/baled averages — useful directionally, not NJ contract benchmarks

OCC

$90/ton | ↑ vs. $67 year ago

Mixed Paper

$35–40/ton | ↑ vs. $31

Aluminum UBC

96.56¢/lb | ↑ vs. 78.44¢

Natural HDPE

36.50¢/lb | ↓ vs. 44.13¢

PET

2.61¢/lb | ↓ vs. 5.09¢

Steel Cans

$198/ton | ↑ vs. $158

September 2026 pricing from RecyclingMarkets.net / Resource Recycling.

Fiber Outlook: OCC & Mixed Paper

A stronger Q4 setup, but mill demand and logistics still matter

- OCC reached about $90/ton nationally in September 2026, up from $67/ton one year earlier.
- Mixed paper improved to roughly $35–40/ton, compared with $31/ton a year earlier.
- Tighter recovered-paper availability can support pricing, but mill downtime, exports, freight and finished-goods demand can change the picture quickly.
- For municipalities and MRFs, fiber remains important because it represents a large share of residential recycling tonnage.

Q4 2026

Fiber is one of the brighter areas entering the quarter.

2027

Quality OCC and mixed paper should remain sensitive to domestic mill demand and recovered-fiber supply.

Plastics Outlook: Different Resins, Different Markets

Avoid treating “plastics” as one commodity

Natural HDPE

36.50¢/lb in Sept. 2026. Still one of the higher-value curbside plastics, though below its year-earlier level.

2027 watch: recycled-content demand and clean bale quality.

PET

2.61¢/lb in Sept. 2026, roughly half the year-earlier national average.

2027 watch: recycled-content demand may help, but virgin resin economics and processing capacity remain important.

PP / Color HDPE

PP: 6.06¢/lb. Color HDPE: 8.66¢/lb in Sept. 2026.

2027 watch: end-market development and bale specifications will determine value.

Key point: capture rate + bale quality + end-market access determine economics.

Metals & Glass

High-value recovery on one side; local-market economics on the other

Aluminum & Steel

Aluminum UBCs averaged 96.56¢/lb nationally in Sept. 2026, up materially year-over-year. Steel cans averaged $198/ton.

Implication: recovering more metal can have an outsized effect on MRF revenue even though metals are a smaller share of total tonnage.

Glass

Glass economics are heavily influenced by cleaning, transportation distance and available regional outlets.

Implication: dedicated glass cleanup and nearby end markets can improve recovery options and reduce the penalty associated with shipping a heavy, lower-value material.

Contamination & Residuals: The Hidden Market Variable

Gross commodity value is not the same as net program value

$81.28

Q1 2026 single-stream value before residuals ($/ton)

→

$67.11

Q1 2026 single-stream value after residuals ($/ton)

~$14/ton gap

The NERC figures illustrate how residue and disposal costs can materially reduce the value captured by a MRF.

- Cleaner inbound material can improve recovery rates and reduce disposal expense.
- Education, enforcement, contract language and sorting technology all affect contamination economics.

New Jersey Recycled-Content Standards: 2027 Step-Up

Existing law creates a stronger demand signal for post-consumer material

Product	2024	2027
Rigid plastic containers	10%	20%
Plastic beverage containers	15%	20%
Plastic carryout bags	20%	40%
Trash bags ≥1.0 mil	20%	40%

Market implication

More mandated recycled content can support demand for qualifying post-consumer feedstock.

Quality implication

Manufacturers need usable feedstock—not simply collected tonnage—raising the value of consistent specifications.

NJDEP extended the temporary food-container/packaging exemption through Dec. 31, 2029.

NJ Recycling Funding: A Continuing Infrastructure Lever

State funding supports municipal recycling performance and program improvements

$16.2M

2026 annual grant awards

$3/ton

solid-waste disposal surcharge funding the REA program

~$14.3M

approx. annual municipal tonnage-grant allocation

- Grant dollars can support recycling centers, education, public receptacles, leaf composting and other program improvements.
- For municipalities, accurate tonnage reporting and program performance remain directly connected to funding opportunities.

Technology & MRF Investment

2027 favors facilities that can turn mixed inbound material into specification-grade commodities

AI / Robotics

Improve targeted recovery of valuable commodities and reduce dependence on manual sorting for selected tasks.

Optical & QC

Better separation and quality control can improve bale specifications and reduce contamination penalties.

Glass Cleanup

Cleaner glass creates more options for regional reuse and helps address transportation and contamination challenges.

Strategic goal: maximize recovered value per inbound ton—not simply throughput.

North Arlington: Infrastructure Positioned for the Next Market

IWS investment connects capacity, recovery technology and regional demand

$30M

Investment in advanced recycling infrastructure.

215,000 tons

Annual processing capacity.

40 TPH

Residential throughput capability.

1.1M yd³

Approx. annual landfill-volume diversion.

- AI-powered robotic sorting supports higher recovery and improved material quality.
- Dedicated glass cleanup system supports cleaner glass for downstream reuse.
- Regional capacity provides municipalities with infrastructure as recycling requirements and quality expectations evolve.

Municipal Contract Implications

Market volatility should be addressed in the contract—not discovered after award

Revenue Sharing

Define indexes, grades, composition percentages, floors/ceilings and timing clearly.

Contamination

Specify acceptable materials, thresholds, education responsibilities and charges for excess residue.

Processing Cost

Separate processing economics from commodity revenue so each risk is visible and measurable.

Flexibility

Allow for market, regulatory and end-market changes over multi-year terms.

Q4 2026 → 2027: Scenarios to Watch

Not a price prediction — a framework for the variables that can move the market

Supportive Market

- Stronger domestic mill demand
- Recycled-content demand expands
- Good material quality
- Stable freight / disposal costs

Result: improved net MRF economics.

Volatile / Mixed

- Fiber and metals hold up
- Plastics remain uneven
- Residual costs stay elevated
- Contract indexes move differently

Result: performance varies by material mix.

Downside Pressure

- Weak manufacturing demand
- Lower virgin-resin pricing
- Export/logistics disruption
- Higher contamination / disposal cost

Result: margin compression.

Strategic Recommendations

Actions that remain useful across multiple market scenarios

- Prioritize material quality: reduce contamination and produce consistent, marketable bales.
- Protect contract economics: use transparent commodity indexes and clearly defined processing/residual provisions.
- Invest selectively in recovery technology where higher capture rates can justify capital.
- Diversify domestic and regional end markets to reduce dependence on any single buyer or export route.
- Track NJ recycled-content implementation and other policy developments that can change demand.
- Use grant opportunities strategically for infrastructure, education and program improvements.

Conclusion & Next Steps

The 2027 story is increasingly about quality, demand and resilience

Q4 2026

Fiber is firmer. Aluminum remains valuable. PET remains challenged. Net MRF value is still highly sensitive to residuals.

2027

NJ recycled-content requirements increase, creating stronger demand signals for qualifying post-consumer feedstock.

Positioning

Facilities and programs that improve quality, recovery, contract structure and end-market access should be better equipped for volatility.

Key message: The market is moving from “how much do we collect?” toward “how much usable material do we recover?”