“We are not expecting a normal summer. And we don’t know what to expect after the summer.”
That pretty much sums up the sentiment of the group of recyclers who participated in
the CDRA’s 5th biweekly conference call on the effect of the pandemic on the C&D
industry. Being normal is expecting to have roughly the same or more incoming
tonnages as in the previous time as last year. But most of the participants reported that
those tonnages are down anywhere from 50% to 80% from a year ago.
Much of that depends on how open a state is, especially for construction projects. Some,
such as DOT work in Ohio, never really slowed down. In other locales, such as in New
York City, construction is still curtailed, which has slowed down the operations of all the
C&D recyclers in the city.
Potentially more troubling is the future. As construction projects start up again, the flow
of material is coming into the recycling plants. But these are from ongoing construction
projects. What happens as those finish up? Almost all regions of the country are
reporting that announced, but not started, construction projects are now being delayed
or cancelled, which is why the recyclers don’t know what comes after this summer. If an
infrastructure bill currently in Congress is passed, which the CDRA supports, that will
help C&D recyclers with both incoming tonnages and end markets.
Currently the recyclers are not reporting any reductions in their regions in tipping fee
prices because there is still action in the construction sector. But if there is a reduction in
construction activity, will we be going back to the situation in 2008-2009 where
everyone was chasing tons just to keep their plants going?
One issue affecting the construction is facing is permitting. Government inspectors are
either on lockdown or reluctant to head out into the field. This will slow the opening of
some buildings and progress on others.
On the first Pandemic call CDRA held more than two months ago many of the
participants were concerned about collecting payment because of the slow down in the
economy. That turned out not be a problem, as everyone said payments are still coming
in regularly, though some recyclers have had to relax their policies on accepting credit
cards. Sometimes it is just good to get paid.
All recyclers who are open have had to reconfigure their operations to meet social
distancing guidelines. Sometimes that means skipping a spot in the picking line to
maintain a six-foot distance between works, or slowing down the line because there are
fewer pickers because of this practice. Breaks and lunches can be staggered so workers
don’t all congregate together at once. It is advised all recyclers do this, as local Boards of
Health will have the authority to shut down any operation not following these
guidelines. But when these guidelines are followed, the recycling company can make the argument that the employees could be safer from the virus at work than they would be at home.