



JORDAN  
TRADING  
INC.

# WSRA

Brokers, Ports, and  
Operation Sword:

*Where do your recyclables go?*

Tacoma

June 22, 2017

# Overview

- ▶ Jordan Trading
  - ▶ Broker's Role
  - ▶ Recycling Plants
  - ▶ Ocean Carriers
  - ▶ Mills/End Users
  - ▶ Quality
  - ▶ New US Paper Stock Specifications for 2017
  - ▶ Future
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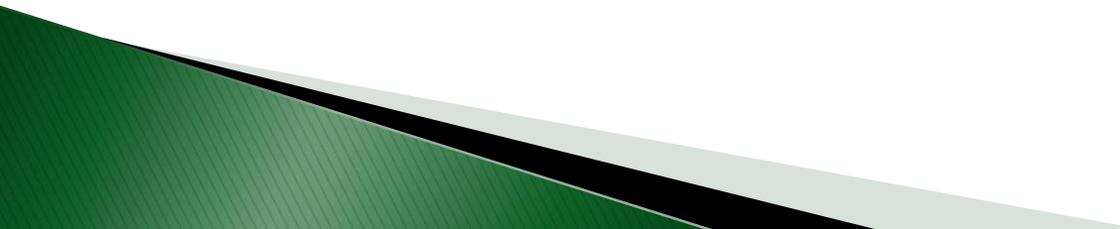
# Jordan Trading Inc.

- ▶ Established in 1988 as an independent broker focusing on exports to Asia.
- ▶ Reputation for shipping high quality recovered paper to paper mills throughout the world.
- ▶ The company is headquartered in Kingston, New York.
- ▶ Additional offices in:
  - Rowland Heights, California
  - Lakewood, Washington
  - Houston, Texas
  - Kent, United Kingdom
  - Santiago, Chile



# Broker's Role

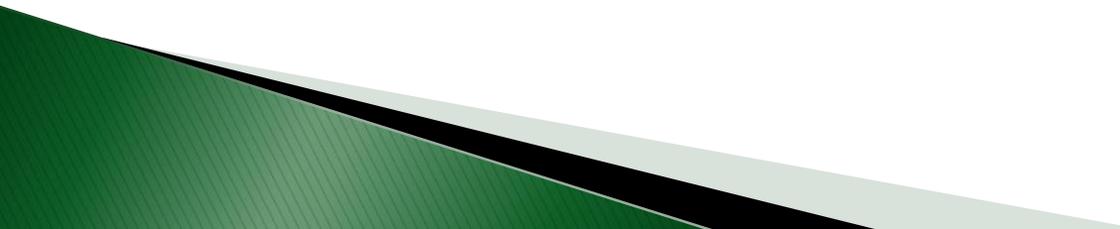
## 3 Parts of our Business

- ▶ Recycling Plants
  - ▶ Ocean Carriers
  - ▶ Mills/End Users
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# Recycling Plants in the US

- ▶ More and more OCC is collected at the curb due to online shopping.
  - ▶ Single stream plants continue to struggle with much less paper but more plastic and contaminants.
  - ▶ Markets over the past 15 months have been improving but have also been volatile
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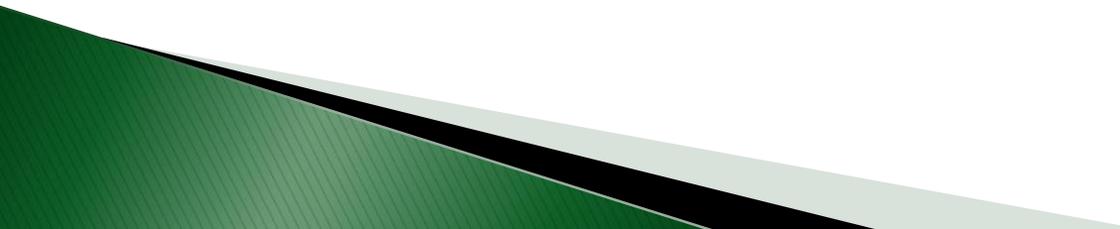
# Ocean Carriers

- ▶ Ocean Carriers have been losing money almost every year since 2008.
  - ▶ Historically low ocean shipping rates in 2016 eventually leading to the Hanjin bankruptcy on August 31.
  - ▶ There have already been several mergers and there are talks of more.
  - ▶ Will there be another bankruptcy?
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# Mills/End Users

- ▶ Many small mills were closed or forced to merge with other small mills in China over the past few years.
- ▶ Chinese banks have tightened up on credit, helping to force the mergers.
- ▶ It takes longer and longer to receive a letter of credit (L/C) from a Chinese mill. Unfortunately this may give the mill time to renegotiate the price if the market price drops before the L/C is opened.
- ▶ Newsprint and Printing and Writing mills are seeing a continued decrease in demand for their finished product so we will continue to see mill closures.
- ▶ Will we see bankruptcies?

# Quality

- ▶ Quality continues to deteriorate in most single stream plants due to the inbound material.
  - ▶ Low prices discourage sorting to different grades.
  - ▶ Traditional ONP#8 from US now looks like Mixed Paper and the Mixed Paper has more contamination.
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# New Specifications in the US

OLD:

US Mixed Paper # 1, 2 and 3

NEW:

US Mixed Papers # 54

- ▶ **Mixed Paper (MP)** – Consists of all paper and paperboard of various qualities not limited to the type of fiber content, sorted and processed at a recycling facility. Prohibitive materials may not exceed 2% Outthrows may not exceed 3%

# New Specifications in the US

OLD:

US ONP # 6, 7 and 8

NEW:

US Sorted Residential Papers # 56

- ▶ **Sorted Residential Papers (SRP)** – Consists of sorted newspapers, junk mail, magazines, printing and writing papers and other acceptable papers generated from residential programs (such as residential household and apartment collections and drop-off centers) sorted and processed at a recycling facility. Material should be free of containerboard & brown grades {OCC, Kraft bags, Boxboard and Kraft carrier board} Prohibitive materials may not exceed 2% Outthrows may not exceed 3%

# New Specifications in the US

- ▶ **Sorted Clean News (SCN)** – Consists of sorted newspapers from source separated collection programs, converters, drop-off centers and paper drives containing the normal percentages of roto gravure, colored and coated sections. May contain inserts that would normally be included in the newspaper in the proper proportions. Grade must be free of excessive ink, brown grades and non-paper material. {Some mills may require pack to be free of flexographic inks.} Prohibitive Materials: ½ of 1%  
Outthrows plus Prohibitives may not exceed 1% Other papers may not exceed 10%

# The Future Seems Like a Minefield

