



## Best Practices in Glass Recycling Recycled Glass Commodities Exchange

### **Material: Recycled Glass**

**Issue:** *Commodity trading of agricultural products originally began as a mechanism for producers to be able to hedge against fluctuating markets by preselling forward contracts on their unrealized production, thus locking in guaranteed prices. Peripheral benefits to commodities trading of materials have been the public disclosure of the values of commodities and the development of specifications standardizing quality requirements for traded materials. Commodities trading systems also ease transactions and have mechanisms to resolve disputes between buyers and sellers who do not know each other. Recycled materials, although collected throughout the country and often viewed as commodities, have not had the benefits of any organized system of commodities trading.*

**Best Practice:** A recycled commodity exchange was established in 1995 in conjunction with the Chicago Board of Trade (CBOT). **This exchange is now out of business. However, the information here may be of interest.**

The CBOT Recyclables Exchange is dedicated to the international trade of recyclable goods and is open to all registered users. Becoming a registered user requires that businesses provide a company profile and pay a small one-time registration fee. Sellers post sell listings in the exchange and buyers enter buy parameters into the system for the commodities in which they are interested. The system automatically delivers to buyers only, by e-mail, copies of all the matching sell listings as they are posted. Registered users can log on at any time and modify or delete their listings. The entire process is streamlined to encourage participation, so the operation takes just a few minutes. Listings remain posted until deleted by the user. Unregistered buyers and sellers can review buy/sell listings but can not view the identities of the sellers.

Sellers are charged by listings posted and buyers by matching listings received. Charges are incurred only when matching sell listings are delivered by e-mail. Payment via credit card is required. All users receive a monthly statement showing their sell listings posted and/or matching listings delivered with related charges.

Sell listings only show information about the goods being offered for sale. There is no contact information for the company posting the listing.

Buying parameters, entered by interested buyers, specify the selection criteria for the sell listings they wish to receive automatically, by e-mail, when a match is posted by a seller. More specific buy parameters result in more restricted searches for matches. Searchable fields include:

- Commodity type (Glass) or grade
- Quality attributes
- Price range
- Location of goods: Country and State

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The following standard glass specifications are listed on the exchange. In order to determine whether a batch of recycled glass meets a given specification, standard sampling and testing specifications have been developed ([see the \*Sampling and Testing Procedures for Recycled Glass\* CWC report](#)).

CBOT Grade	Form	End-Use Application	Color Sort Classification(s)
A	Processed Cullet	Container	Flint, Amber, Green
B	Unprocessed Cullet	Container	Flint, Amber, Green
C	Fine Cullet	Fiberglass	Flint, Amber, Green, Mixed
D	Course Cullet	Fiberglass	Flint, Amber, Green, Mixed
E	Unprocessed Cullet	Construction Aggregate	No Color Sort Required
F	Unspecified Cullet	Open	Open
H	Bottles (Whole and/or Broken)	Open	Flint, Amber, Green, Mixed

**Implementation:** Businesses can register on-line by filling out an on-line registration form to start using the CBOT Recyclables Exchange immediately. Non-registered users can view current Sell Listings and Buy Positions for any commodities of interest, but must register to receive contact information for companies that post sell listings or buying parameters.

**Benefits:** In agreeing to the terms used to qualify listings on the exchange, disputes resulting from commodity transactions are minimized. The buy and sell listings posted on the exchange offer the opportunity for recycling organizations to access current pricing information for specific grades of materials.

**Application Sites:** Recyclers, Recycled commodity brokers, Glass beneficiation facilities, Glass container and fiberglass insulation manufacturing facilities.

**Contact:** for more information about this Best Practice, contact Bob Kirby [bobk@cwc.org](mailto:bobk@cwc.org).

### References:

(1) [Methods for Sampling and Testing Glass Cullet](#), ReTAP, Clean Washington Center, 1996.

(2) *Global Recycling Network - CBOT exchange literature*,  
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