

Fact Sheet: Handling Fees in Deposit Return Systems

- Deposit return systems offer per unit handling fees to retailers and/or redemption centres as compensation for collecting, sorting, and packaging empty beverage containers returned by customers
- The presence of a handling fee is a critical part of what makes DRSs work
- Handling fees can vary depending on a number of factors, including container type, type of redemption facility, whether the containers are commingled or compacted, and whether collection is manual or automatic

In an effort to reduce litter and increase recycling, a growing number of jurisdictions are establishing deposit return systems (DRSs) for the recovery of beverage containers. These programs add a small fee to the purchase price of certain beverage containers, which is returned to the consumer when he/she returns the empty container to a designated collection point for recycling and/or reuse.

This fact sheet will focus on how DRSs finance collection. DRSs offer unit handling fees, which is an amount paid to retailers or redemption centres as compensation for collecting, sorting, and packaging empty beverage containers to be taken back to the bottler or distributor. On a long-term basis, handling fees also cover expenses related to investments in reverse vending machines (RVMs), electricity costs, space requirements, and additional personnel required to handle the containers. The fee is often paid by the bottler or distributor, system operator, and in some cases is paid by the state (e.g. California).

The presence of a handling fee is a critical part of what makes DRSs work and makes them financially attractive for retailers or redemption centres. In jurisdictions where handling fees have remained the same for decades, the level of compensation provided to retailers/redemption centres is often not enough to cover the cost of managing the containers, which has forced some to go out of business.

Like deposits, handling fees can vary by container type. They can also vary based on the type of facility that receives the containers (i.e. redemption centre or retailer), whether containers are commingled, compacted, and whether collection is done manually or automatically using RVMs.

In order to provide an understanding of how the different systems work, Table 1 provides a summary of handling fees paid to retailers and redemption centres in as many jurisdictions that we could get our hands on. In some jurisdictions, such as British Columbia (Canada), handling fees are privately negotiated and proprietary, and therefore are not publicly available. In general, handling fees paid to stand alone redemption centres or “depots” which are more commonplace in Canadian and American programs, are much higher because they must compensate the entire costs of the facility and labour. Retail fees are significantly lower because the costs represent only a marginal cost increase for the retail store, in terms of dedicated space, labour, etc.

TABLE 1 HANDLING FEES IN DRSs AROUND THE WORLD

	Handling Fee (Per container)	Notes
EUROPE		
Croatia	<ul style="list-style-type: none"> RVM accepted containers: 0.18 HRK (€0.02, USD\$0.02) Manually accepted containers: 0.05 HRK (€0.01, USD\$0.01) 	<ul style="list-style-type: none"> 25% VAT included
Denmark	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal: 6.2 øre (€0.008, USD\$0.009) Plastic <1L: 6.7 øre (€0.009, USD\$0.0097) Plastic >1L: 10.4 øre (€0.014, USD\$0.015) Glass: 14.8 øre (€0.019, USD\$0.0214) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal: 1.4 øre (€0.0019, USD\$0.0020) Plastic <1L: 1.8 øre (€0.0019, USD\$0.0026) Plastic >1L: 2.4 øre (€0.0032, USD\$0.0035) Glass: 7.1 øre (€0.0095, USD\$0.0103) 	
Estonia	<ul style="list-style-type: none"> Manually accepted containers: <ul style="list-style-type: none"> Plastic, metal: €0.0115 (USD\$0.013) One-way Glass: €0.0130 (USD\$0.014) RVM accepted containers without compaction: <ul style="list-style-type: none"> Plastic, metal: €0.0215 (USD\$0.023) RVM accepted containers with compaction: <ul style="list-style-type: none"> Plastic, metal: €0.0331 (USD\$0.036) RVM accepted containers: <ul style="list-style-type: none"> One-way Glass: €0.0250 (USD\$0.027) 	<ul style="list-style-type: none"> Does not include VAT
Finland	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> Metal, plastic: €0.01930 (USD\$0.021) RVM accepted containers with compaction: <ul style="list-style-type: none"> Metal: €0.02300 (USD\$0.025) Plastic: €0.02850 (USD\$0.031) One-way glass: €0.01930 (USD\$0.021) 	
Germany	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No handling fee, but retailer owns the material
Iceland	<ul style="list-style-type: none"> 3 ISK (€0.02, USD\$0.021) 	
Lithuania	<ul style="list-style-type: none"> Manually accepted containers or RVM accepted containers 	

	Handling Fee (Per container)	Notes
	<ul style="list-style-type: none"> without compaction: <ul style="list-style-type: none"> ○ PET: €0.0193 (USD\$0.021) ○ Metal: €0.0144 (USD\$0.016) ○ Glass: €0.0328 (USD\$0.036) • RVM accepted containers with compaction: <ul style="list-style-type: none"> ○ PET: €0.0159 (USD\$0.017) ○ Metal: €0.0138 (USD\$0.015) ○ Glass: €0.0199 (USD\$0.022) 	
Netherlands	<ul style="list-style-type: none"> • None 	
Norway	<ul style="list-style-type: none"> • Manually accepted containers or RVM accepted containers without compaction: <ul style="list-style-type: none"> ○ Metal: 0.05 NOK (€0.0042, USD\$0.0045) ○ Plastic: 0.10 NOK (€0.0083, USD\$0.0090) • RVM accepted containers with compaction: <ul style="list-style-type: none"> ○ Metal: 0.20 NOK (€0.017, USD\$0.018) ○ Plastic: 0.25 NOK (€0.021, USD\$0.022) 	
Sweden	<ul style="list-style-type: none"> • Manually accepted containers: <ul style="list-style-type: none"> ○ Metal: None ○ Plastic: 0.2 SEK (€0.018, USD\$0.020) • RVM accepted containers without compaction: <ul style="list-style-type: none"> ○ Metal: 0.174 SEK (€0.016, USD\$0.017) ○ Plastic ≤1L: 0.258 SEK (€0.024, USD\$0.025) ○ Plastic >1L: 0.345 SEK (€0.031, USD\$0.034) • RVM accepted containers with compaction: <ul style="list-style-type: none"> ○ Metal: 0.19 SEK (€0.017, USD\$0.019) ○ Plastic ≤1L:: 0.316 SEK (€0.029, USD\$0.031) ○ Plastic >1L: 0.503 SEK (€0.046, USD\$0.049) 	
UNITED STATES OF AMERICA		
California	<ul style="list-style-type: none"> • USD\$0.00860 (€0.0073) 	<ul style="list-style-type: none"> • Handling fee of \$0.00860 per container paid by the State to handling fee sites only. Processing payments average \$0.006 per container to redemption centers, curbside programs and other programs. • Redemption centers and programs also keep revenue from scrap sales.
Connecticut	<ul style="list-style-type: none"> • Beer or malt containers: USD\$0.015 (€0.014) 	

	Handling Fee (Per container)	Notes
	<ul style="list-style-type: none"> All other containers: USD\$0.02 (€0.019) 	
Hawaii	<ul style="list-style-type: none"> USD\$0.03 (€0.028) to USD\$0.07 (€0.065) 	<ul style="list-style-type: none"> Paid to redemption centers from the Deposit Beverage Container Fund Redemption centers also keep revenue from scrap sales.
Iowa	<ul style="list-style-type: none"> USD\$0.01 (€0.0093) 	<ul style="list-style-type: none"> Paid by deposit initiator to retailers and redemption centers
Maine	<ul style="list-style-type: none"> Brand-sorted containers: USD\$0.045 (€0.042) Containers subject to a qualified commingling agreement: USD\$0.035 (€0.033) Containers for a brewer that produces no more than 50,000 gallons of product or a water bottler who sells no more than 250,000 containers of up to 1 gallon annually): USD\$0.03 (€0.028) 	
Massachusetts	<ul style="list-style-type: none"> Containers returned to retailers: USD\$0.0225 (€0.021) Containers returned to redemption centers: USD\$0.0325 (€0.030) 	<ul style="list-style-type: none"> Retailers receive free pick-up of containers by deposit initiators Redemption centers must deliver redeemed containers to a central processing facility
Michigan	<ul style="list-style-type: none"> None (no redemption centers) 	<ul style="list-style-type: none"> While there is no handling fee per se, 25% of unredeemed deposits are available to retailers to cover handling costs
New York	<ul style="list-style-type: none"> USD\$0.035 (€0.030) 	<ul style="list-style-type: none"> Paid by the distributor or deposit initiator
Oregon	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> The Oregon Beverage Recycling Cooperative (OBRC) directly funds redemption centers.
Vermont	<ul style="list-style-type: none"> Brand-sorted containers: USD\$0.04 (€0.037) Containers that are part of a commingling agreement: USD\$0.035 (€0.033) 	
CANADA		
Alberta	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0464 (€0.030, USD\$0.032) All other containers: CAD\$0.03640 (€0.023, USD\$0.027) to CAD\$1.26189 (€0.80, USD\$0.94) 	<ul style="list-style-type: none"> Regulated by government and payable by a manufacturer or collection system agent to collection depots
British Columbia	<ul style="list-style-type: none"> Refillable beer bottles: Bottle depots independently negotiate HF's directly with the beer industry. The average rate is about CAD\$0.29/dozen (€0.19, USD\$0.20) or CAD\$0.0242/bottle 	<ul style="list-style-type: none"> Paid by Encorp Pacific (Canada) and Brewers Distributors Ltd. to authorized depots and contracted retailers.

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	(€0.016, USD\$0.017) <ul style="list-style-type: none"> All other containers: CAD\$0.027 (€0.017, USD\$0.019) to CAD\$0.1127 (€0.072, USD\$0.078) 	<ul style="list-style-type: none"> HF's fluctuate depending on the cost to collect and process each type of container.
Manitoba	<ul style="list-style-type: none"> Beer cans: CAD\$0.0204 (€0.013, USD\$0.014) Refillable beer bottles: CAD\$0.0267 (€0.017, USD\$0.018) 	
Newfoundland and Labrador	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.05 (€0.017, USD\$0.032) All other containers: CAD\$0.0435 (€0.028, USD\$0.030) 	<ul style="list-style-type: none"> The HF on refillable beer is charged at the back-end from the refund.
New Brunswick	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0290 (€0.019, USD\$0.020) All other containers: CAD\$0.0437 (€0.03, USD\$0.03) 	
Northwest Territories	<ul style="list-style-type: none"> Refillable beer bottles: none All other containers: CAD\$0.022 (€0.014, USD\$0.015) to CAD\$0.045 (€0.029, USD\$0.031) 	
Nova Scotia	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0274 (€0.019, USD\$0.02) Moosehead brand bottle: CAD\$0.0257 (€0.016, USD\$0.018) All other containers: CAD\$0.0427 (€0.027, USD\$0.029) 	
Ontario	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Proprietary
Prince Edward Island	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.0281 (€0.018, USD\$0.019) All other containers: CAD\$0.04211 (€0.02764, USD\$0.02985) 	
Quebec	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.005 (€0.0032, USD\$0.0034) All other containers: CAD\$0.02 (€0.013, USD\$0.014) 	
Saskatchewan	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.026 (€0.017, USD\$0.018) All other containers: none 	<ul style="list-style-type: none"> SK does not charge handling fees. SARCAN depots are paid a contracted rate per year, which is generated through the Environmental Handling Charge (EHC). A handling fee on refillable beer is charged at the back-end from the refund. It is 5-cents at SARCAN depots and 2-cents at SLGA stores who also receive an additional subsidy of 2.6-cents per refillable bottle from Brewers.
Yukon	<ul style="list-style-type: none"> Refillable beer bottles: CAD\$0.025 (€0.016, USD\$0.017) All other containers: CAD\$0.025 (€0.016, USD\$0.017) to CAD\$0.075 (€0.048, USD\$0.052) 	
AUSTRALIA		
Northern Territory	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Handling fees are negotiated. Depots may be compensated for reasonable costs" related to handling

	Handling Fee (Per container)	Notes
		the containers by the deposit scheme coordinator to whom they deliver the container.
Australian Capital Territory (ACT)	<ul style="list-style-type: none"> Estimated at around AUD\$0.08 (€0.044, USD\$0.047) to \$0.09 (€0.049, USD\$0.053) 	<ul style="list-style-type: none"> For every container returned through the collection infrastructure, the Network Operator receives a fee to cover the costs for the collection points, the logistics, counting centers and administration, as well as adding a certain margin. The value of this fee has not been made public.
New South Wales	<ul style="list-style-type: none"> Estimated at around AUD\$0.08 (€0.044, USD\$0.047) to \$0.09 (€0.049, USD\$0.053) 	<ul style="list-style-type: none"> For every container returned through the collection infrastructure, the Network Operator receives a fee to cover the costs for the collection points, the logistics, counting centers and administration, as well as adding a certain margin. The value of this fee has not been made public.
South Australia	<ul style="list-style-type: none"> Approximately AUD\$0.1109 (€0.061, USD\$0.066) 	<ul style="list-style-type: none"> Negotiated between producer/super collector.
Queensland	<ul style="list-style-type: none"> Approximately AUD\$0.06 (€0.033, USD\$0.036) to AUD\$0.065 (€0.036, USD\$0.038) 	<ul style="list-style-type: none"> Paid to collection points The scheme coordinator manages and pays separate fees for logistics and processing services (approximately AUD\$0.09 (€0.049, USD\$0.053), including collection, transport, processing).
MIDDLE EAST		
Israel	<ul style="list-style-type: none"> 0.05 ILS (€0.013, USD\$0.28) 	<ul style="list-style-type: none"> Paid to retailers only
OCEANIA & CARIBBEAN		
Barbados	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No handling fee per se, but 20% of the redemption value is paid to dealers or redemption centers
Kosrae (Federated States of Micronesia)	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however USD\$0.01/container (the non-refundable portion of the deposit) is retained by the system operator for operating costs
Kiribati	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however AUD\$0.01 (€0.01, USD\$0.01)/container (the non-refundable portion of the deposit) is retained by Kiribati Recycling for operating costs

	Handling Fee (Per container)	Notes
Palau	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however USD\$0.025 (€0.023)/container (the non-refundable portion of the deposit) goes to the redemption centers and USD\$0.025 (€0.023)/container to the national government for administrative costs
Pohnpei	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however USD\$0.01/container (the non-refundable portion of the deposit) is retained by the system operator for operating costs
Republic of the Marshall Islands	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however USD\$0.01/container (the non-refundable portion of the deposit) is retained by the system operator for operating costs
Yap	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> There is technically no handling fee, however USD\$0.01/container (the non-refundable portion of the deposit) is retained by the system operator for operating costs

Note: Currency conversion on March 24, 2020

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