

Follow The Bottle Bill Money

Where Does The Money Go?

1,973,000,000 beverage containers sold annually in Iowa (as reported in 2012)

5¢ deposit per container = **\$98,650,000 total amount of deposit money in system each year**

1. Retailer pays 5¢ deposit per container to Distributor for all containers purchased by Retailer.
2. Consumer pays 5¢ deposit to Retailer for each container purchased by Consumer.
3. Retailer or Redemption Center pays 5¢ to Consumer when Consumer redeems container.
4. Distributor pays Retailer/Redemption Center 5¢ deposit + 1¢ handling fee for each redeemed container when Distributor picks up redeemed containers from Retailer/Redemption Center.
5. Distributor keeps 5¢ deposit for each unredeemed container plus value of all scrap from redeemed containers.

Current System Money Flow

Who Gets the \$98,650,000 paid into the system? It depends upon the redemption rate.

<u>Redemption Rate</u>	<u>Redeemed 5¢ to Consumers</u>	<u>1¢ Handling Fee to Redemp. Ctrs.</u>	<u>Unredeemed 5¢ Kept by Distrib.</u>
20%	\$19,730,000	\$3,946,000	\$74,974,000
35%	\$34,527,500	\$6,905,500	\$57,217,000
50%	\$49,325,000	\$9,865,000	\$39,460,000
65%	\$64,122,500	\$12,824,500	\$21,703,000
80%	\$78,920,000	\$15,784,000	\$3,979,000

Over the 42 years since Iowa passed the bottle bill, the redemption rate has steadily fallen. Information from within the industry suggests the current redemption rate is actually between 20% and 50%. With each annual decline in the redemption rate, more and more money stays in the Distributors pockets. And as the above numbers show, that amount is significant.