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Rounding Out a Recycling Business

With an app and a YouTube channel, a scrapyard enters the digital age



2 of 9



By

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An old man pulled into the scrapyard in a silver Mercedes and popped the trunk. Inside: four gleaming copper pots. “I’ve had enough of ’em!” he announced.

The giant pots had graced his kitchen for decades. “They looked pretty,” he said. “Now it’s all over, honey. Forget ornaments. I’m getting rid of the crap so my kids fight over nothing!”

He set the pots on the scrapyard scale, then squinted at the receipt issued by the pricing kiosk. His excitement faded.

‘You tell customers prices over the phone and they think you’re joking.’

—Tom Buechel

“Eighteen dollars! Is that all it’s worth?” he cried. “You got to be kidding me. I shoulda thrown ’em away!”

It’s a complaint Tom Buechel hears all too often. The young owner of Rockaway Recycling, a small New Jersey scrapyards, says metal prices have tanked. And it’s driving his customers crazy.

“You tell customers prices over the phone and they think you’re joking,” he says.

Two years ago, Mr. Buechel typically paid \$600 for a junk car. Now he can offer \$100. A washing machine used to fetch \$20. Now he might offer \$4.

As a result, he says, deliveries to his yard have fallen nearly 40%.

Construction trade folks like plumbers and electricians still swap their scrap metal for cash. It’s that or pay the carter. But many scrappers—folks who scavenge metal from the trash—find it isn’t worth the trouble anymore.

Blame low oil prices, which dampen commodity prices. Or the trouble in China. For Mr. Buechel, global trends mean layoffs and canceled company pizza parties. Several competitors recently folded.

“I haven’t taken a paycheck since May 2015,” he says.

But the scrap business is cyclical, and you have to weather the dips, says Mr. Buechel. If anyone survives, it’s going to be him.

In a change-resistant industry, Rockaway Recycling is no ordinary scrapyards. Upon buying the business from his dad in 2007, Mr. Buechel took the novel step of posting daily price updates online: light iron, 3 to 4 cents a pound; Christmas lights, 13 cents a pound.

Pricing is tricky. Every morning, Mr. Buechel checks the metal exchange rates along with prices offered by the outfits that buy from him—larger scrapyards and Pennsylvania metal mills. If the COMEX copper rate is \$2.07 a pound and the mills are paying \$2.01, Mr. Buechel might offer \$1.91.

But Mr. Buechel says he doesn’t try to compete on price. His edge:

transparency, marketing and technology.

Rockaway Recycling is the rare scrapyards with a Facebook, Twitter and, yes, even an Instagram account. Followers drool over scrap porn such as “Clean Green Motherboards, \$1.45lb.”

The Rockaway Recycling YouTube channel, meanwhile, offers 100-plus homemade how-to videos for scrappers including the smash hit, “How to Separate Copper Wire,” in which yard manager Joe Ciampi explains the difference between “crap wire” and insulated cable.



iScrap App's interface on marketing director Virginia Buechel's computer. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Mr. Buechel's most notable innovation is his iScrap App, a directory of 15,000 North American scrapyards, handy for anyone looking to unload 3 tons of steel. Users can contribute price data, which Mr. Buechel hopes will bring more transparency to the industry.

The free app has been downloaded more than 250,000 times, says Mr. Buechel's sister, Virginia Buechel, who manages app operations. Seven hundred scrapyards, meanwhile, pay for a premium iScrap profile page.

But one can only take the digital scrapyards concept so far.

On a recent morning, Mr. Buechel had several drivers fetching 300 coffee-vending machines. One worker toiled in the yard stripping insulation off copper power cables. Another cut brass pipes with a hydraulic shear.

Most days, thankfully, bring fun surprises. Mr. Buechel has scrapped everything from tombstone plaques and horseshoes to an entire soup factory. He happily recalls his strangest jobs: a 40-foot safe. A 10,000-pound load of trumpets, flutes and saxophones. The factory paint rollers used to make “Twister” games.

He avoids crematoriums looking to unload dental crowns and

titanium joints. “I have a problem buying parts from dead people,” he says.

Later that morning, a newer customer dropped a load of siding. Robert High, a social worker accompanied by his young daughter, Jemma, says he was scrapping out of necessity but trying to make the best of it, citing the thrill of the hunt.

“I came across some copper pipe the other day and had a disproportionate moment of joy,” he says.

He happily accepted \$94 for a 261-pound load of aluminum siding. “Mother’s Day is coming up, that’s what this is all about,” he says.

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Two years ago, that same load would have fetched nearly twice as much.

“I feel bad,” says Mr. Buechel. “A lot of our customers depended on that money.”

Someday, prices will rise. Meanwhile, he’s hitting the road to find new customers.

“When times get tough, that’s when you have to turn it on,” he says. “That’s when you find out how good you really are.”

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