Organics Management & Composting

Expanding Business Value Through Pollution Prevention & Sustainable Practices

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Stakeholders

► Who Are They?

- Governmental agencies
- NGO’s (Non-governmental organizations)
- Communities where stakeholder businesses operate
- Industry organizations
- Food waste generator community
- Receiving facilities
- Collection and transportation entities
- Other vendors of services (supplies, business/professional services)
- Consumers (the public)
- The media
- Advertisers and marketers
Stakeholders

► Why Are We Here?

- Create new markets
- Grow existing business
- Respond to customer demands
- Attract, train, motivate, and retain the best employees
- Improve the bottom line
- Promote environmental stewardship
- Support (and benefit from) governmental initiatives

What is Sustainability?

► Sustainability Is:

- “Business strategies and practices that promote the long-term well-being of the environment, society, and the bottom line”
  ► Food Marketing Institute, Sustainability Task Force - 2007

- “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”
**Commercial Organics Diversion**

**A Sustainable Business Partnership:**

- **Generators**
  - Supermarkets, resorts/hotels, convention centers, restaurants, colleges, food processors, corporate cafeterias, etc.

- **Vendors of Services**
  - Receiving facilities, collection/transportation companies, other suppliers

- **Governmental entities**
  - US EPA, State EPA, PR SWMA

- **Industry organizations**
  - Grocers & hospitality associations, collection/transportation associations; other organizations (PRHTA, PRMA, PRTC, USCC, BioCycle)

- **Communities where businesses operate**
  - Chambers of commerce, economic development, city/town leaders

**Business Model Synergy**

**Commercial Organics Diversion/Recycling and Waste Stream Management:**

- **Should:**
  - Increase revenues
  - Decrease costs
  - Improve market share
  - Meet stakeholder goals

- **Satisfies operational requirements of all participants**
- **Makes environmental sense**
- **Is synchronous with government, industry, and community initiatives**

- **Program evaluation is primarily based on bottom-line results**
  - Typically trumps all other considerations
Business Model Synergy

► Business Model Synergy – Overview

- Receiving Facilities
  - Disposal revenues rise
  - Compost or outbound product (fuel, fertilizer, energy) revenues increase
- Generators
  - Lower disposal cost per ton for organic waste
  - Increased opportunities to maximize recycling
- Organics-niche Hauling Companies
  - Increased revenues through increased hauls and/or improved route density

Program Economics

► Economics Strategy:

- Extract the financial productivity out of the landfill
- Lower cost to generators – net landed cost per ton
  - Tipping fee differential
  - Hauling frequency management
  - Improved opportunities to maximize recycling – OCC, film plastics, etc.
- Increased revenue to receiving facilities
  - Disposal fee and product sales – compost, soils, electricity, fuel
- Increased revenues to organics-niche transportation companies
  - Increased hauls
  - Improved route density
**WHY ??**

► Why Would Stakeholders Do This?

- US EPA – goal to double organics diversion
  - From 3% now to 6% tomorrow - potential upside is significant
- “Green” or “Sustainability” movement – consumers, society, businesses, government
  - Focus on the environment and the future – sustainability
  - Companies responding to customer demands
  - Governmental initiatives - States and State agencies
- Business development and learning opportunities
  - Cost-reduction initiatives – supplies, services purchased, energy
  - Source-separation to recycling – immediate opportunities
  - Long-term waste-to-energy solutions – AD; biofuels from food scraps

**Challenges Today**

► Receiving Facilities, Transportation, Generators

- Composting/receiving capacity today - how much and where
  - Facilities capable of working with varied generator base
- Understand organizational dynamics; define operational/economic models
  - Generators, composters, vendors, communities, regulatory & support agencies
- Transportation infrastructure for organics
  - Cost-effective organic-niche transportation solutions
- Limited generator knowledge
  - How to I do this ?  Where do I send It ?  What will it cost ?
  - Fear of the unknown – cost, odors, storage space, vendor relationships, customer awareness
Strategic Initiatives

Concurrent Efforts

- Solidify and grow the receiving and transportation infrastructure
- Leverage synergistic business partnerships
  - Generators – communication, education, analysis
  - Receiving facilities – food waste permitted facilities
  - Transportation – organics-niche hauling companies
  - Supplies vendors – product quality and cost
- Leverage complementary efforts
  - Government goals & initiatives – grant funding
  - Industry sustainability efforts – public, private, grass-roots
  - Marketing and public/community relations
  - Communication – WasteWise, BioCycle, USCC, trade associations

Organics Recycling – the Future

Strategic Process Capable of Growing at a Reasonable Pace

- Expanding list of generators
- Known and planned receiving and hauling capacities/solutions
  - Integrate existing and new receiving capacity into the regional strategy
  - Cost-effective organic-niche transportation solutions
- Financially responsible cost structure
  - Positive economics for all business partners and stakeholders
- Public relations initiatives
  - Active promotion of program progress and success
    - Business partners – generators, receiving facilities, haulers
    - US EPA, WasteWise, industry associations, trade publications