



# 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



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## 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



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## 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."
  - "Brundtland definition" of the 1987 Report of the World Commission on Environment and Development - [www.epa.gov/sustainability/basicinfo.htm](http://www.epa.gov/sustainability/basicinfo.htm)



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## *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



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## *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



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## *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



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## *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



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## 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



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## 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



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