

## **Compost Marketing Strategies Throughout the United States**

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Composting has become increasingly popular as an alternative to current solid waste management practices. In the 1980's, the composting of sewage sludge (biosolids) became a preferred mode of managing this material, and it looks very possible that the 1990's will find the same trend in the management of leaf and yard debris, and municipal solid waste (MSW). The composting of food processing and other industrial by-products, source separated residential materials, as well as agricultural residues will also undoubtedly increase. Many successful composting programs have been developed throughout the United States which are both environmentally and financially sound. However, for composting to remain a viable means of waste management, high-quality products must be produced, utilization research and environmental impact studies must continue, and markets for composted products must continue to be developed. Composting programs which have ignored taking the steps necessary to develop compost markets, and ones producing inferior quality products, have found it difficult to remain operating and gain public support. For this reason, a study was undertaken to assess the success of sixty compost marketing programs; including most of the medium-to-large sludge/biosolids and municipal solid waste composting facilities, plus specific leaf and yard debris composting facilities. Twenty-seven percent (16 of 59) of these facilities were identified as privately owned, the remainder being publicly owned.

Compost can be distributed through many channels and a variety of programs. It can be marketed directly to homeowners, to green industry professionals, or to product blenders. It can also be marketed through a series of distributors or a single broker who may sell the product on a retail or wholesale basis. Most of the compost producers interviewed, who are operating a marketing program, are marketing their product in bulk form and primarily to professional customers. Eighty percent of the biosolids, and one hundred percent of the MSW, composting facilities are operating their own marketing or product distribution programs. Several facilities are also bagging product in order to more easily access the homeowner market. Thirty percent of the facilities producing marketable product were selling it in both bulk and bagged form. None of the facilities were marketing their product in bagged form only. Although, several large, nationally known private firms do exist which market the majority of their compost products in bagged form, to the retail market. Typically, the feedstock of these products are leaf and yard debris or agricultural residues. None of the mixed solid waste composting facilities were avidly marketing their compost on a retail basis. Typically, products which are to be marketed on a retail basis (to homeowners) should be of the highest quality, keeping in mind that misapplication is more common by non-professional users.

Approximately one-third of the facilities interviewed were not currently marketing their compost products, but instead were distributing them at no cost, using them on municipal projects paying to have them land applied, or using them as landfill cover (see Table 1). Typically, these products were inferior in quality, produced by start-up operations which had not yet developed a marketing program, produced by facilities having difficulty marketing their entire volume of production, or programs preferring to utilize the product rather than developing a marketing program. Many of the programs also ran small give-away programs, primarily for homeowners local to the composting facility. All of the leaf and yard debris composting facilities and almost eighty percent of the biosolids composting facilities were marketing their compost products, while only approximately twenty-five percent of the MSW composting facilities were doing so. Product quality (i.e. inerts) and regulatory constraints were cited as a main deterrent to marketing the MSW products. Several biosolids and MSW composting facilities were operating both product distribution and marketing programs concurrently.

**TABLE 1**  
**MARKETING/DISTRIBUTION STRATEGIES**

	MARKETING			DISTRIBUTION	Other
	Bulk	Bags	Both	Give-Away/Self Use	
Leaf/Yard	5	0	3	0	0
MSW	4	0	0	7	6
Biosolids	20	0	9	6	5

The majority of the marketing and distribution programs are being operated by the compost producers themselves (in-house). Approximately thirty percent of the biosolids composting facilities are marketing their product through brokers or are having brokers assist them in marketing their product, while they simultaneously operate their own distribution programs. Often, larger publicly owned biosolids composting programs have utilized product brokers rather than develop their own in-house programs. However, recently, several of these programs have assumed the responsibility of operating their own in-house marketing programs. The reasons for this change of strategy include improving the competitiveness of their product, dissatisfaction with broker results, and desire to improve the overall operations and management of their composting facility.

It is obvious that the success of many of the programs has been hinged on their ability to produce high-quality product. Compost producers must see themselves as product manufacturers and not waste managers. Users of high quality compost products require a consistent material, and for

that reason, it was surprising that only sixteen percent of the facilities currently operate quality control programs. At this point, most of the ongoing testing on compost quality deals with safety related issues and not characteristics related to product application or utilization. It is also important for programs to market their products using the same techniques utilized by other horticultural product manufacturers. Aside from assuring quality, manufacturers typically perform utilization research on their products, publish utilization related literature, and advertise their product as necessary. However, less than fifty percent of the compost producers interviewed were publishing utilization literature for their products, and just forty percent advertised their product to the industry in which they were to be marketed. Obviously, advertising may not be necessary in all cases and is dependent upon the quantity of compost being produced and other competitive factors. Many of these facilities stated that, once established, their compost marketing programs required little, if any on-going advertising and therefore discontinued those efforts. Only forty percent of the compost producers had performed any research on their compost products, and many performed only research related to the product's safety. Several of the existing programs could have improved their success by employing some of these common marketing tools, as well as by better training their program operators in the areas of compost utilization, production and marketing. Only a small number of programs, typically medium-to-large in size, actually employ individuals specifically for the purpose of marketing their product. It should again be noted that as many of the compost marketing programs progressed over time, staffing requirements and program costs decreased. Although improvement to many of the marketing programs was possible, overall, most of the programs producing marketable products were achieving a good degree of success.

The programs avidly marketing their compost products were obtaining between fifty cents (\$0.50) and twenty dollars (\$20) per cubic yard picked up at their compost facility for their product. Several programs are distributing their product for free to the general public, industry professionals and municipal entities, or operating subsidized application programs. The compost value was highly dependent upon product quality and the type of customer marketed to. For instance, product brokers and large users purchased products for a considerably lower price than did smaller professional customers and homeowners. The value (sales price) of leaf and yard debris, and biosolids compost were comparable in nature, while MSW compost value was considerably lower. Overall, program operators indicated that landscapers were their most popular type of customer (see Table 2), and their product's most popular use was as a soil amendment. Leaf and yard debris compost is being actively marketed through retail outlets, as is biosolids compost, but to a lesser degree. Biosolids compost was found to be utilized in the most varied applications. Much of this can be attributed to the fact that biosolids compost has been marketed for the longest period of time, when compared to other non-agricultural waste derived composts, and because extensive research has been performed on its utilization in many applications and under various conditions.

**TABLE 2**  
**COMPOST MARKET POPULARITY\***

<u>Leaf/Yard Debris</u>		<u>MSW</u>	<u>Biosolids</u>		
1.	Landscapers	1.	Farmers	1.	Landscapers
2.	Garden Centers	2.	Landscapers	2.	Topsoil Dealers
3.	Topsoil Dealers (tie)	3.	Landfills	3.	Garden Center (tie)
	Homeowners (tie)	4.	Local Governments (tie)		Nurseries (tie)
			Nurseries (tie)		

\* Market popularity is based on the quantity of customers, not the quantity of compost marketed to those customers/markets

Developing a successful compost marketing program, and obtaining a market share, does not occur overnight. However, its development can be improved with the assistance of experienced individuals, and by performing market research. The market research must be insightful, practical and completed by individuals possessing experience in this area. Market development activities must begin before product is actually made available to the market. The greater the quantity of product to be produced, the earlier the market development program should begin, and the greater the resources which should be allocated for its development. Providing training for inexperienced marketing staff pertaining to the utilization of compost products, market trends, and user needs can help to improve staff and program effectiveness. It is obvious that all compost products are not alike, and either are all end users. The characteristics of a compost product help to determine what it can best be used for, and in which markets it can most easily be sold. When marketing compost, it is essential to concentrate your sales efforts on the markets which best suit the specific characteristics of your compost.

