Compost Marketing: Strategies for Success

Northeast Recycling Council, Inc. Athena Lee Bradley

Getting Started

Market Beginnings

- Are you committed to manufacturing a marketable compost product?
- Do you have a business & marketing plan?
- Do you know what compost is? The composting regulations?
 - Is your compost site appropriate?

Compost is...

Value-added product

- Converts waste material to easy-to-handle, useful product
- Soil-like material, rich in organic matter & organisms
- It is not: mulch, fertilizer, manure, peat moss, topsoil
- It is not just one product!
- A manufacturing process



Benefits of Compost on Soil

Improves Physical Properties: Increases

water retention; improves soil aeration and structural stability; resistance to water and wind erosion; root penetration; soil temperature stabilization.

Enhances Chemical Properties: Increases macro- and micronutrient content; availability of beneficial minerals; pH stability; converts nutrients to a more stable form, reducing fertilizer requirements.

Improves Biological Properties: Increases

the activity of beneficial micro-organisms; promotes root development; can increase agricultural crop yields; suppresses certain plant diseases; acts as biofilter, bonding heavy metals.

Quality Counts

Best Management Practices

- Produce desired quality compost in shortest time possible with...
 - Minimum odors
 - Minimum environmental impacts
 - Minimum process-related problems
- Efficient Materials Movement
 - Nothing should move more than twice in its same physical condition
 - Move in as linear a fashion as site constraints allow
 - Timing production



Your Bottom Line...

Start with the Feedstocks

- Control is key! Is it difficult to handle?Does it fit your recipe? End product goal?
 - Will it blend well? Texture? Proper moisture? Color? Odor?
 - Is the particle size right? Does it need grinding?
- Is it relatively free of contaminants?
- Generated regularly in volumes your site can handle?
- Will generators pay a "tip fee" or purchase material?

Matching Feedstocks and Compost Products

PRODUCT	Good	Not So Good	
Mulch/Erosion control	Bark, wood, lumber, green organics, brush	Manure, biosolids mushroom	
Soil amendment– field, turf soil, sod, landscape beds	Green organics, manure, biosolids, food, mushroom	Wood	
Topdress – turf and field soils	Manure, grass, leaves, food, screened biosolids & green organics	Wood, unscreened green organics,	
Soil amendment – organic agriculture	Manure, green organics w/o pesticides	Biosolids, grass w/ pesticides	
Land reclamation/landfill	Contaminated green organics, MSW	Clean, nutrient & OM rich	

Source: Rynk, SUNY Cobleskill

The Operation

Site layout

- Show customers your end product...not your feedstock unloading/mixing area
- Move your oldest product first!
- Neat site appearance!
 - Product image reflects your operation
 - No weeds!
 - Deal effectively with leachate/pondingView from road?

The Operation, cont.

Good Neighbor Strategy

- Know your neighbors & keep them happy
- Give them compost!
- Respond appropriately to complaints
- Grinding, screening, bagging?
 Does your end product goal require it?
 Can you afford it?

Distribution & Your Bottom Line

Onsite sales

- Be prepared to load
- Creative packaging: buckets
- Outside haulers
 - Know the DOT rules!
 - Delivery fees, surcharges, & hidden costs
- Inside hauler
 - Know the DOT rules!

 Economics will be an increasing factor as gas prices rise.

Bagging vs. Bulk

- Customer convenience: retail markets—home owners, garden centers, farmers markets
- Added cost and labor may not offset revenues
- Capital investment can be high & demand large volume sales
- Truckers & outlets must handle pallets
- Bagged market is seasonal & competitive
- Bags require labeling; may require registration

Quality...

Defined in relation to its use A compost product that is good for one use, may not be appropriate for another.

 Educate yourself and know the specifications/customer's needs.

 One poor batch of compost sold is difficult to overcome.

Quality Assurance

- Know & meet the quality requirements for your end market
- Observe, monitor, sample, analyze, test
- Keep accurate compost records
 - Track feedstock sources, materials, problems
 - Track lot numbers, problems
 - Track turning frequency, temperature
 - Odor issues
- Train your staff

Product Quality Certification

- Seal of Testing Assurance ("STA"/USCC)
- Woods End R.L./Rodale Quality Seal
- Soil Foodweb
- Organics/"Approved" for use





Seal of Testing Assurance

University TestOther

Why Test? Why Certification?

- Determines conformance with application specifications.
- Standardization of products, practices, & applications.
- Helps to improve customer confidence in the compost product and its utilization.
- Helps compost users purchase the product they need for a particular project.
- Gets customers to learn the characteristics of compost products they purchase.

Compost Markets

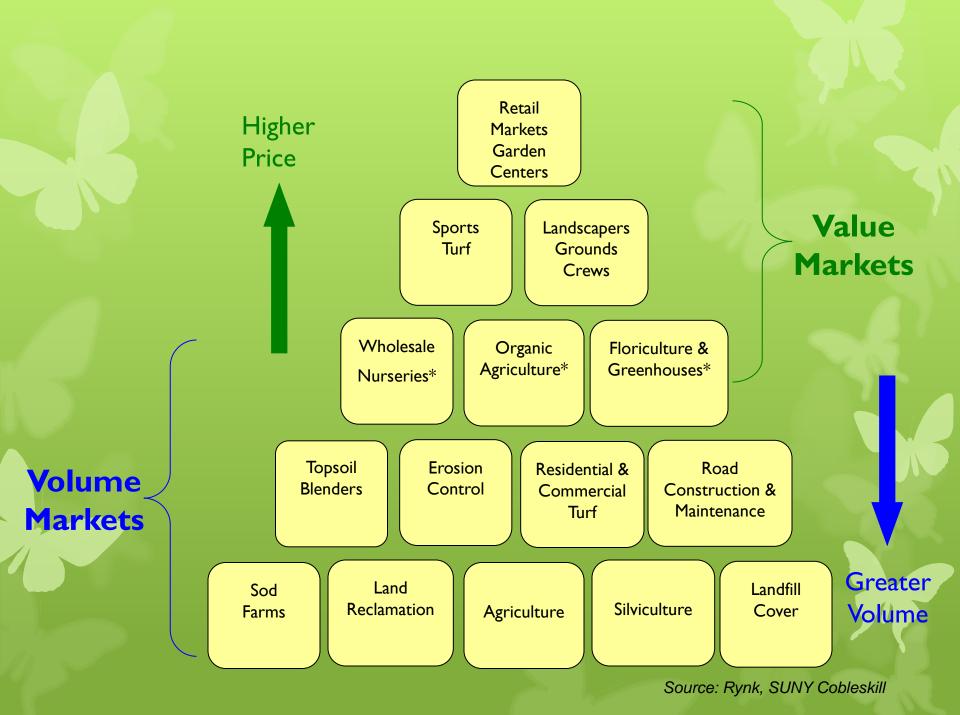
Factors Affecting Compost Demand & Sales

- Product quality
- Performance consistency
- Product availability (meeting demand)
- Economics of transportation & distance to markets
- Economics & challenges associated with compost application
- Industry standards and specifications

Market Options

- Erosion Control & Reclamation
- Agricultural applications
- Topsoil
- Nurseries/Silviculture
- Sod production
- Turf grass
- Public Works
- Construction sites
- Landfill cover
- Marginal soils

- Biofiltering
- Direct marketing
- Retail sales
- Landscapers and Lawn Care Companies
- Golf Courses
- Greenhouses
- Rainwater filters
- Roof top gardens
- Compost socks



Value Markets



Retail and Landscapers



Vineyards



Organic Agriculture



Turf & Lawn Applications



Volume Markets



Photo: Fulford, City Soil & Greenhouse Co.

Top Soil Producers



Agriculture



Erosion Control



Niche Markets Seeded Compost Blanket



Compost Socks



Vermiculture



General Character of Compost Products

CHARACTERISTIC	C Nutrients (N)	Particle Size	Maturity	Salts	Contamination	Price
Mulch/Erosion control	Low	Large	Mod.	Mod.	None	Mod.
Soil amendment– field, turf soil, sod landscape beds	, Mod high	Mod.	Low- mod.	Mod. – high	Low	Mod high
Top dress – turf & field soils	Mod high	Small	Mod.	Mod.	Mod high	Mod.
Soil amendment – organic agriculture	High	Mod.	Mod high	Low- Mod.	Mod high	Mod.

Source: Rynk, SUNY Cobleskill

Character of Products, Cont.

CHARACTERISTIC PRODUCT	Nutrients (N)	Particle Size	Maturity	Salts	Contamination	Price
Potting soil	Low	Small- mod.	High	Very Iow	None	High
Topsoil, manufactured soil	Low- mod.	Small- mod.	Low	Mod high	Low	Low- mod.
Land reclamation	Low- mod.	Small- large	Low	Low- mod.	Mod high	Low
Landfill cover	Low- mod.	Small- large	Low	Low- Mod.	Mod high	Low

Source: Rynk, SUNY Cobleskill

Factors To Consider In Marketing

- <u>Nutrient Value</u>: NPK, Consistency
 - Ingredients promoted?
- <u>Physical Characteristics</u>: pH? Color? Smell? Contaminants? Consistency in texture?
- <u>Particle Size</u>: Appropriate for the targeted end market? Finer or coarser?
- <u>Weight</u>: Consider applications—blower or spreading equipment?
 - Test Results: Are these provided?

Factors, Cont.

- <u>Biological Features</u>: Beneficial fungal and bacterial activity? Stable?
- <u>Packaging</u>: Bulk or packaged?
- <u>Alternative Markets</u>: Blending?
- <u>Availability</u>: Production timeline to meet the needs of users?
 - <u>Transportation & Complimentary</u> <u>Services</u>: Pick-up or delivery services? Spreading, equipment rental?

Other Marketing Considerations

 Compost production is continuous & in all seasons

... is not based on market demands

 What you make must move, regardless of market demand

Your product will change over time, so may impact product consistency and quality
Tip fees may help

Marketing Basics

What is Marketing?

- Price, promotion, & distribution to satisfy customer needs & wants
- Analyze market outlets
- Identify problems, issues, & solutions
- Niche products or markets to better compete
- Build/retain a growing base of consumers
 - Repeat customers are essential!

Marketing Plan

Marketing:

- Essential
 component of business & business plan
- Financial lenders want accurate information

Clear understanding of:

- Production
- Capital requirements
- Costs
- Market segments
- Alternative markets
- Sales potential
- Customer needs & purchasing habits
- The competition

Market Goal

Number of Potential Users in Your Core Market Area

- x Average Use per Customer
- x Your Market Share Goal
- = Volume of potential Market Sector

Why Market/Product Research?

- Determine quality expectations/specifications
- Estimate the quantity of compost product purchased for target markets
- Identify competing/substitute products
- Evaluate marketing, packaging, & distribution options
 - Identify customer preferences
 - Determine compost use & purchasing cycles

Conducting Market Research

- Investigative research
- Targeted wholesale market or retail survey
 - Greenhouses, nurseries, landscaping contractors, landscape architects, retail garden centers
- Targeted market survey of agricultural users
- Research state DOT
- In-person interviews of users & potential direct market customers
 - Rate & rank customer prospects

Conducting Research, cont.

- Specifications: DOT, USCC, Agresource
- Observation
- Test market your product
 - Small bulk quantities to potential customers for growth trials and demonstration purposes
 - Set up a demonstration garden
 - Try to make the test situation resemble how you plan to market your product

Results of Market Research

- Type of compost product your operation can produce
- Applications for which your product is suited
- Anticipated characteristics: nutrient content, consistency, texture, & contaminant levels
- Complementary services you can offerTypes & locations of feedstocks

Market Research, cont.

Potential target and niche markets
Products required for different markets
Processing system & right equipment
Grind or screen? Bag?
Production schedules to meet demand
The Competition

Target Marketing

- Dividing customers into "market segments"
- Product, price, place (distribution), promotion
- Modifying product positioning & mix for today's economy
 - DOT/development: road projects
 - Home food production and landscaping
 - Sell a new service: turf top dressing, erosion control, storm water management
 - Become a partner to your customer

Market Segmentation

Geographical segmentation

- Needs of customers in your geographical area?
- What geographic area will the business serve?
- How far will customers drive to purchase compost?

Customer segmentation

- Know your clientele: Who is most likely to buy your compost product?
- Expectations of target group: quality, service, product mix, convenience, & price?

Marketing Mix: "Four P's"

- **Product**. Right product for your customers
 - Quality, benefits, features, brand, packaging, etc.
- Price. Right product offered at the right price
- Place. Right product at the right price available in the right place to be purchased by users
- Promotion. Making potential customers aware of the product, its price, and availability



Sales Pitch

Northeast Recycling Council, Inc. www.NERC.org

What is Value?

Something associated with your product that is not an ingredient and that customers want and trust.

"Value-added Product"

Greater value, thus customers will pay more

Northeast Recycling Council, Inc. www.NERC.org

Starting Out...

- Get your product in front of as many potential customers as possible – even if it's at a small profit margin
 - Work on increasing customer base, sales volume, product value
- There are times of the year when no one needs compost
 - Storage and planning for spring
 - Developing potential fall-winter markets
 - Revenue from tip fees

Sell More Product

- Sell your brand name (not "compost")
 - Labels, signage, branded apparel
 - Product use sheets
- Local and environmental benefits
- Benefits & delivered features: factual statements & favorable attributes
 - Compost Gold contains 10% organic matter.
 Organic matter helps improve soil water holding capacity...
 - Sell results "great tomatoes with just one handful..."

Sell Out of the Box

- Look for free advertising
 - Demonstration gardens
 - Educational seminars
 - Social Media
- Customer tailored
 - "Specialty homeowner blend"
 - Potting soil sold small bags or buckets
 - Local

Out of the Box, cont.

- Unconventional & unexpected
 - Nurture product placement
 - Strategic partnering "your compost with a plant"
 - Complimentary products: mulch & compost
 - Complimentary services: equipment rental
 - Back-haul opportunities
- Mix of products

Sell Your Product's Value

- Enhance the perceived value of the product
 - Product guarantee
 - List all product's attributes
 - Let your packaging/labels/signage work for you
 - Demonstrate product value
 - Looks good, sturdy
 - Convenient size, volumes
 - Use the "Seal"
 - USCC, Organic, others
 - Testimonials, high profile customers

Take Advantage over Competing Products

- Product mixes: soil blends
- Screen compost "overs" as mulch replacement or bark diluting agent (to extend the supply of raw bark)
- Increasing use of compost in Ag markets as fertilizer prices rise
- Lime replacement
 - Calcium Carbonate Equivalency (CCE) test

Attributes of a Successful Compost Supplier

 Product appearance, features, quality, packaging, presentation Function & benefits for the consumer • "What's in it for me?" Customers are "buying a solution" Customer support Shameless Promotion!!

Attributes...

- Name recognition: customers know it and trust it
- Consistency in brand promotion
- Produce a product that is "fit for a purpose"
 - Meets technical requirements for specific application
 - Good general qualities
 - Specialty Compost Products

Meeting the Customer's Needs

How will the compost be used? Are there project goals to be met? Increasing soil organic matter by x% What are the competing products? Can you out perform them? How will the product be delivered and applied? Other services to be provided? • When is the product needed?

Bundle of Goods and Services Complimentary Tools & Services Delivery Landscaping Turf management • IPM Planting Top dressing Equipment rental: spreaders

Pricing to Sell

Pricing Strategy

Price to make a fair profit and be competitive

- High quality, higher price
- Larger volume, lower quality, lower price
- Provide quality product for lower price or perceived better value

Some pricing strategies

- <u>Cost-plus</u>: Affix a percentage product above the determined cost of compost production
- <u>Value-based</u>: Determined by the purchaser's perception of the value of the product
- <u>Competitive</u>: Pricing is determined by the price of competing products
- <u>Skimming</u>: Pricing the product at a higher price to appeal to a more specialized market

Pricing Strategy, Cont.

 Provide a buying incentive or discount for additional product purchases

 Avoid straight discounts (such as 10% off)

Use "Buy one, get one free," or
 "Buy one, and get a second one at half off"

How to Determine Your Price

- The competition
- Costs of production
- The quality of the product offered
- Services/convenience provided with your sales
- Types of buyers targeted

How to Determine Price, cont.

- Level at which a product will sell, and...
 - Is comparable to other competing brands.
 - Is higher than the average cost of production.

Product Selling Points

Northeast Recycling Council, Inc. www.NERC.org

Selling Considerations

 Selling direct to end users (retail sales) maximizes
 revenues
 Price reflects...

Supply and DemandValue and Service

What Goes on a Label/Promotion

• NPK • pH Organic matter Salts Feedstocks/Ingredients How to use/Applications

What's on the Label?

Good things from the earth and sea!

The ultimate Organic Potting Soil, Ocean Forest is a powerful blend of premium earthworm castings.... Perfect for containers and ready to use right out of the bag. Start your seedlings with Ocean Forest and watch your plants come alive!

Unique Features:

- Super medium for seeds & seedlings
- pH adjusted for optimum nutrient intake
- No fertilizers needed for up to 30 days
- Light texture for aeration & drainage
- Ideal for container gardens & houseplants
- Environmentally friendly



What's in a Name?!

Black Gold® Garden Compost is an all-purpose, naturally-rich mulch used as a top dressing for outdoor gardens or as a seed cover for new lawns. Can also be used to break up heavy clay soils or improve water holding capacity in sandy soils. Give it a try! Your plants will become the envy of the neighborhood. Listed by the Organic Materials Review Institute (OMRI) for organic production.

Ingredients:

This product is regionally formulated and is a blend of 35-45% well-aged decomposed organic matter, processed softwood bark, Canadian Sphagnum peat moss, (and one or more of the following: processed rice hulls, composted peanut hulls, or processed forest products.) Contains NO sludge or bio-solids.



What's in a Name?!

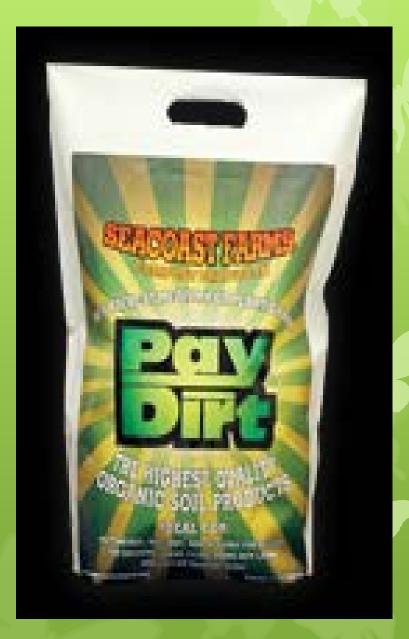
Superior Products - Seacoast Farms Organic Compost -New Hampshire's Own

Introducing Our Newest Product, 'PayDirt'

Seacoast Farm's compost is accepted by the State Department of Agriculture for use on certified organic farms and in organic planting applications. Our compost is compliant with NOP Section 205.203(c)(2).

Our manufactured topsoils include two basic products:

Natural organic compost and our specially blended Superloam, a blend of our compost and finely graded loam to create a supercharaged lawn foundation. Both products have significant benefits over standard loam.



Advertising & Communication

What to Advertise

Information about your product

- Ingredients
- Test results
- Certifications
- Educational Information
 - "How to use"
 - Applications
 - **Specifications**
 - Customer testimonials

Tools

- Website
- Internet listings
- Social Media
- Print material
 - Business cards
 - Postcards, magnets
 - Mailing list
 - Labels
 - Brochure

- Farmer's Markets
- Demonstration gardens
- Seminars/Workshops
- Traditional advertising
- "Local Shopper"
- PR/News media

Website

- Gives the business a professional touch
- Helps people to find you

No one uses a telephone book...

- Easy opportunity to educate your customers, answer their questions
 - Has it been tested? What's in it? How to use it?
- Clear, concise, easy to read, fun!
 Operation photos

Social Media = Free Advertising

Facebook
Twitter
Blogs
YouTube
Flickr

Today's "social media" Customer: The process is now about Creating Conversation.

 One-way provide-and-receive information relationships have given way to conversations.

 This is not a "good" or a "bad" thing but it is a profound change with many implications.

Northeast Recycling Council, Inc. www.NERC.org

Source: Joe Shoenfeld

Good Practice Examples

HelpMeCompost.com www.helpmecompost.com Non-profit: The Food Project www.thefoodproject.org Non-profit: Nature Conservancy www.nature.org Government: USDA www.usda.gov

Public Relations

Create a public relations plan.

- Let your neighbors know how you will address potential problems at your facility
- Be ready to respond if problems occur and identify possible changes
- Engage in open dialogue
- Be ready to engage the press

Public Relations, cont.

- Know your records, process, problems
- Be able to address odor issues quickly and effectively
- Be aware of other potential complaints: vectors, birds, dust, traffic, noise, water contamination
 Effectively address visual aesthetics

Customer Education

How Much Compost to Use

- Estimate the planting area (Math Hint: Square feet = length x width)
- Decide upon the appropriate application depth of the compost (page 4)
- Use the charts below to estimate your compost needs. (Abbreviations: ft = foot; yd = yard; sq = square; cu = cubic.)
- Sourcessions: 9 square feet = 1 square yard; 27 cubic feet = 1 cubic yard.

Question: I have a plot about this big, how much compost do I buy?

Plot Size	# of Sq Feet	1/2" Deep - Mulching or Top-dressing	2" Deep - Amending new lawns or gardens
5' x 10' plot	50 sq ft	2.08 cu ft of compost	8.33 cu ft of compost (0.31 cu yd)
10' x 10' plot	100 sq ft	4.17 cu ft of compost	16.66 cu ft of compost (0.62 cu yd)
20 x 50' plot	1000 sq ft	41.7 cu ft of compost	166.7 cu ft of compost (6.2 cu yd)
l acre	43,600 sq ft	1,815 cu ft of compost (67 cu yd)	7,257 cu ft of compost (268 cu yd)

More Customer Education

(Your product name) Compost

General Landscaping Information

(Your product name) Compost is rich in organic matter and microbial populations, both of which are essential components to healthy and productive soils. (Your product name) Compost is excellent for amending depleted soils, enriching planting mixes, and enhancing the growth of turf and ornamental plant species. Further, the composting process, essentially "pasteurizes" the product, allowing (Your product name) Compost to boast that it is free of viable weed seeds and plant pathogens.

(Your product name) Compost Use Benefits

- Physical Conditioning (Your product name) Compost adds organic matter (and humus) and water holding capacity to sandy soils. It breaks up heavy, compacted soils, allowing water, air and nutrients to reach plant roots.
- Increases Organic Matter Content Organic matter (OM) is the 'workhorse' of the soil. Most soils are deficient in OM. (Your product name) Compost, is rich in OM and can convert ordinary soil into an organically rich growing media.
- Adds Nutrients (Your product name) Premium Compost is rich in both macro and secondary nutrients. These nutrients are available in slow release form, minimizing the potential to burn new plants and reducing supplemental Nitrogen additions the first 2 years following application.
- Reduced Material Needs Use only ¼ to 1/3 the quantity of (Your product name) Compost, compared to using topsoil by transforming existing site soil into high, quality topsoil – instructions below.

Facebook Page

(8) Fern Hill Compost





Website Sample AGRESOURCE QUALITY COMPOST, SOIL, & MULCH

HOME

Company

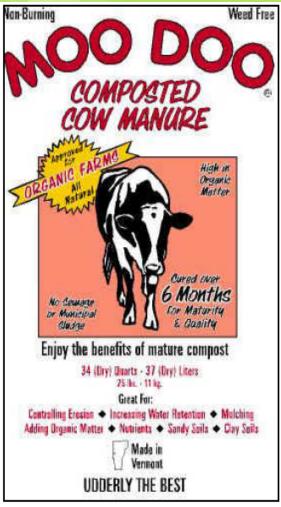
Quality Compost Products

Quality Soil Products

Quality Mulch

QUALITY COMPOST PRODUCTS

Agresource markets compost from a network of composting facilities throughout New England and New York. Compost products available from Agresource are the highest quality compost products in the industry. For a list of printable compost specifications for particular Agresource compost products, <u>click here</u>. For additional information go to the Agresource <u>Applications and</u> <u>Specifications Manual</u>.



MOO DOO COMPOSTED COW MANURE

Our most famous and recognizable product, MOO DOO is one product customers ask for by name! Why? MOO DOO is composted cow manure and compost blend.

MOO DOO is available in 34 qt and 16 qt bags.





Organic.

Naturally!

About us
In the news
Links
Where to find us
Testimonials
Marketing
For dealers & retailers
Contact us
Home



Bar Harbor Blend Premium Potting Soil

Bar Harbor Blend is our organically approved, all-purpose potting soil. It is a rich, dark brown and full bodied, designed for re-potting house plants, planting hanging baskets, window boxes and all containers.

Bar Harbor Blend is made with lobster and aspen bark compost, long staple horticultural grade sphagnum peat moss and perlite. Like all compost-based soils, this too requires less watering.

We've named this blend for the town of Bar Harbor, located on Mount Desert Island overlooking Frenchman Bay. Bar Harbor is the gateway to Acadia National Park and one of the jewels of the Maine coast.

It is available in one and two cubic foot bags and 8 and 16 quart bags at selected retailers in the Northeast.



FilterMitt Description



Microbial FilterMittTM & Sediment FilterMittTM



Groundscapes uses Phase II Stormwater Products. Microbial Filtermitt[™] and Sediment FilterMitt[™] structures securely contain our compost blend within a biodegradable fabric enclosure. They can be used for detaining or directing surface water flows, retaining sediment, and protecting wetlands and other water resources. Absent of any synthetic materials, Microbial FilterMitts[™] and Sediment FilterMitt[™] can be left in place indefinitely, saving the cost of removal. The natural fabric eventually biodegrades and is used as a food source for the micro-organisms.

Microbial FilterMittsTM and Sediment FilterMittTM can be used alone or in conjunction within other storm water management techniques. They can also be grouped together to form FilterMitt BermTM.

Composition and function:

Phase II Stormwater Products Inc.'s FilterMitts[™] are burlap fabric Mitts filled with the appropriate compost blends, used for sediment and erosion control. These Mitts are sized accordingly for each job, unless specified.

Usage:

- Flat areas or slopes.
- · For short and long term solutions;

 Appropriate uses include shoreline stabilization, on slopes and flat areas, check dams, vegetation establishment, retaining

http://www.groundscapesexpress.com/filtermitt.htm[2/23/2012 11:11:15 AM]

Contact Information

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