Making Your Compost Product Work for You!

Compost Sales and Marketing

3/30/2010
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Business Development
WECARE ORGANICS, LLC
Overview

- WeCare Companies – WeCare Organics
- Composting and what WCO specializes in
- Business Model
- End Uses
- Marketing Plan and Market Research
- Branding Promotion
- Distribution
- The Successful Composter
As "leaders in beneficial use, technologies and traditions," WeCare Organics is responsible for the final resolution of the largest volumes of non-hazardous residual waste streams in northeastern United States. Providing turnkey residuals management products and services to public and private communities alike, WeCare Organics is the responsible, single-source solution in the ever-changing world of residuals management.

- Organic Waste Management Facilities (Project Development and Operations)
- Alkaline and Composting Stabilization Technologies (Beneficial Use)
- End-Product Marketing
- Water/Wastewater Treatment Plant Upgrades
- Mobile Dewatering & Digester Cleaning
- Hydraulic Dredging
- Regional Transport/Disposal of solid wastes, soil products and road salts
- Renewable Energy Conservation, Recovery, and Generation
- Carbon Offset Management
COMPOSTING

There are many different kinds of by-products that can be composted.

Some of the most common (and most accepted) are:

– Agricultural Manure
– SSO (Source Separated Organics)
– Food
– Yardwaste – Leaves, Grass, Brush
Everyone LOVES Composting & Compost

Marketing of compost has come a long way over the past 15-20 years. Now the word “compost” is a household term and the use of compost has become the preferred way to garden.
What WeCare Organics Does –
MSW/Biosolids
CoCOMPOSTING

Then there are two (2) “less popular” types of by-products:

– Municipal Solid Waste (MSW)

– Biosolids (Sludge)
The longest (and most misunderstood) battle in the marketing of biosolids compost has been HEAVY METALS. These concerns were real at one time, but haven’t been for a very long time due to strict EPA and State Regulations.

Over the past 10-15 years, through the marketing efforts of companies like WeCare and associations like WEF, the use of biosolids in compost has become much more accepted.
A traditional business model for a composter could be broken up into these three pieces:

- Composting as Manufacturing
- Available Markets
- Sales/Marketing (Separate Discussion)
Composting as Manufacturing

- Identifies critical components of success
- Control over inflow of materials
- Timing production with sales “JIT”
- Market based decision making
Critical Components of Success

- Business plan
- Financing
- Process Control
- End Product Quality
- Marketing
Control over inflow of Materials

• One of the biggest challenges
• Issue for composter big or small
• If dumper not honest, dump them
• Directly effects end product
• Think back to factory model, a car factory wouldn’t except inferior gas peddles !
Timing Production

• Just in time inventory revolution
• Spring/Winter in the Northeast
• Weather effects end product in some cases
• Directly effects bottom line
Market Based Decision Making

• Available markets
  High Quality Compost – Retail Markets
    approximate usage in 1993 4.4 million yards
    price range $18 to 22 in 2009 dollars
  Sports Turf .5 million yards
  Nurseries 1.5 million yards
  Top Soil .8 million (under represents Tri State)
  Nursery Growers .5 million yards
Determining your goal

Number of Potential Users in Core Market Area \times\ Average Use per Customer \times\ Your Market share goal = Volume of potential Market Sector

Dollar Markets First then Volume
  Dollar – retail, landscapers, top soil, turf
Volume – Agriculture, DOT, Landfill Cover
END USES –
ATHLETIC FIELD CONSTRUCTION
END USES – ROOFTOP GARDENS
Market Plan and Research

- Brand Name
- Know your clientele
- Value of the Product
- Landscape Architects a WCO specialty
- US Compost Council
- Research
WeCare’s first task was to come up with a good marketing plan for the Delaware County Compost, which started by renaming it WeCare Compost. WeCare Compost has become a very recognizable brand name in the marketplace over the past 10-years. WeCare’s staff has focused on getting the WeCare Compost name recognized through advertising, participation in trade associations & trade shows, publications, banners, etc.

It’s much easier to sell a product when…

a) Customers know what it is; and
b) Customers trust it.
MSW is going to have some glass in it. This is a fact. As a marketing company, WeCare Organics recognized that it can’t be sold for every application.

WHAT TYPE OF APPLICATIONS CAN IT BE SOLD FOR?
– Commercial-Grade Topsoil Manufacturing (DOT, etc.)
– New Construction (Including Athletic Fields and Golf Courses)
– Lightweight Rooftop Soils

NEED TO STAY AWAY FROM:
– Topdressing Athletic Fields
– Home Garden Centers
Whenever you begin marketing a new product, even if it is being marketed under a brand name (WeCare Compost), it will take time to establish a solid value for the product.

The most important thing at the beginning is get the project in front of as many people as possible, even if it is at a small profit margin. As the product becomes more accepted by a larger number of customers, then you can gradually increase the value of the product.

When marketing compost in the Northeast, it’s also important to note that there will be times of the year when no one needs compost. You have to be able to plan accordingly.
MARKETING PLAN – LANDSCAPE ARCHITECTS

WeCare has always had a focus of getting WeCare Compost specified into projects, such as athletic field construction, green roof soils, new parks, etc. In order to get specified, WeCare has contacted Landscape Architects through phone calls, trade associations, mailings, office presentations and a variety of other means.

The Landscape Architects and Engineers are the key to increased compost usage. If they specify organic matter percentages for the soils on a project then contractors must use either compost or peat moss to achieve those percentages.

WeCare has been stressing to the Landscape Architects the need to specify quality compost, USCC STA Program Compost!
MARKETING PLAN – USCC STA PROGRAM

One of our first priorities when we started marketing the Delaware County Compost was to get it in the USCC STA Program.

WHAT IS IT?
• Compost testing and information disclosure program (employing standardized practices)

PURPOSE…
• To assist compost end users purchase the product they require for their particular project
• To assure that compost end users know the characteristics of the compost products they purchase
• To improve overall customer confidence in compost selection and utilization
# Compost Technical Data Sheet

A & L Great Lakes Laboratories, Inc. 3505 Conestoga Drive Fort Wayne IN 46808

<table>
<thead>
<tr>
<th>Compost Parameters</th>
<th>Method</th>
<th>Reported as (units of measure)</th>
<th>Test Results</th>
<th>Test Results</th>
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<tbody>
<tr>
<td>Nitrogen</td>
<td>TMECC 04.02-D</td>
<td>Total N</td>
<td>1.30</td>
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<tr>
<td>Phosphorus</td>
<td>TMECC 04.03-A</td>
<td>P₂O₅</td>
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<td>Potassium</td>
<td>TMECC 04.04-A</td>
<td>K₂O</td>
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<td>Calcium</td>
<td>TMECC 04.05-CA</td>
<td>Ca</td>
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<tr>
<td>Magnesium</td>
<td>TMECC 04.05-MG</td>
<td>Mg</td>
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<td>0.34</td>
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<tr>
<td>Moisture Content</td>
<td>TMECC 03.09-A</td>
<td>%, weight basis</td>
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<tr>
<td>Organic Matter Content</td>
<td>TMECC 05.07-A</td>
<td>%, dry weight basis</td>
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<tr>
<td>pH</td>
<td>TMECC 04.11-A</td>
<td>pH units</td>
<td>8.2</td>
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<tr>
<td>Soluble Salts (electrical conductivity EC₁)</td>
<td>TMECC 04.10-A</td>
<td>dS/m (mhos/cm)</td>
<td>5.92</td>
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<tr>
<td>Particle Size</td>
<td>TMECC 02.02-B</td>
<td>%&lt;9.5 mm (3/8 in.), dw basis</td>
<td>97.93</td>
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**Stability Indicator (respirometry)**

<table>
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<tr>
<th>CO₂ Evolution</th>
<th>Stability Rating</th>
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<tbody>
<tr>
<td>ng CO₂/C/g OM/day</td>
<td>1</td>
</tr>
<tr>
<td>ng CO₂/C/g TS/day</td>
<td>2</td>
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<tr>
<td>Maturity Indicator (biocassay)</td>
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<tr>
<td>Percent Emergence</td>
<td>TMECC 05.05-A</td>
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<tr>
<td>Relative Seedling Vigor</td>
<td>TMECC 05.05-A</td>
</tr>
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**Select Pathogens**

| TMECC 07.01-B | PASS/FAIL per US EPA Class A standard, 40 CFR § 503.320(a) | PASS |

**Trace Metals**

| TMECC 04.06 | PASS/FAIL per US EPA Class A standard, 40 CFR § 503.13, Tables 1 and 3 | PASS |

Participants in the US Composting Council’s Seal of Testing Assurance Program have shown the commitment to test their compost products on a prescribed basis and provide this data, along with compost end use instructions, as a means to better serve the needs of their compost customers.
Research

- NYS Turfgrass Association
- NYS Landscape and Nursery Association
- Blue Book
- Home and Garden Shows
- US Composting Council
- Cornell Solid Waste Institute
- Marketing – Your Marketing Sucks.com!
Brand Promotion

- In 2010 number one part of brand promotion is a website!
- Handout – good quality fliers material (vista print)
- Take Aways – pens (compostable pens)
- Consistency is KEY
Distribution

• Outside Haulers – know DOT rules yourself
• Inside Hauler – no one to blame but yourself
• Live Loads
• Delivery Fees/ Surcharges/Hidden Costs
The Successful Composter

• YOU!
• Educate yourself
• Make the best end product you can
• Shameless, Shameless Promotion
Review

• WeCare Companies – WeCare Organics
• Composting and what WCO specializes in
• Business Model
• End Uses
• Marketing Plan and Market Research
• Branding Promotion
• Distribution
• The Successful Composter
Questions

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Thank you for your time and questions

Chuck