

Compost Marketing

Feedstocks in, Compost out;

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Compost Marketing Principles

- Compost as the Product
- Market Sectors
- Value vs. Volume
- Bag vs. Bulk
- Blended Products
- Managing Inventory
- Pricing Strategies

Compost as the Product

Compost vs. the Process: Composting

- Composting is the process of recycling organic residues (wastes) into usable and valuable products: Compost.
- Successful marketing requires the shift from “facility designed to process wastes” to “manufacturing facility making compost.”
- Are the facility customers the waste generators or the end users of the compost?

Marketing of Any Product Requires:

- Understanding requirements of the customers
- Maintaining quality control to insure that product meets specifications of customers
- Preparing product to maximize value
- Presenting product with a consistent positive image
- Delivering product in a timely manner; providing customer service
- Maintaining inventory
- Pricing product

Unlike Other Products:

- Production is continuous and not based on market demands
- Revenues are often greater from tip fees than product sales
- What comes in must go out; regardless of market demands
- Compost changes with time

Market Sectors

Examples of product use:

- Establishing lawns and turf
- Root zone mix for sports fields
- Top dressing lawns and sports fields
- Planting beds
- Tree and shrub planting mix
- Root zone mix for constructing golf greens
- Potting media component
- Soil amendment for crop production
- Wetland construction and remediation

What is Compost?

Compost is a soil amendment that:

- Provides organic matter
- Supplies nutrients
- Stimulates microbial activity

Compost is not:

- Top soil or loam
- Fertilizer
- Pesticide or a biological control agent

Identifying Markets

Not all composts are the same

Moisture content

Texture and particle size

Organic matter content

pH, salts and nutrients

Matching Product to Customer Needs

- Finer texture for topdressing (<1/2 inch acceptable; <3/8 inch preferable)
- Coarser texture for mulch (< 1 inch)
- pH, soluble salt: highly dependent on plant choice and application rates
- Aged for potting mixes
- Avoid compost with high silt/clay for sports field mixes
- Low nitrogen and phosphorus near water resources

Test Compost

Test results determine conformance with use specifications

UMass Soil and Plant Tissue Testing Laboratory, Amherst, MA

USCC Seal of Testing Approval (STA) Laboratories



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Lawns and Turf



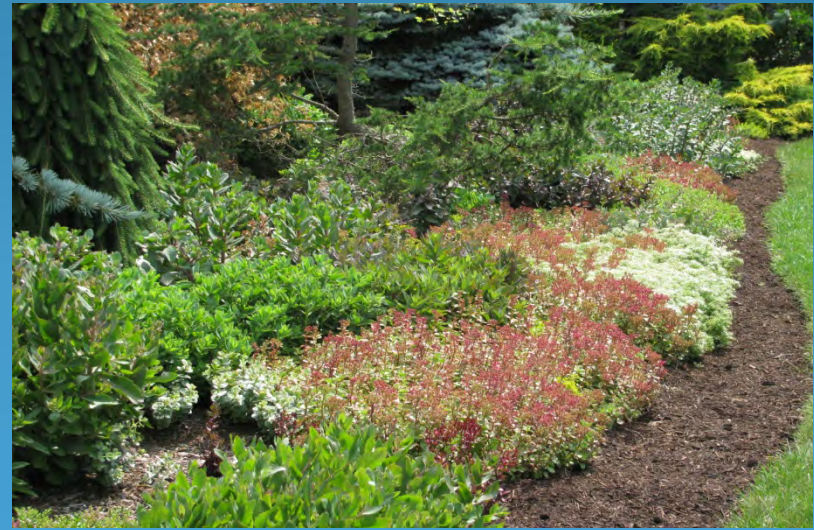
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Sports Field Construction



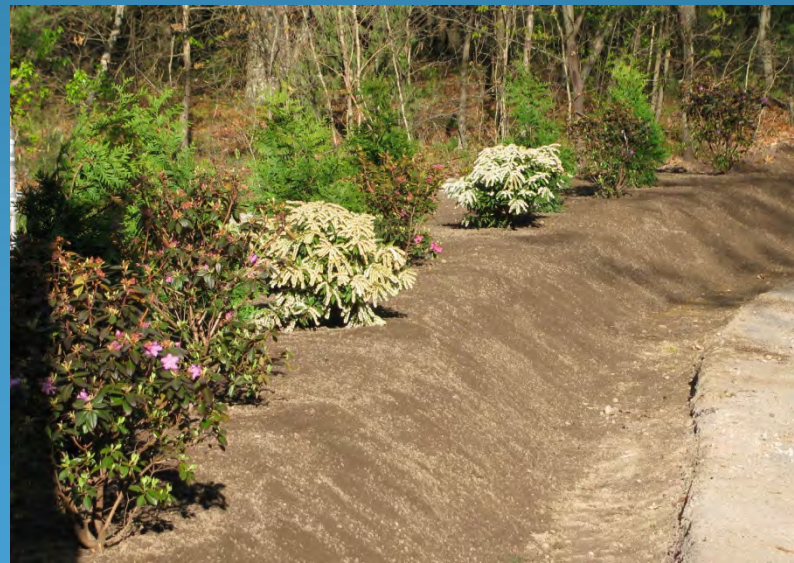
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Planting Beds



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Tree and Shrub Planting



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Wetlands



Green Roof



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Market Sectors

Who is the Customer?

- Landscape supply companies selling top soil or “loam”
- Landscape companies constructing sports fields
- Companies making manufactured soils and products for the golf industry
- Landscapers maintaining lawns and planting beds
- Nursery and greenhouse growers
- Farmers
- Homeowners

Understanding the needs of the Customer

Not all customers are the same

- Needs will depend on how compost is to be used
- Different experience with compost, expectations, and levels of knowledge

Understanding the Needs of the Customer

- How is the compost going to be used?
e.g. amend soil for planting beds
- What are the specific project goals?
e.g. increase organic content of existing soil
- What are the alternative product(s) available?
- How is the product going to be delivered and handled?
- When is the product needed?

Meeting Expectations

- Does your compost have an objectionable odor?
- Is the compost easy to handle?
- Does the compost contain weed seeds?
- Are there pieces of debris sticks, stones, and plastic that detract from its appearance or use?
- Do you provide test reports, guidance and list of ingredients?

Bag vs. Bulk

Bags are convenient for home owners and desirable for garden centers that sell largely to the home owner or small landscaper

But...

- Added cost may offset increased revenues.
- Capital investment in equipment demands large volume.
- Truckers and customers must be able to handle to handle pallets.
- Bagged market is competitive and seasonal.
- Bagged products require labeling and registration.

Blended Products

Compost Amended Soil (20 to 30% by volume compost)

Is suitable soil available? Will product compete with customers?

Mulch (compost blended with bark or wood chips)

Can consistent texture, color, and appearance be obtained?

Potting media (replace a percentage of peat)

Can quality standards be met on a consistent basis?

Managing Inventory

Maintaining consistent quality and available quantity

- Remove oldest product first
- Prevent ponding of water
- Eliminate growth of weeds

Poor Working Surface Leads to Poor Product Quality



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**Does the appearance of your
facility convey the image you
want for your product?**

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Which Product Would You Prefer?



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Value vs. Volume

- Maximize revenue by selling direct to end user whenever possible (e.g. retail sales).
- Wholesale, large volume, sales to customers who re-sell product are often $\frac{1}{2}$ the retail price.
- When production exceeds local market, dropping prices hurts revenues.
- Price reflects not just supply and demand but perception of value and service.

Pricing Strategies

- Establish rates based on type(s) of customers (e.g. volume).
- Know your minimum price; at what point are you losing money?
- Service, e.g. delivery on time, is just as important as quality.
- Payment terms are negotiable; but a sale is not a sale until you are paid.

Conclusions

- Know your product
- Know your customers
- Create the image for your product and facility that appeals to the customer
- Provide service