

# California Compost Markets - *Are They Growing Fast Enough?*

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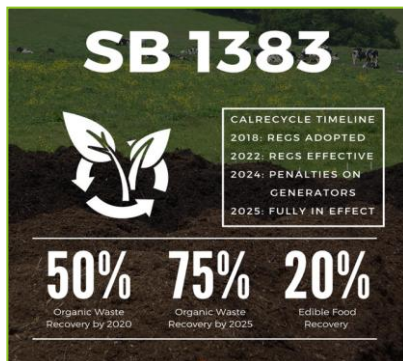
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# Current Conditions - Infrastructure / Feedstock

- SB 1383 legislation will significantly increase the amount of organic ‘wastes’ recycled and turned into products
- CalRecycle is tracking processing (infrastructural) capacity, which is expanding, but requires additional expansion
- Food waste, and to some degree, biosolids recycling will change, with more being composted (and digested)
  - Inert contamination has increased at composting facilities because of contamination related to food waste (packaging), however film plastic and glass in yard trimmings compost is also a problem



Source: Nick Lapis, CAW

**Table 7. Permitted and Actual Annual Capacity by Region (2017).**

	Adjusted Annual Permitted Capacity (tons)	Reported Annual Throughput (tons) 2017)	Difference
Region 1	243,000	140,000	103,000
Region 2	2,899,000	2,507,000	392,000
Region 3	1,052,000	661,000	490,000
Region 4	5,386,000	2,306,000	3,081,000
<b>Total</b>	<b>9,580,000</b>	<b>5,613,000</b>	<b>4,067,000</b>

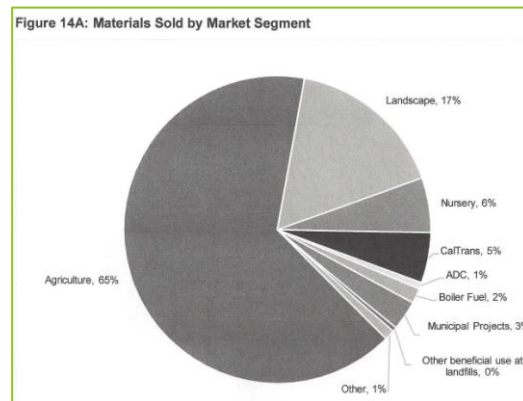
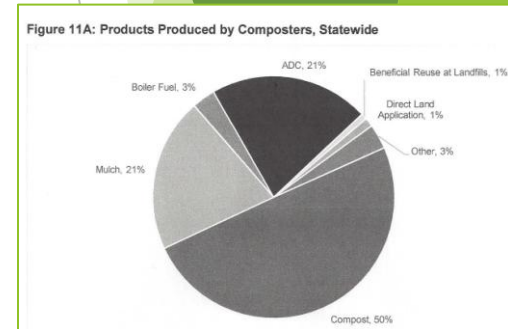
\*Numbers have been rounded.

Source: SB 1383 Infrastructure & Market Analysis, 4/2019



# Current Conditions - Products / Markets

- Innate markets compost (and mulch) are huge
  - Huge agricultural acreage exists (25M acres), and grow high value crops (which can afford to use compost)
    - Distance to market may be a problem in expanding certain ag markets
    - Sales people must learn how to explain how/why compost can be used to grow specific crops
  - Huge population bases drive massive professional ornamental market demographics, as well as retail lawn & garden usage
    - Are a lot of 'soils' packagers in State too, helping retail sales



Source: SB 1383 Infrastructure & Market Analysis, 4/2019



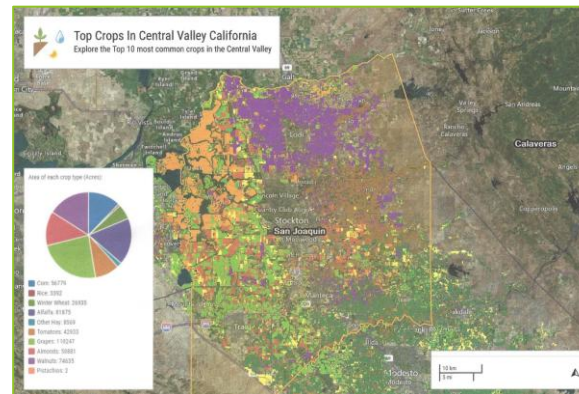
# State & Market Diversity

- State is too large to make general statements about markets, differences based on location and climate/geology
- Must evaluate and discuss markets in regions, not just north & south, as well as
  - Urban vs. Agriculture,
  - Feedstock centric (biosolids or not, certified organic or not), etc., to best expand usage



## Largest Statewide Markets by Volume

- #1 Agriculture
- #2 Landscaping
- #3 Resale/Ldsp. Yard



Generate, study, understand & use specific market and crop data to help expand markets



# Barriers / Threats

- Composter complacency &/or lack of commitment in market development (and related investment)
  - Need to develop compost sales people, not ‘order takers’
- Lack of gov’t support in product market development
  - Jurisdiction usage requirements in SB 1383 are helpful
- Product quality problems (e.g., inert contamination, unstable/immature compost sold into markets requiring ‘older’ compost, etc.), contaminated feedstocks are a major threat
- Not educating product specifiers and ‘influencers’
- Misunderstandings about compost (& mulch) usage still exist, especially in agriculture
  - Ag concerns about salts in compost, SAR, B, need research and field trials, education of ag extension agents
  - Use in establishing native plants
  - Use in climate change mitigation, reduced water usage



# Conclusions

- Innate compost markets in California are huge - both based on population demographics and crop acreage
  - Agriculture and landscaping are the dominant markets for compost and mulch
- Still lots of composter (private) and State (government) efforts are necessary to keep markets expanding and value up
  - ‘Staffing up’ and educating sales / marketing staff are keys to market success
    - Many composters still do not understand what specific end users require
  - Jurisdictions generating ‘wastes’ need to require usage of compost and recycled mulch in their funded landscape and construction projects
- Product aesthetics is a major issue, so generators must help to reduce contamination in feedstocks, and composters must properly process them
- Greater study is required of paying & non-paying markets, as well as market demand in smaller, more defined regional areas

