
REPORT TITLE: **Discontinuation of Residential Compost Sales at Community Recycling Centres**

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

That the sale of compost at Peel's Community Recycling Centres be permanently discontinued, effective January 2024.

REPORT HIGHLIGHTS

- In 2007, Peel introduced the green bin organics collection program and began its in-house composting operations.
- Compost was made available to residents at Peel's Community Recycling Centres (CRCs) in an effort to develop markets and to improve resident adoption of the green bin.
- In 2016, green bin participation significantly increased with the introduction of bi-weekly, cart-based waste collection resulting in increased tonnage generation surpassing Peel's in-house composting capacity. The increased participation in the green bin program also led to an increase in contamination in the feedstock and resulted in increased contamination in the finished compost Peel produced.
- A third-party contractor was hired to process the additional green bin organics and produce compost, most of which is now destined for the bagged market.
- In 2020, distribution of bulk compost at CRCs was paused as a precautionary measure during the COVID-19 pandemic and has not been resumed.
- The sale of compost at CRCs creates congestion and causes delays for CRC users.
- With much of Peel's compost destined to the bagged market, sourcing bulk compost for CRCs is subject to limited availability and increased costs.
- The sale of compost at Peel's CRCs, if subsidized, disadvantage local retailers in the community.
- Staff is recommending that the sale of compost to residents at Community Recycling Centres be permanently discontinued, effective January 1, 2024.
- Compost and soil amendments are readily available at a number of retail establishments within Peel so this service is not needed.

DISCUSSION

1. Background

In 2007, Peel introduced the green bin organics collection program and began operation of its in-house composting facility. In an effort to develop markets for the finished compost produced through the organics program and to improve resident adoption of the green bin,

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compost was made available to residents through Peel's Community Recycling Centres (CRCs).

In 2016, with the introduction of bi-weekly, cart-based waste collection, green bin participation soared, doubling the amount of organics collected and processed. This increased tonnage surpassed the capacity of Peel's in-house composting facilities and contributed to an increase in contamination. Residents began to express concerns with some of the contamination found in the compost available at CRCs. Despite these concerns, Peel's in-house compost consistently met provincial quality standards and was in high demand from well-established end markets in the agricultural and landscaping sectors. Investing in additional processing equipment to further improve the quality of the finished compost was not warranted or necessary. Instead, staff temporarily procured better quality compost from Peel's third-party organics processor for distribution to residents at CRCs and educated residents on proper program participation.

In 2020, distribution of bulk compost at CRCs was paused as a precautionary measure during the COVID-19 pandemic and has not been resumed for a variety of reasons including: decreased operational impacts associated with selling compost through Peel's CRCs; contamination issues persisting thereby requiring supply of finished compost from a third party; expiry of Peel's contract to purchase bulk finished compost; and, to not compete with local retail establishments that also sell compost

2. Analysis

This section provides an overview of staff analysis on the sale of compost to residents at the CRCs.

a) Operational Issues

As stated earlier, compost sales to residents were suspended in 2020 for COVID-19 related reasons, however, prior to the suspension, staff had already identified several operational issues with selling compost at the CRCs, including:

- Compost sales were greatest in the spring months which is also a period of high demand for general CRC users, causing long waits for compost pick up and material disposal.
- Selling compost limits usable CRC platform space, which causes congestion, impedes operations and could limit the introduction of future recovery programs.
- While loading compost, customers' vehicles block the outbound scale and create traffic jams on the platform.
- Some residents attempt to fraudulently reduce their CRC fees by disposing of waste and loading their vehicle with compost before proceeding to scales to reduce their chargeable net weight. Residents cannot dispose of waste and purchase compost within the same transaction; they are required to circle back to the platform.
- Sediment and run-off from bulk compost clogs oil and grit separators which leads to poor site aesthetics and could put CRCs in a position of non-compliance with their environmental permits.
- Equipment (such as shovels) has to be frequently replaced as residents sometimes inadvertently put the equipment in their vehicle when they leave the compost area.

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b) Peel Costs vs. Garden Centre Costs

As part of the CRC Optimization Study research, staff conducted a market scan that revealed that finished compost and soil mixtures containing compost are readily available in Peel. Several garden centres sell bulk and bagged products directly to the community, and many offer delivery services.

These garden centres offer compost at an affordable price and offer a variety of convenient options for the residents of Peel.

Peel does not fully recover all cost related to the procurement, distribution, and sale of compost.

As part of this review staff considered the option to introduce bagged compost sales at the CRCs but considered the impact on the existing business in the community.

This analysis shows that Peel was subsidizing the sale of compost, which puts local garden centres and other retailers at a disadvantage.

c) Availability

To procure bulk or bagged compost, staff would require a new third-party contract. Discussions with Peel's current vendor indicate there would be limited availability and possible cost increase.

d) Customer Demand

In 2019, approximately 6,700 customers purchased compost. Since the sale of compost was paused, the number of customer inquiries for the product to return has significantly decreased, with 23 inquiries in 2022 and 19 inquiries in 2023.

COMMUNICATION STRATEGY

Staff will prepare a communications plan to notify residents of the approved service change using standard communication channels including in person communications to customers at the Community Recycling Centres. Staff will include a customer complaint escalation process.

RISK CONSIDERATIONS

There is a risk that discontinuing the sale of compost may not be well received by some residential customers who have previously purchased compost from the CRCs. These customers may not be aware that the compost currently sold is not produced in-house. This risk will be mitigated by educating CRC customers and redirecting them to local garden centres which offer residential quality compost.

BILL 112 RISKS AND IMPLICATIONS

The service change recommended in this report is in the public interest and is not expected to disadvantage the City of Brampton, City of Mississauga, or the Town of Caledon.

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FINANCIAL IMPLICATIONS

Discontinuing the sale of compost will result in minimal cost savings of \$5,000 to \$10,000 per year. There is no impact to budgeted revenue as it was removed in the 2021 budget during COVID.

CONCLUSION

Staff recommend that Peel permanently discontinue the sale of compost to residential customers at Community Recycling Centres due to the operational efficiencies, availability of compost from retailers in the community, and lack of customer demand.



Kealy Dedman, Commissioner of Public Works

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