

**Little Hoover Commission
Hearing on Organic Waste Recycling
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**Testimony by:
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Thank you for offering me this platform to share my experience as a small business owner in the composting industry. This testimony highlights my observations from navigating this space both as a consumer and provider for the past five years.

Background on Compostable

Upon moving to Los Angeles in 2017, I noticed a lack of composting resources in contrast to those available on the east coast. I was living in a large apartment complex without outdoor space, so I could not compost myself as I had previously done. I began researching alternative options as there were many composting operations in my previous city.¹ Only two options were identified: [LA Compost](#) and [Peels2Meals](#). LA Compost is a non-profit organization offering food scrap drop-off locations throughout the city. Peels2Meals is a for-profit collection service that pickups food scraps from your home. I tried the Peels2Meals service for 6 months but found it inconsistent and expensive. I then tried the drop-off options but found I struggled to incorporate it into my routine regularly. I decided to create something for individuals in a similar position as myself and spent the next year formulating the business plan for [Compostable](#).

[Compostable](#) launched in June 2019 as a food scrap pickup service. Our service targets sustainability-minded individuals that may not want to make use of drop-off options; possibly due to limited storage space, busy schedules, or personal discomfort. Its values are rooted in the community composting movement as exemplified by [The Institute for Local Self-Reliance](#) and LA Compost. Our goal is to keep food scraps as close to the origin of production as possible, thus rebuilding depleted soils and supporting food production within Los Angeles. We've accomplished this through a decentralized network of partners that compost the material we collect. The finished product is then kept by our partners to grow produce, distributed to partner volunteers, or given back to our members.

Below are key growth metrics that highlight the community support and local impact of our company (*numbers as of June 5, 2022*):

- Diverted 524,829 pounds of organic material from the landfill
- Services 966 members across 76 neighborhoods
- Employees 11 Angelinos, 4 full-time and 7 part-time
- Partners with 13 urban farms and community gardens
- Raised \$4,110.34 for Environmental Justice programming
- Saved 1,600 plastic bins from the landfill
- Has 76 community-based investors

In addition to this growth, we've launched new offerings based on the feedback we've received from our community. We've expanded to include on-site compost management, consulting, education, and special collections for events and productions. According to feedback surveys distributed to our members, 95% state they have had an "excellent" experience with our service, and 98.8% state they would recommend us to their friends. Most crucially, 60.9% of members had never composted before finding Compostable.

Regulations' Impact on Growth

While these numbers are remarkable for a young business, the impact could be even larger. Compostable's growth has been limited due to being classified as a "waste hauler", and the related regulations associated with this classification. Hauling laws are complex and cumbersome. This is understandable given they are meant to regulate all forms of disposal, including more hazardous material. I've received different interpretations of these laws in relation to organics from City officials and waste haulers, making it challenging to effectively navigate them. Most importantly, Compostable does not identify as a waste hauler and has no desire to collect all forms of waste. We focus specifically on recovering organic material to be turned into a soil amendment. We don't see organic material as waste at all, but instead as a resource that is vital for community-based agriculture, similar to seeds that may be saved from this year's crop for planting next year's. Compost is the beginning and end of our food system.²

Waste is managed differently in each municipality across California. The systems used in Los Angeles are similar to those found in other municipalities. [LA Sanitation](#) manages solid waste for single-family homes, while contracted [waste haulers](#) are responsible for apartment buildings and commercial locations. Los Angeles adopted franchise agreements which established exclusive contracts with seven waste haulers for [11 commercial collection zones](#). These haulers have exclusive rights to the waste produced in their jurisdiction making it illegal for other entities to provide service to those clients. The franchise agreements solved several key issues. There are no longer multiple large waste trucks servicing the different locations on the same street, thus reducing unnecessary pollution, fierce financial competitiveness. It also made tracking metrics easier for landfill diversion goals. However, they've resulted in several negative consequences for both the market and the customer.

Impacts on the Customer

We've had numerous individuals reach out expressing their dissatisfaction with the service they receive. In other markets, these customers would be able to choose a different provider that may offer a better service. Additionally, they may wish to choose a company whose practices more closely align with their values. However, customers in Los Angeles are locked into one company, in essence creating a monopoly in the waste industry. With SB1383 mandating composting, the cost for this service will be passed onto the customer. However, customers then don't have the ability to choose the provider that best meets their needs.

- *Example shared with Compostable by community member:* A resident of Rancho Palos Verdes does all his composting on-site as he wishes to use the finished product in his gardens. He called the City to cancel his green bin service. They stated he is not allowed to cancel his green bin, even after he explained he composts all his organic material himself. They stated all he could do was size down to the smallest bin option. This resident is required to continue paying for a service to be in compliant with SB1383, despite already being in compliant through an alternative means.

Impacts on the Market

Small businesses have been particularly impacted by these agreements as the original RFPs were extensive in their requests. This made it challenging for small providers to effectively compete, particularly if those providers have a niche focus such as composting. The base service requested on these RFPs were trash and recycling, with organics being an add-on option. In order to apply, an applicant needed to be able to provide all forms of waste management, which is outside the scope of community compost operations. During a May 2022 presentation at the Waste 360 conference, a representative from New York implementing exclusive franchise agreements acknowledged that the systems are set up to eventually lead to a single provider. This sentiment goes against the values of many who prioritize supporting small businesses, shopping locally, and healthy competition in the market.

“Reading through the RFP, I sort of see this designed in a way that it will eventually get down to one per zone, and let me explain. Once this is done, no new carter is coming in unless they buy an existing carter in New York City. So you will have after a time, mergers and acquisitions activity in New York City in these zones. The city has said that if two carters with a zone merge, they reserve the right to add a new carter in the zone. They are also allowing 10-year contracts. So I asked the question, “how do you bring somebody new in when all the customers are locked up in 10-year contracts with the two existing carters in that zone? How do you let a new carter break into that market.” And by the way anybody who’s operating in zone in the City of New York, per zone they have to give the city \$107,000 a year as a franchise fee. So again if you don’t have enough customers in that zone to justify that fee competitively, you’re not going to survive. So right now it’s starting out as three per zone, but I do think eventually its designed to be one.” - Getting in the Zone: Debating NYC and LA’s Commercial Waste Zones Plans, WasteExpo 2022

Through years of research, Compostable identified a loophole that allows us to legally operate. However, we’ve had numerous clients express hesitation to utilize it out of fear of being penalized despite their desire to work with us. Consequently, there is hesitation to infuse additional capital and resources into the business, stunting our potential development and contributions to SB1383. There is also a significant number of resources placed into policy advocacy that could alternatively be used for business strategy.

While cities and major waste haulers are working to get in compliance with SB1383, community composters have been serving their communities for years. We've been leading the way on education, diversion, and infrastructure development, only to be excluded from the industry at this crucial moment. This experience is not unique to Compostable. I welcome you to listen to the [podcast episode](#) "Cities' Exclusive Agreements With Trash Collectors Are Holding Back Community Composters" to hear composters in San Diego and San Francisco discuss their experiences.

Importance of Community Composting

[The California Alliance for Community Composters](#) defines community composting as: "any organics recovery program for public benefit and/or for locally-distributed benefits that processes locally-generated organic materials, including green materials, agricultural materials, food materials, and vegetative food materials, on a small-scale within the same community where these materials are generated, and which operates to both: achieve community, social, economic, and environmental well-being, and without compounding local or systemic environmental & social justice issues."

Community Development

Many have already come to learn about the importance of locally based options in their food systems. Some consumers choose to buy their produce at a grocery store, while others prefer going to a farmer's market, signing up for farm delivery, or even growing their own. Produce grown at home or locally can be more nutritious, less impactful on the environment, less exploitive of marginalized communities, and beneficial for building community³. The same is true for composting, and those benefits are lost when we restrict options (Figure 1).

Organisation	Outcomes						
	Individual change				Community change		
	Health and wellbeing	Safety and belonging	Meaningful use of time and new skills	Pro-social / environmental behaviour	Social	Environmental	Economic
York Rotters	Inspired and empowered. Confidence and self-esteem. Feel good factor. Improved diet and health.	Sense of belonging.	Home composting and gardening skills. Learn from different perspectives. Every contact learns something new.	Waste ownership. Respect for others. Knowledge of natural cycles.	Regular social events. Opportunities to have more contact with neighbours and make new friends.	Improved soil quality and structure. Positive impact re climate change, reduced CO ₂ and CH ₄ . Lower carbon footprint. Composting on the school curriculum.	Small number of paid full/part time staff.
Proper Job	Inspired and empowered. Confidence and self-esteem. Feel good factor. Improved diet and health.	Sense of belonging and community spirit.	Take on work responsibilities. Site maintenance including composting.	Respect and regard for others. Demonstrate sustainable living (eg off-grid energy). Raises awareness. Encourages more recycling / home composting. Pride in the area / own home.	Builds community spirit (contributing to community cohesion). A 'social hub' for the village.	Local air quality. Less fly-tipping. Availability of green products. Improved soil quality and structure.	Food grown sold in cafe. Availability of local, organic, fair-trade food. Sales on re-use site. Compost club. Small number paid part-time staff.
Rotters Liverpool	Empowered. Confidence and self-esteem. Feel good factor. Personal growth. Change children's eating habits.	Sense of belonging.	Gardening skills. Cooking skills. Work responsibilities. Basic employment skills.	Waste ownership - personal responsibility. Knowledge of natural cycles. Raises awareness. Pride in the area / own home.	Build a sense of belonging. Community empowerment - involved in decision making.	Lower carbon footprint. Improved soil quality and structure.	Small number of paid full/part time staff.
Pepys Community Recycling	Feel good factor.	Collectors become community 'wardens' and 'helpers'. Extra 'eyes and ears' on the estate. People feel safer.		Waste ownership - personal responsibility. Raises awareness. Pride in the area / own home.	Build a sense of belonging. Build trust between residents and PCR. Feel safer.	Fewer vermin/pests on estates. Estates look cleaner.	Small number of paid full/part time staff.
Compo	Confidence and self-esteem. Outdoor working environment and exercise. Improved health.		Employment skills - team working, handling/lifting, health & safety, reliability, timekeeping. Composting skills. Moving towards independent living. Entry route into micro-enterprises.	Respect and regard for others. Raises awareness about composting and resource issues.	Understanding and communication between residents and special needs adults.	Lower carbon footprint. Local air quality. Improved soil quality and structure. Less peat.	Small number of paid full time staff. Compost club.

Figure 1: Summary of individual and community benefits identified by study by Report to the Department for Environment, Food and Rural.

The community composting space has continued to gain momentum since 2010⁴, with now over 200 organizations across the United States⁵. Given the economic, social, and environmental opportunities, California would benefit from deciding how they plan to incorporate these businesses into the market (Figure 2).

Impact of decentralized composting for the City of Chicago.

Scenario	Food waste diversion to compost Mg	GHG emissions avoidance MTCO ₂ E	Compost purchase avoidance \$/ m ³	Landfill cost avoidance \$	Social cost of carbon avoidance 2017\$ for emissions in 2020	Total cost avoidance \$
Backyard	11,443	8271	\$274,623	573,294	339,097	\$1,187,014
Drop-off	13,863	10,020	\$332,712	694,536	410,811	\$1,438,059
Pickup	53,795	38,873	\$1,291,080	2,695,130	1,593,779	\$5,579,989
Total	79,101	57,163	\$1,840,324	3,962,960	2,343,687	\$7,205,062

Figure 2: Impact of decentralized composting for the City of Chicago from “Decentralized community composting feasibility analysis for residential food waste: A Chicago case study” article. Table shows the total estimated quantity of food waste through decentralized composting, as well as the associated impact and cost avoidance, including GHG emissions, landfill disposal fees, compost purchase, the social cost of carbon, and the total cost avoidance.

Community Resiliency

From our research, we learned that a significant amount of funding is being directed to building anaerobic digestors to achieve SB1383’s major food waste diversion goals^{6,7}. Anaerobic digestors are systems that convert food waste into methane. Food scraps are infinitely recyclable, and waste-to-energy methods end that cycle. Additionally, systems rarely function perfectly, and we should anticipate the consequences of their failings. For some context, the single worst natural gas leak in the US happened in Porter Ranch, Los Angeles in 2015. 97,100 tons of methane leaked into the air. The environmental impact is estimated to be larger than the Deepwater Horizon leak. They had to relocate schools because children had such severe health symptoms⁸.

If risks are going to be taken on natural gas, Compostable aims to offset that with remaking high quality soil amendments that will help protect and buffer us. The most resilient ecosystems have diversity and redundancy⁹. A decentralized network of community composters offers that stability. There are pickup services, drop-off sites, volunteer hubs, and partnership programs. If one system crashes, there are others there ready to step in. An article in the Journal of Sustainability stated that, “decentralizing waste treatment facilities and thus creating local solutions to urban waste management strategies will help to achieve the resource recovery and valorization targets in line with the circular economy.”¹⁰ Putting a city’s entire reliance on one system, like franchise agreements, leaves the system vulnerable and parts of the community excluded.

Muti-Tier Organics Model

SB1383 has set massive organic diversion goals for the state of California. We need all players available to accomplish these goals within the set time limit. Community composters are passionate and nimble, with integrated networks specific to the areas they serve. We are not interested in replacing major waste haulers, but instead wish to work together with them to reach these diversion goals. The Institute for Local Self-Reliance has proposed a [multi-tier model](#) that we’d like to see adopted by cities (Figure 3). They developed this hierarchy to, “highlight the importance of locally based

composting solutions as a first priority over large-scale regional solutions. Composting can be small scale and large scale and everything in between but too often home composting, onsite composting, community scale composting, and on-farm composting are overlooked.”

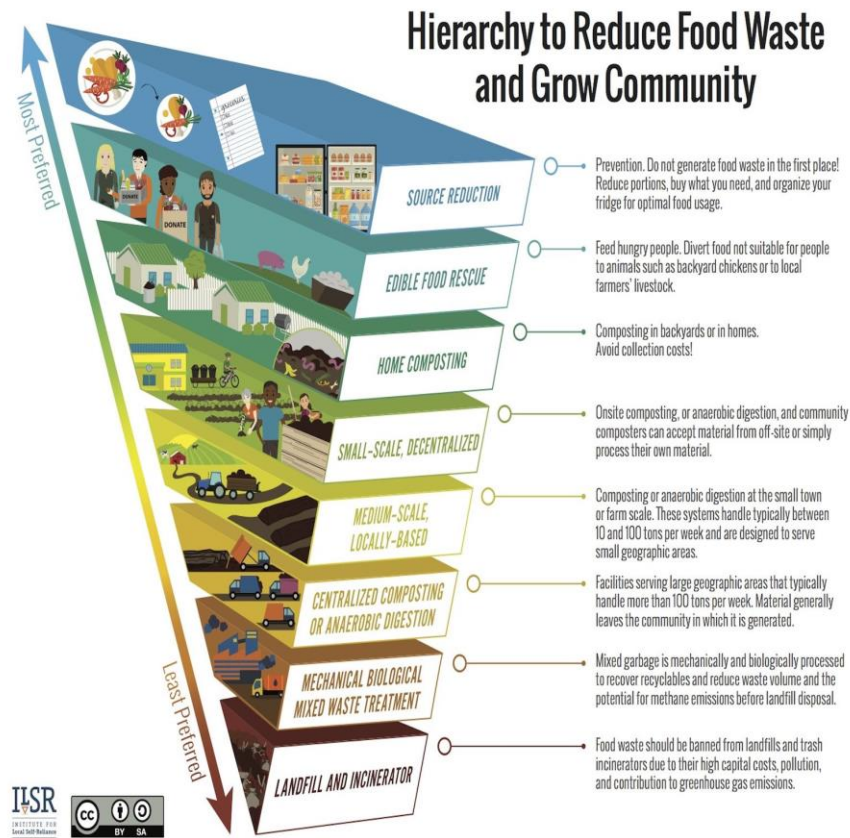


Figure 3: The following comes from the Institute for Local Self-Reliance, a national nonprofit organization working to strengthen local economies, and redirect waste into local recycling, composting, and reuse industries.

Historically, state funding available for community composters has been allocated to drop-off programs¹¹. However, my own experience has demonstrated that, while drop-off options are vital for equity and access, they may not work for everyone. Compostable offers a pathway for people to remain engaged in community composting despite any lifestyle obstacles. I return to the agriculture example from earlier. Someone may love the farmer’s market, but not have time to go as often as they would like. These individuals can then choose to sign up for a farm box delivery, still allowing them to support local farmers despite their schedule.

There are 331.4 million people in California¹² and over 1.6 million businesses¹³. CalRecycle estimates there is 11.2 billion pounds of food sent to the landfill annually¹⁴. SB1383 set the goal of a 75% reduction by 2025. In order to get widespread buy-in, we need a variety of options that inspire people to begin composting¹⁴. A report from the Open University Project recommended, “support needs to be for groups who have self-organised and are committed; ‘top-down’ encouragement is unlikely to be successful

unless the commitment exists from groups on the ground. ‘Ground-up’ grass roots development needs to be supported.”¹⁵ This is not the time to limit the market, but instead to foster collaboration between all shareholders. Each organization in this space has its own strengths and weakness. A holistic approach to managing California’s organic material allows for balance, inclusion, and innovation¹⁶.

“When it comes to municipalities reaching these goals, it’s all about meeting people where they are and speaking their kind of language. For example, a big football community might bring food scrap drop-off bins to tailgating parties to show people how easy collection can be, [Susanne Lee, a sustainable business faculty member at the University of Maine] suggested.

Making appropriate composting options available to the community will help spur more composting without burdening residents, she added. That could look like curbside collection, consolidated food scrap collection or a combination of offerings. Some communities might even offer vouchers for people to purchase their preferred model or style of compost bins.” – Reggie Rucker, Institute for Local Self-Reliance

Recommendations for Little Hoover Commission

Research conducted by the University of Illinois highlights the importance of governmental support in advancing community composting efforts (Figure 4).

Strategies to promote household composting.

Approaches	Strategies	Role
Top down	Incorporate decentralized composting in integrated solid waste planning	Regional Planning Authority
	Local ordinances that promote community composting	Local unit of government
	Provide decentralized composting technical assistance	Local/regional/national governments and non-profits
	Green entrepreneurship training for community food waste collection	local/regional economic development organization
	Provide financial assistance for backyard composting unit	Local unit of government
Bottom up	Collect community food waste	Local unit of government or Private individual/organization
	Set up community composting in private garden or park	Private individual/ organization
	Set up community composting in public garden or school	Private individual/ organization

Figure 4: Strategies to promote household composting from “Decentralized community composting feasibility analysis for residential food waste: A Chicago case study” article.

With this in mind, here are the recommendations proposed:

- **Reclassify community composters.** Given the highly specified nature of our work, as well as the intended use for the end product, it seems appropriate to separate this field from the waste industry. Regulations can be in place to ensure the safety of the composting site and end product, without being under the umbrella of hauling policies that apply to all waste types. This would also help pave the way for other industries, such as insurance companies, to recognize the work we do as separate from trash haulers.
- **Legally protect the operations of community composters of all types.** Cities should develop contracts or carve-outs in franchise agreements specifically for community composters. These agreements should be inclusive of all methods of community composting, including collection service as long as they process those resources locally. These agreements should be created in partnership with

community composters so the requirements set are affordable and achievable for small operators. Carve-outs protect the benefits offered by franchise agreements, while resolving the unintended consequences.

- *Provide incentives to consumers that choose community composting options.* Customers should not be required to still pay for green bin service if they can demonstrate they are in compliance with SB1383 through more sustainable options. Additionally, customers should be encouraged for choosing those options through an incentive program, such as tax deductions, given they are placing less demand on government resources.

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