

Mulch and Compost Business



The EPA estimates up to 30% of the waste stream is made up of organic materials. A business that manages organic materials in order to create mulch and compost for sale has many options to consider. Do customers drop off materials for a fee? Do you collect organic materials for a fee? Will you manage material to create mulch or will you also compost? Will you incorporate a larger array of acceptable materials to compost, including food waste or construction/demolition woody debris? Please refer to the Food Waste Collection business fact sheet for further information.

A compost facility must be registered with the New Mexico Environment Department: Solid Waste Bureau. The compost facility registration process is free, not lengthy and primarily is focused on protecting ground water and ensuring the compost facility does not create a nuisance. The New Mexico Environment Department: Solid Waste Bureau and New Mexico Recycling Coalition offer a 3-day Compost Facility Operator Certification training that provides all the tools, training and tactics needed to start a composting facility. A certified facility operator must be on-site.

A composting facility must also submit a storm water management plan to the National Pollutant Discharge Elimination System (NPDES) EPA Region 6 department to ensure there are appropriate surface water management tactics in place. Local fire department permits and business licenses are required, as well as a New Mexico Department of Agriculture product registration.



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Potential Customers & Markets

- Landscapers
- Home Owners
- Farms
- Gardeners
- NM Department of Transportation
- Construction Projects
- Roadway Projects
- Stormwater Control Applications
- Land Remediation
- Local City and County Parks and Rec, Road Departments

Equipment Needs

- Land – 1-5 acres, depends on amount of material and management process
- Small-scale building or portable office
- Loader
- Water Pump and Hose
- Grinder/Chipper – Can lease or own.
- Screen – Controls particle size of mulch material and removes large chunks from compost (optional to start, can build own creatively)
- Bagging Equipment (optional to start)
- Compost Temperature Monitors
- Fencing (minimize blown material)
- Truck to deliver or collect material
- Personal Protection Equipment: Closed toe shoes, gloves, picker
- Licensing, Permits, Registration and Insurance as needed
- Start up costs vary widely based on location and business model. Please contact your local NM Small Business Development Center to determine actual costs (www.nmsbdc.org)

Materials To Collect:

- Some composters are able to accept “anything that was once alive”
- Will need proper mix of “green” (nitrogen) and “brown” (carbon) wastes
- Yard trimmings, forest or bosque thinnings, manures, food waste, grass trimmings, soiled papers and cardboard, compostable service ware, waxed cardboard
- Weedy materials can be accepted if composting, as weed seeds break down during the process

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Considerations: Meet with local solid waste and recycling management to ensure the new business may collect this waste and that it does not violate any local ordinances. There may be stipulations as to who may collect or process this material. If the local community is the only entity able to handle the waste stream in the area, the community could issue an RFP to work with a private entity to collect and/or process that material as a partnership. Discuss with that local governmental partner concepts as to how to develop a public-private partnership. For example, this could be accomplished if the local government could provide land for a composting facility or a grinder to process the material. Please refer to the Public-Private Partnerships and Local Economic Development Act (LEDA) fact sheet for further guidance. Location of the mulch/compost facility will be important, especially if composting. It is essential to ensure good neighbor practices when locating your facility.

Value-Added Services: Consider offering complementary services to the mulch and composting business such as yard waste, manure and/or food waste collections as a fee-based service. Delivery of finished products may also serve as another fee-based and convenience service. Other services can include the provision of composting education, student internships and tours of the facility.

Service Fees: Look at how to cover operational costs by considering the fee structure of: collecting materials, customer delivery of the waste material, and the cost of the finished product of mulch and compost. Local market conditions will also drive price. It is a good guide to know the local tip fee to dispose of solid waste or yard trimmings. Will you be able to deliver the finished product in mass or will it be bagged? Contact your local Small Business Development Center for assistance determining fees (www.nmsbdc.org).

Customer Selling Points: Organic materials buried in landfills create methane, a greenhouse gas 21 times more potent than carbon dioxide. For the recycling side of this business, providing an alternative to decomposition into a harmful gas is an excellent starting point. For product sales, it is important to note that you are supporting healthy soils, clean water and better tasting tomatoes!

Case Study Examples:

Soilutions, a business based in Albuquerque, owns and operates a mulch and compost yard that diverts 32,000 cubic yards of material each year. Soilutions accepts woody and organic materials via drop-off for a fee and also accepts manure and stable bedding at no cost. Construction and demolition items such as lumber, wood waste and pallets are accepted for a fee. Soilutions offers a food waste collection service, which adds an excellent source of “green” material to complement the composting process and the large amount of woody or brown materials managed. Soilutions sells a variety of mulch types and organic compost available by the bag or sold in bulk. www.soilutions.net.

Another example involves a solid waste public entity partnering with a contracted private contractor to mulch and manage all the yard waste collected at the solid waste facilities. The public entity owns and pays for the maintenance of the grinding equipment as part of the contract agreement and receives the benefit of having this material beneficially managed and diverted.

Best Practices

The NM Organics Recycling Organization, a project of NMRC, is available to provide technical assistance to entities wishing to divert organic materials. Many resources for creating compost and mulch are housed online at www.recyclenewmexico.com/nmoro.htm.

