Overview:
This document is the first version (1.0) of compost Marketing Standards discussed and drafted at an ACP workshop exclusively devoted to this subject, December 12, 2003.

What Are Compost Marketing Standards?
Marketing standards are agreements between generators, investors, producers, marketers and distributors that set and maintain specific activities that build, rather diminish, the value of compost.

Why Are They Important?
Marketing standards allow a market investment to grow into a long-term sustainable asset, providing an ongoing return on investment, rather than simply being wasted. Analogous to construction standards for building lasting, high value structures, marketing standards are critically important for the investment in enhancing product value, market value and market stability.

Marketing Standard Categories:
Compost marketing standards, as ACP is defining and drafting them seem to fall into the following categories:
- Funding/Investing
  - Brand
  - Marketing
- Pricing
  - Higher Value Markets a Priority?
  - Price Wars?
- Inventory
  - Feedstock
  - Finished Product
- Channel Activities
  - Transportation
  - Partnering
- Others?
Compost Marketing Standards:
The following standards were discussed, modified and amended and represent the first version of standards for members of ACP:

<table>
<thead>
<tr>
<th>Category</th>
<th>Purpose for the Standard</th>
<th>Info or Standards Needed to Actualize</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding/Investing</td>
<td>Wastes your market investment</td>
<td>Current and projected market category sizes on a geographic basis</td>
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<tr>
<td>• Fund only one market expansion at a time in each territory (Don’t fund marketers to compete for share)</td>
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<tr>
<td>• Invest in brand building (A brand is a proper name for a unique category of value)</td>
<td>Strong brands build market value</td>
<td>Current brand presence in geographic and value category terms</td>
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<tr>
<td>Pricing</td>
<td>Erodes price &amp; value compost</td>
<td>Average price by feedstock value category (wholesale grades)</td>
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<td>• Have a floor price for each grade of wholesale compost. (No low price “dumping” product in compost markets)</td>
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<tr>
<td>Inventory</td>
<td>Inventory investment and management enhances price/value</td>
<td>Inventory assets inventory by county and category</td>
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<tr>
<td>Channel Activities</td>
<td>Since markets are assets, must both build and maintain them, to maintain the asset, this includes channels and channel partners</td>
<td>None at this time.</td>
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</table>
| • Each generator and composter should have a capable manufacturing process | To assure the quality of each ton of compost produced. | For biosolids build on EMS, but green and co-composters must build one. |<br>| • Each generator require all composters and marketers to be members of ACP | All players will now adhere to the standards. | Generators report potential vendors to ACP. |<br>| • Draft “ideal ordinances” for use of compost in each member’s service area (jurisdictions). | People must be “reminded” to build healthy soil. | Draft and implement BMP ordinances that use compost. |<br>

Notes: The following are some principles and activities that emerged from the ACP-CMS 1.0 meeting (12/12/03) –
1. If the “Big Four” & IEUA (Los Angeles City, Los Angeles County, Orange County, San Diego and IEUA) adhere to these standards, that would represent
almost 80% of the organics generated, by population, i.e. 14.3 of 18.1 million people in 5 So. Cal. Counties.
2. ACP is designed to be the “Bar Association” of composters.
3. Define compost as different from land application and other soil amendments.
4. Create and maintain an ACP member notebook.

Related Standards:
Other standards that are important to support the marketing standards include:
- **Healthy Soil Standards (Spec & Testing)** – Soil must be constantly tested to see how if it is achieving a “Healthy Soil” standard.
- **Compost Product Standards (Spec & Testing)** – for compost this is becoming the USCC – STA (Seal of Testing Assurance); for biosolids based compost this includes the 503 Class A regulations.
- **Capable Manufacturing Process Standards** – these need to be defined specific for each facility in order to reproducibly deliver the Compost Product Standards
- **Application Process Standards** – these need to be defined specific for each application of compost in order to reproducibly deliver the Healthy Soil Standard.

Building Marketing Standards
ACP members are building marketing standards through a collaborative process that allows them to define the important activities that will build long-term value in compost markets.

Implementing Marketing Standards
Marketing standards can ONLY be implemented by the resource producers, who ARE the market investors. That is –
- Sanitation agencies (districts or departments; whether they are biosolids, yard clippings, manure or food waste), and/or
- Water utilities (districts or departments; whether they are wholesale water, recycled water or drinking water).

The implementation steps include:
1. **Membership**: Have ALL major resource generators/producers in each market region be part of ACP. The “80/20 rule”: we will need 80% of the material being generated to have marketing standards. This will strongly influence the remaining 20%.
2. **Agreement**: Agree that membership in ACP means adhering to the marketing standards and other standards (soil, product, manufacturing and application).
3. **Compliance**: Develop audit systems that determine which members and non-members are adhering to the standards.
4. **Tactics**: Must gather and maintain info required to support each standard (in the “Info and Standards Needed to Actualize” column of the Marketing Standards).