



# **ACRC: Improving the Sustainability of Container Recovery**

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Stewardship

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# Presentation Format

- ACRC program background & status
- The sustainability problem
- ACRC sustainability initiatives
- Looking forward



# The Ag Container Recycling Council (ACRC)

- **What:** A tax exempt corporation formed in 1992 with a not for profit purpose.
- **Funding:** Voluntary by manufacturers and distributors who sell **crop protection products** in **HDPE containers**
- **Objective:** **Collection** and **recycling** of one-way HDPE crop protection and other specialty pesticide containers in a **cost effective manner**.



# ACRC Regular Members 2007

- Arysta LifeScience
- AMVAC Corp.
- Bayer Crop Science
- BASF Corp.
- Becker Underwood, Inc.
- Cerexagri, Inc.
- Certis USA
- Cheminova, Inc.
- Chemtura
- Dow AgroSciences, LLC
- DuPont Crop Protection
- FMC Corp.
- Gowan Co.
- GROWMARK, Inc.
- Helena Chemical Co.
- KMG Chemicals, Inc.
- Makhteshim-Agan, NA
- Monsanto Co. Crop Protection
- Nichino America, Inc.
- Nufarm
- PBI-Gordon Corp.
- RiceCo, LLC
- SePRO Corp.
- Sipcam Agro USA
- Syngenta Crop Protection
- United Phosphorus, Inc.
- Valent USA Corp.
- Valent BioSciences
- Wilbur Ellis Co.



# ACRC Affiliate Members 2007

Cimarron Label

Cousins-Currie, Ltd.

Hedwin Corporation

Lee Container

Murray Equipment, Inc.

Pretium Packaging

Reliance Products

Rieke Corporation

Ring Container Technologies

# Member Investment in Recycling

2007	\$ 4.2 million
2006	\$ 4.2 million
2005	\$ 3.7 million
2004	\$ 3.9 million
2003	\$ 3.1 million
2002	\$ 3.3 million
2001	\$ 3.3 million
2000	\$ 3.4 million
1999	\$ 3.3 million
1998	\$ 3.2 million
1997	\$ 2.8 million
1996	\$ 3.3 million
1995	\$ 3.1 million
1994	\$ 2.4 million
1993	<u>\$ 1.8 million</u>
<b>TOTAL</b>	<b>\$ 49.0 million</b>

## Approx. Investments in...

### Collection (84%)

- More than 80 million pounds of plastic containers collected and recycled to date.

### Research (5%)

- Safely clean empty containers.
- Safely handle and process plastic.
- Suitable recycled products to manufacture.
- Ensuring public health and safety.

### Program Administration (7%)

- Administration
- Collection program oversight

### Outreach (4%)

- Education and training
- Collection program promotion
- Partnership building



# The Problem!

**Non-member companies receive the full benefit of ACRC programs at no cost!**



# Sustainability

*A smart way of doing business, one demanded by a global economy.*

*Creating a better quality of life for all people, now and for generations to come, and using the planet's resources at a rate at which nature is able to replenish those resources.*



# Improving Container Recovery Sustainability

= Equitable cost sharing +  
improving cost effectiveness



# Sustainability Requires a Level Playing Field!

- 28 ACRC members cannot continue to pay for an industry wide program.
- ~50 % of the plastic being recycled is from companies who are not ACRC members
- Comprehensive efforts to get non-members to pay there fair share have not succeeded
- A regulatory solution is needed to obtain the industry wide participation required for long term sustainability



# Equitable Cost Sharing = Addressing the “Fairness Issue”

- **Premise:** The cost of recycling programs should remain the responsibility of registrants.
- **The Solution:** An **EPA federal rule** that requires registrants to participate in an EPA recognized recycling program
- **ACRC** is cooperating with **EPA** in development of a **recycling rule**



# Improving Cost Effectiveness

Given any level of funding:

Improving cost effectiveness

=increasing benefit/cost to members

***“Getting more for their money”***



**COLLECTION**



**INSPECTION**

**ACRC**

**Program**



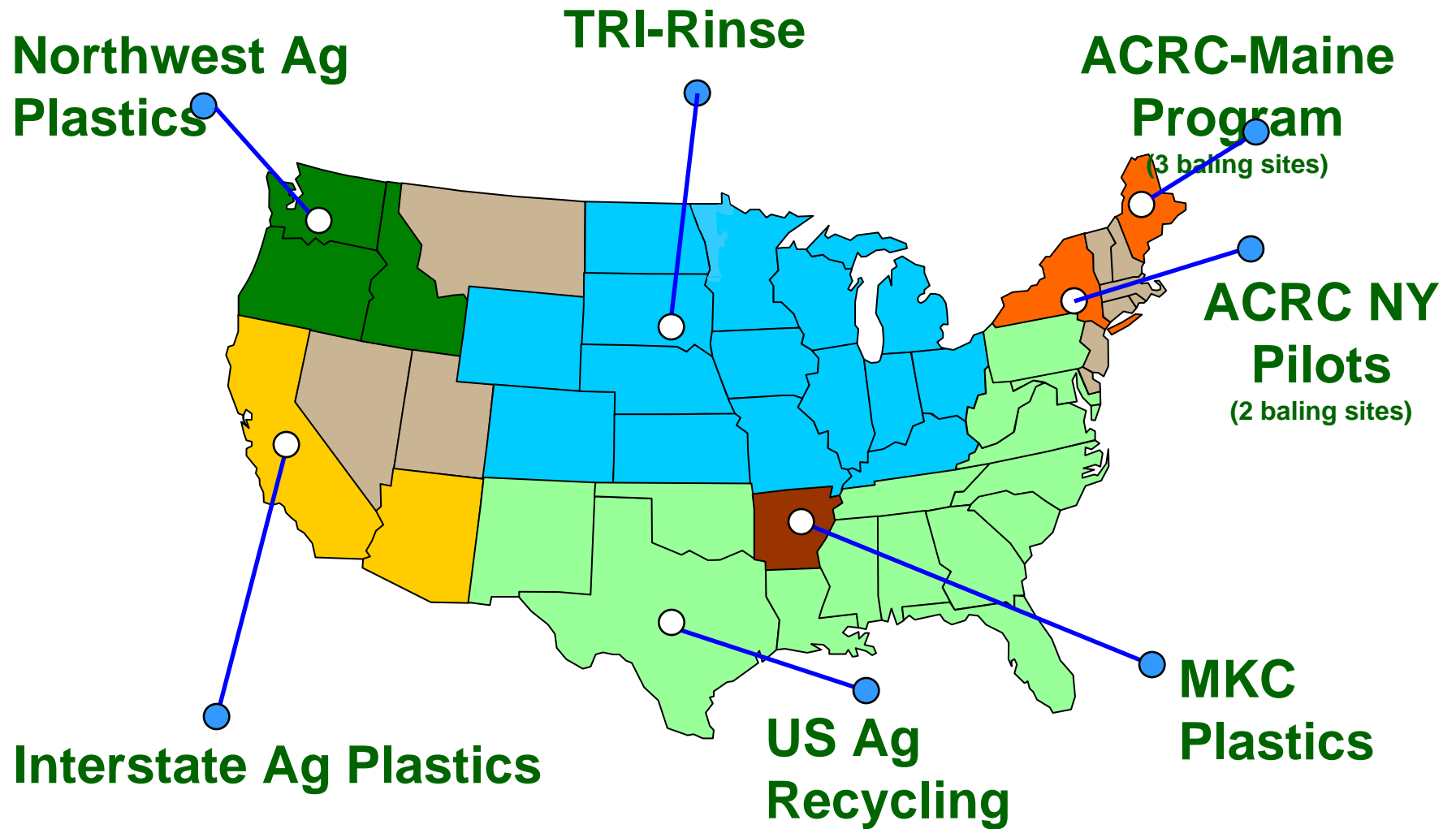
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**GRANULATION**

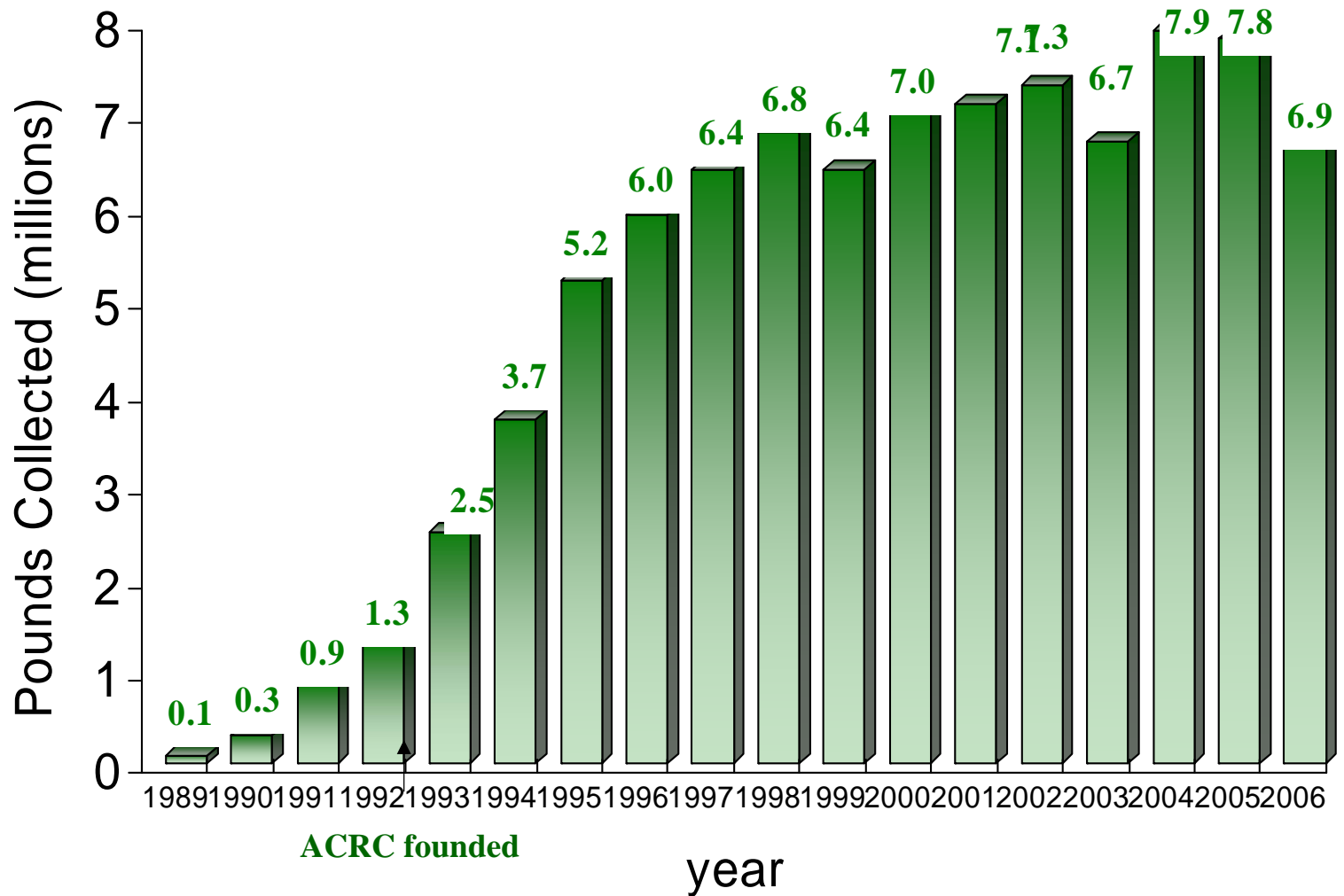


# ACRC Container Recovery Program





# Container Recovery (1989-2006)





# Addressing Cost Effectiveness

- ✔ Full time ACRC Executive Director
- ✔ Streamlined ACRC Board oversight
- ✔ Implemented competitive service procurement process
- ✔ Implemented strategy to address the “fairness issue”



# Full time Executive Director

***“To improve the operational efficiencies of the ACRC”***

- ✔ Increase contractor oversight; reporting requirements
- ✔ Aggregate and analyze collection & recycling data
- ✔ Cultivate competition for contracts; *“market price”*
- ✔ Evaluate alternative equipment and business models
- ✔ Optimize cost effectiveness of NY & ME pilot programs
- ✔ Identify additional end uses/users for recovered plastic



# The Present Model





# The Future?





# Streamlined Board Oversight

- ✔ New by-laws: All Board Members
  - Elect 9 member Executive Board
  - Approve budget and bylaw changes
- ✔ 9 member Executive Board
  - Full authority to oversee program
- ✔ Succession plan now ensures leadership continuity
  - 2007 Johnny Berry, Syngenta
  - 2008 Doug James, Monsanto



# Competitive Service Procurement Process

- ✔ Cultivate competition for contracts; e.g. obtain the “*market price*”
- ✔ Formal negotiations with viable competitors
- ✔ Share revenue from sale of plastic
- ✔ Include fuel adjustment clause to reduce contractor risk
- ✔ State specific service requirements



# Going Forward

- 93% of 2006 ACRC members committed for 2007
- ACRC to maintain flat budget in 2007
- Ability to collect > 8.0 mm lbs
- Additional identification & implementation of **cost saving initiatives**
- ACRC will investigate costs/benefits of **“members only” collection**



**Questions ?**

**Comments?**