

# Are Recycling Marketing Cooperatives Still an Effective Option for Rural Systems?

In the 1990s and early 2000s, many non-profit recycling organizations in the US and Canada operated cooperative networks developed to maximize potential and minimize costs. Over 60 of these “coops” focused on brokering recyclables collected by their members. This focus varied in terms of number and type of members served, materials accepted, and range of services. Many of us may remember coops that are no longer in business (think the Long Island Cooperative Marketing Program, the Recycling Marketing Cooperative for Tennessee, and the Southwest Public Recycling Association). Some of these and others like them could not continue to attract brokers and/or haulers during the cyclical economic downturns. More recently, other coops have struggled providing the solution to a problem that is disappearing (such as those that focus solely on source-separated materials).

The New Mexico Recycling Coalition (NMRC) also operated a rural marketing cooperative (Rural Recycling Resources, or R3) between 2012 and 2014. R3 was one of several integrated strategies NMRC undertook to help achieve access to recycling by more than 80% of the state. It’s this overall success that ultimately led to the closing of R3’s doors. The aggregation of increasing recyclable tons through a well-implemented hub and spoke network eventually attracted more processing competition to the state, giving communities new processing and end use outlets. Single-stream also has become more established in the urban areas, increasing options for rural recyclers. Today, many of NMRC’s previous “customers” are successfully marketing and brokering their own materials. (Next door in Colorado, we watch all of NMRC’s successes with great interest.)

There are a few coops that are still helping rural and urban members sell their recyclables. The Maine Resource Recovery Association (MRRRA) has marketed source-separated materials for over two decades—moving over 15,000 tons per year. A majority of MRRRA’s 170 members have used these services. In recent years, however, staff have watched some members begin collecting single-stream recyclables (which the coop does not broker) and the demand for this service decrease. Even though MRRRA is not totally reliant on coop fee revenues, the organization is expecting this trend to continue and has proactively developed a strategic plan to find new revenues and ways to continue providing value to its membership.

The Cooperative Teamwork & Recycling Alliance (CTRA) has operated a successful recyclables marketing cooperative in Texas for 21 years. Like MRRRA, CTRA also targets rural, multi-stream programs. The organization provides equipment guidance and grant writing; coordinates transportation; and markets traditional recyclables, batteries, and electronics. The sole source of CTRA funding is a brokerage fee equal to 10% of net revenues earned by members. Because of a revenue-share system in which both parties benefit from low transportation costs and high market pricing, members are assured that CTRA is driven by their best financial interests. Today, CTRA has 60 members that represent over 500 private, public, and non-profit entities, and diverts nearly 7,000 tons of material annually.

The Northeast Resource Recovery Association (NRRRA) has been active since 1981 and has one of the most expansive marketing cooperatives. Serving 400 members in six New England states, the organization

brokers over 80,000 tons per year of source-separated and single-stream recyclables, MSW, HHW, C&D debris, electronics, and other materials. NRRRA uses a well-established system of member contracts, vendor approvals, and pricing negotiations. Despite this structure, staff are nimble enough to stay on top of dynamic markets and savvy enough to maintain good relationships with both their member/suppliers and vendor/buyers. NRRRA keeps vendors interested in a three-party system by marketing their services to members and reducing their administrative burden (the organization conducts all billing). Because member marketing costs do not vary with revenues earned, the organization has weathered the fickle economy well. Because it can broker any reasonably marketable waste commodity—and operates in a region with some landfill haul/tip fees as high as \$90, to \$130—NRRRA expects to serve its suppliers and buyers for the foreseeable future.

To my mind, these coops demonstrate important “abilities” that have helped foster their own longevity and provide replicable models for the rest of us to consider:

- *Breadth and flexibility in meeting member needs:* In addition to materials brokering, many recyclers need their coop partners to help them decide whether to stick with source separation or jump on the single-stream bandwagon, to design efficient “spokes”, to assist in communicating with the public, and more. Additionally, being able to provide market expertise and accommodate new material commodities is key in an industry whose players, pricing, and needs change faster than I can type. In other words, staying relevant is as much the name of the long game as tonnage.
- *Providing tangible benefits to both suppliers and buyers:* All of these non-profits provide their members with marketing skills most local governments and small businesses don’t have—they are also reliable partners who won’t go out of business or relocate when markets tank (or stay tanked, as the case may be). But keeping processors interested in a three-party system through a combination of consistent financial benefits and trust is also critical to bringing (and keeping) all parties at the table.
- *Diverse funding sources:* Most of these organizations have multiple revenue sources (base membership dues, conference registrations, grants, equipment sales, etc.). This diversity allows the organizations to reliably pay marketing revenues and keep both members and vendors “whole” and recycling over the long-term.

Many rural recyclers don’t generate enough materials to cover long-haul costs or attract the attention of end users. Many more don’t have the resources to maintain sustainable operations or negotiate the erratic secondary materials market place. A regional, non-profit third-party cooperative can be a strategic part of making grass-roots diversion robust enough to turn the current diversion-to-disposal ration on its ear. **MSW**

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