



# **A Case Study of A Voluntary Product Stewardship Program**

*Ron Perkins*

*ACRC Executive Director*

**Ninth Annual Working Conference on Pesticide  
Stewardship**

**Albuquerque, NM**

**February 23, 2009**



# The Ag Container Recycling Council (ACRC)

- **What:** A **non-profit corporation** formed in 1992 to facilitate and manage the collection and recycling of **one-way** HDPE crop protection and other specialty pest control containers in a cost effective manner.
- **Funding:** **Voluntary** by agricultural crop protection product **manufacturers and distributors** who sell crop protection products in HDPE containers



# ACRC Members: 2009

- Arysta LifeScience
- AMVAC Corp.
- Bayer Crop Science
- BASF Corp.
- Becker Underwood, Inc.
- Certis USA
- Cheminova, Inc.
- Chemtura
- Dow AgroSciences, LLC
- DuPont Crop Protection
- FMC Agricultural Products
- Gowan Company
- Helena Chemical Co.
- Makhteshim-Agan, NA
- Marrone Organic Innovations
- Monsanto Co. Crop Protection
- Monterey AgResources
- Nichino America, Inc.
- Nufarm
- RiceCo, LLC
- SePRO Corp.
- Sipcam Agro USA
- Syngenta Crop Protection
- Tenkoz
- United Phosphorus, Inc.
- Valent USA Corp.
- Valent BioSciences
- Wilbur-Ellis Company



# ACRC MISSION STATEMENT

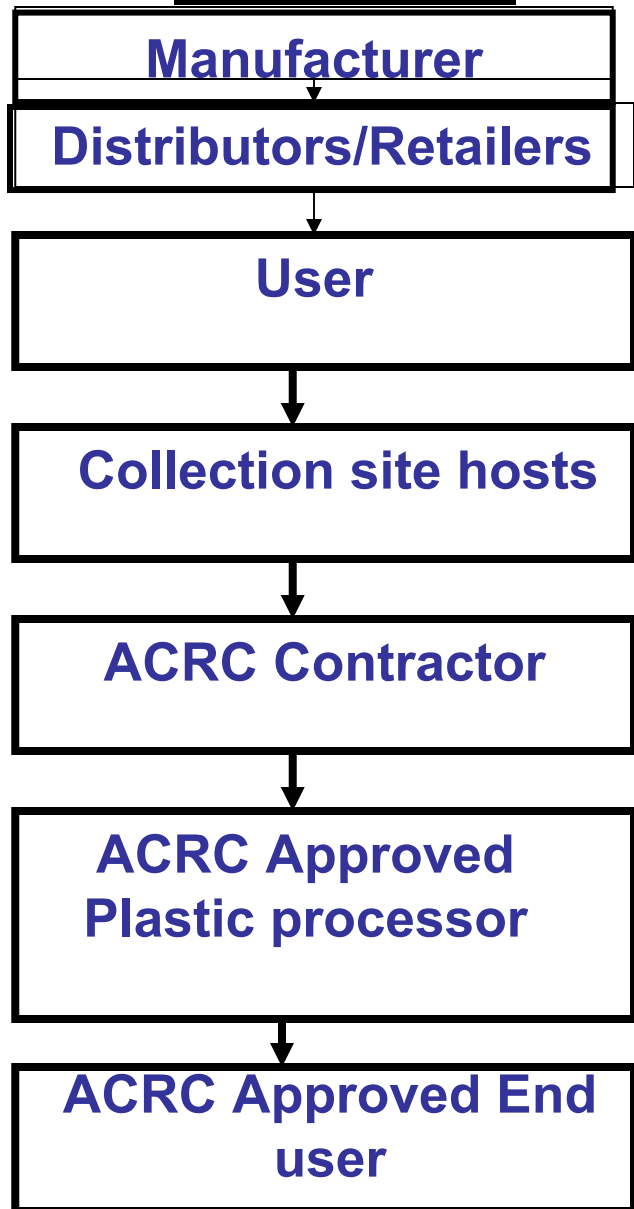
*The mission of the ACRC is to facilitate the collection and recycling of one-way rigid HDPE plastic agricultural crop protection, specialty pest control, micronutrient/fertilizer, and/or adjuvant product containers through **member funding of cost effective programs** that foster public health and safety, environmental protection, resource conservation and end user convenience.*



# Program Uniqueness

- Voluntary; probably 1<sup>st</sup> in nation
- Containers are a package: not a “product”
- Not a public consumer good
  - Not a general public “demand” for recycling
  - Smaller universe of consumers
- Fee to recycle
  - Small % of package cost

## Plastic Flow



## ACRC ROLE/RESPONSIBILITIES

**Solicits as members**

**Education on cleaning and program**

**Promotes participation  
Education on cleaning**

**None**

**Funds contractors & administers compliance with terms**

**ACRC identifies and approves**

**ACRC identifies and approves**

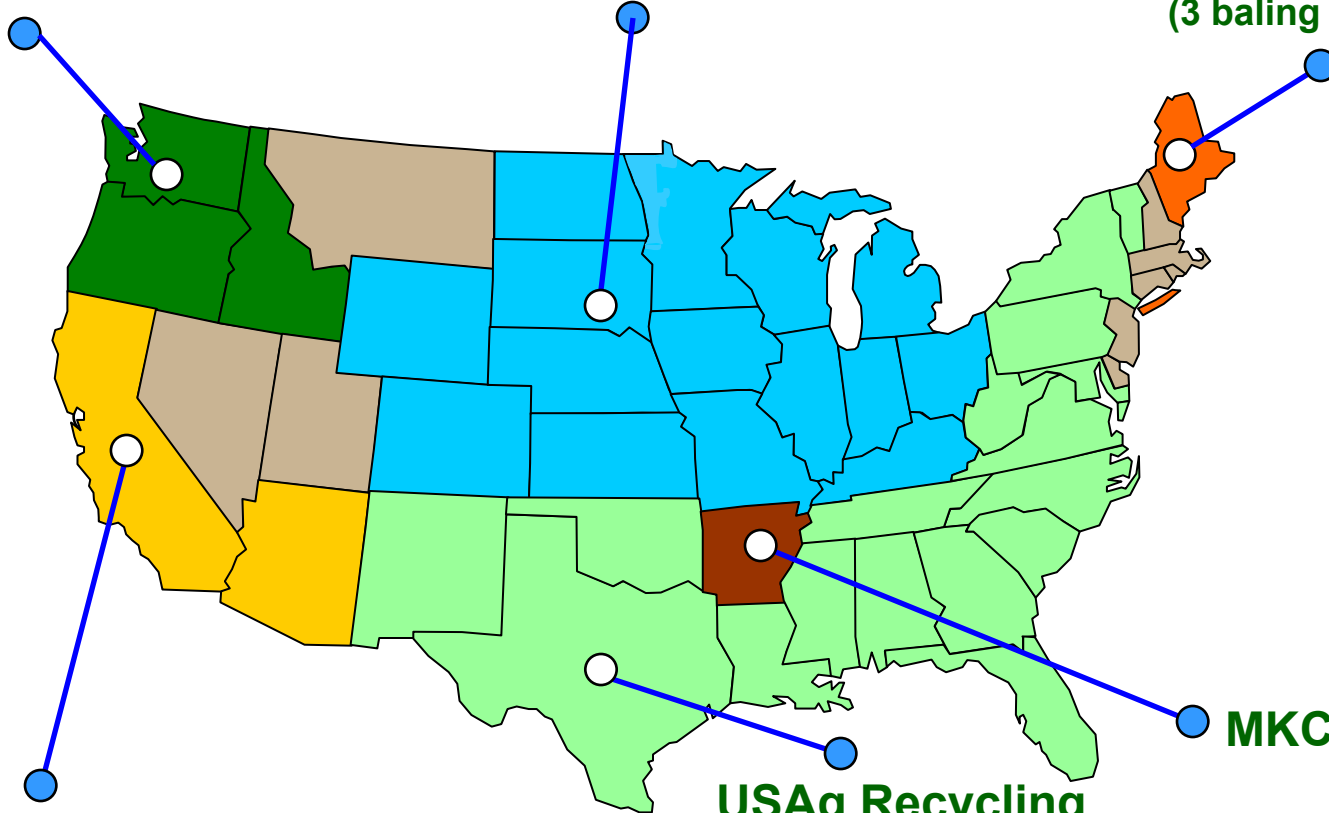


# ACRC Collection Program

Northwest Ag Plastics

CSN, LLC

ACRC-Maine Program  
(3 baling sites)

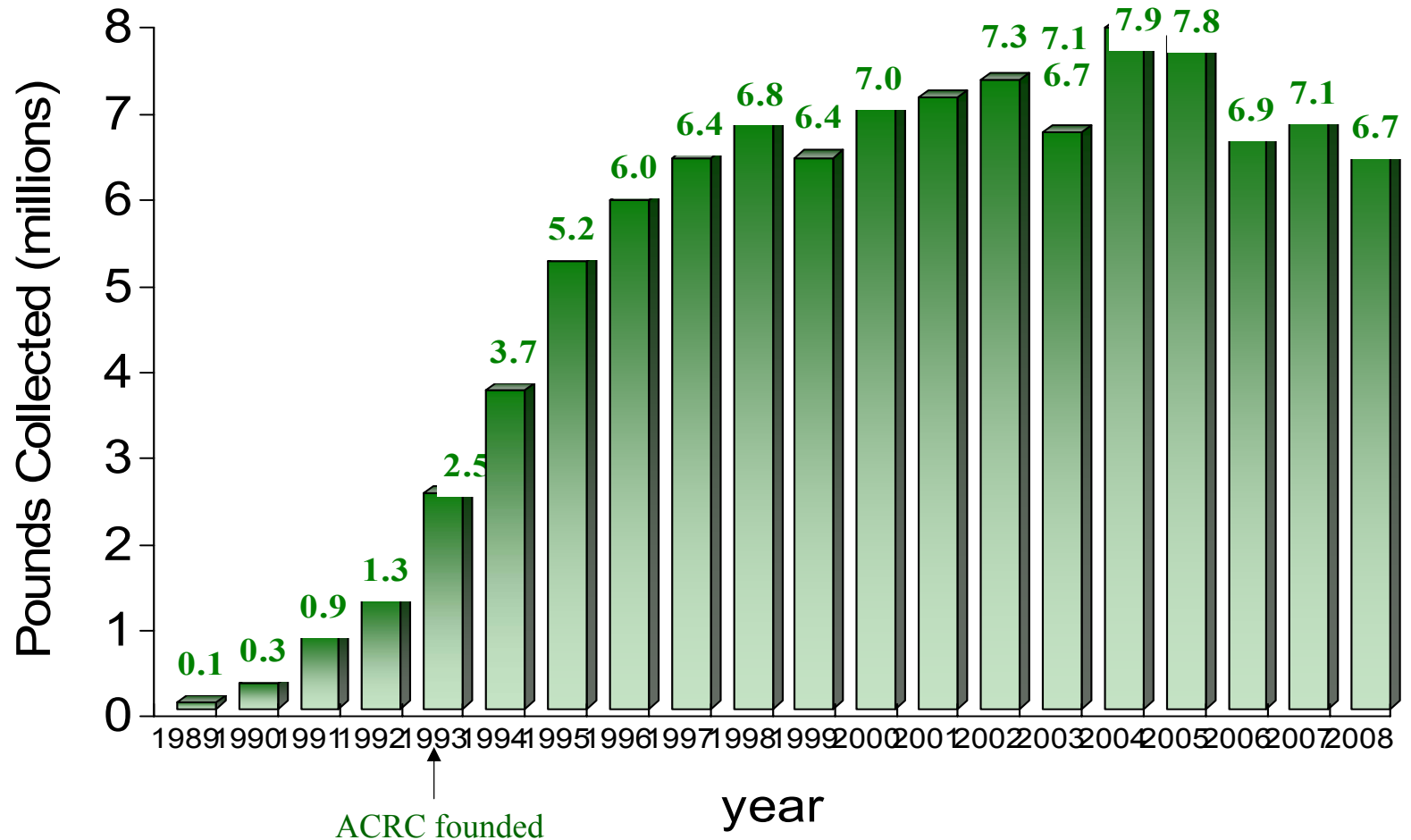


Interstate Ag Plastics

USAg Recycling

MKC Plastics

# Pesticide Container Recovery (1989-2008)







# Producer Responsibility Organization (PRO) Elements

- Funding Mechanism
- Funding Approach
- Fee Collection Point
- Fund Consolidation point
- Fund Oversight
- Fund Management
- Program Oversight
- Program Operation



# ACRC Funding Mechanism

Means by which funding is obtained

- Tax
- **Fee**
  - **Invisible**
  - Visible



# Funding Mechanism-ACRC

- **Invisible fee**

- Small % of product cost
- Internalized cost through market forces
- Minimizes work for supply chain



# ACRC Funding Approach

Way that funding is implemented

- Mandatory
- **Voluntary**



# ACRC Funding Approach

- **Voluntary**

- Pros

- More flexibility without prescriptive government mandate

- Cons

- Relatively weak demand for recycled product yields low incentive for all industry members to join
- “Free rider” problem results in reduced competitiveness
- ACRC members share costs; industry shares benefits



# ACRC Fee Collection Point

Where funds are derived

- **Point of manufacture (POM)**
- **Point of sale**
- **Point of disposal**



# ACRC Fee Collection Point

- **Point of manufacture (POM)**

- **Benefits**

- ✓ Known cost/unit based on production rather than recycling
- ✓ Minimized burden on supply chain stakeholders
- ✓ Customer friendly

- **Challenges**

- ✓ Stakeholder understanding/"buy in" on recycling is lost
- ✓ No economic incentive for user to recycle



# ACRC Fund Consolidation Point

Entity that receiving funds

- **PRO**
- State Government
- Producer
- None





# ACRC Fund Consolidation Point

- **PRO**

- **Benefits**

- ✓ Reduced government oversight and costs
    - ✓ Economies of scale



# ACRC Fund Oversight

Entity that ensures proper usage of funds

- Government
- **PRO**
- Producer
- None



# ACRC Fund Oversight

- **PRO**
  - Reduced overhead costs
  - Develop more efficient methods
  - “Transparency” issue precluded by annual audits



# ACRC Fund Management

Entity that manages administrative duties

- Government
- **PRO**
- Producer
- None



# ACRC Fund Management

- **PRO**
  - Motivates efficiency
  - Reduces overhead



# ACRC Program Oversight

Entity that establishes processes and procedures

- State Government
- **PRO**



# ACRC Program Oversight

- **PRO**
  - Benefit
    - Sales data allows more efficient tracking of effectiveness
  - Challenge
    - Program success not transparent or verifiable without government role



# ACRC Program Operations

Entity which carries out program activities

- PRO
- Private companies
- Local government
- Publicly funded entity
- **Combination**





# ACRC Program Operations

- **Combination**
  - Collection sites
    - Ag retailers
    - Pesticide applicators
    - Growers
    - Landfills and recycling centers
  - Collection
    - Private entrepreneurs
  - Processing
    - Existing plastic processors
  - End users
    - Existing manufacturers



# Implementation Recommendations

- Select a business model & success criteria
- Participation correlates with access
- Educate broadly before program starts
- Approve end use/users of material
- Detailed reporting of sources/quantities
- Communicate with & cultivate state participation
- Cultivate competition for service contracts
- Adequately fund and implement promotion
- Know and maximize benefit to customers



***Thank you!***

**[rperkins@acrecycle.org](mailto:rperkins@acrecycle.org)**

**[www.acrecycle.org](http://www.acrecycle.org)**

**877 952-2272**