

TITLE of PROJECT: An Evolutionary Analysis of the “Organics Recycling” Industry in the U.S.

RESEARCH BY: Danika Frisbie

ABSTRACT

Scholarly research related to the controlled degradation of organic materials is primarily focused on improvements in process efficiency, and exploring potential functions products resulting from the process. The surge of large-scale composting facilities and biogas plants in the United States in the past two decades has fueled this area of academic interest, but there remains a lack of research on the industrial organization of firms involved in the field. The purpose of this study is to clarify the murky boundaries of the composting and biogas (anaerobic digestion) industries within the U.S., and to analyze how—or if—these seemingly distinguished industries will continue to co-exist as separate entities in the evolution of how the U.S. manages organic waste.

Reviews of the history of waste management in America and of critical U.S. environmental legislation of the 80's are used as a foundation for understanding the industry's emergence. Four unique case studies identify common challenges and modes of business amongst current types of stakeholders in order to generate characteristic profiles of potential industry players. Finally, parts one and two are synthesized and applied to a modern template for dynamic industry analysis, ultimately framing a comprehensive suggestion of how the current evolutionary path of the organics recycling industry stands. The proposition alludes to an inevitable convergence of currently distinguished composting and biogas industries into a single “organics recycling” industry. It also suggests that mid-sized players in this industry will not survive.

This study has major implications for the decision-making processes of incumbent firms in both the composting or biogas industries (both on-farm and off-farm), and also for firms looking to enter.