

How Much Potential Revenue Are New Yorkers Wasting by Trashing Organics?

The Department of Sanitation recently halted the expansion of its voluntary residential organics collection program. Low participation rates in neighborhoods receiving the service have kept the cost per ton collected high. Curbside collection of food scraps and other organic waste will continue for the 3.5 million New Yorkers in participating neighborhoods and the Mayor has included nearly \$10 million in additional funds in his latest budget plan—on top of the roughly \$20 million already budgeted—to support the program in those communities for the rest of this fiscal year. No neighborhoods will be added, however.

In fiscal year 2017 there were just over 1 million tons of organic waste in the city's total residential waste stream. Only a scant 1.7 percent of organic waste was recycled—either through the city's residential collection program or at drop-off sites throughout the city. Markets for processed organics exist, but before the city can generate revenue, New Yorkers need to sharply increase the amount of organics they recycle.



- The city recycles organics either via composting or in the Department of Environmental Protection's anaerobic digesters as part of a pilot program to create renewable energy. Currently, the city gives away some of the compost for free at a yearly event where residents may take up to 400 pounds per person. The city also sells some of the compost to landscapers with proceeds budgeted at \$50,000 for 2019.
- If the city were to capture and process all 1 million tons of organic waste, as much as 500,000 tons of compost could be produced every year. Based on the price of \$10 per cubic yard that the sanitation department currently charges for compost, this would be worth an estimated \$12.5 million for use in landscaping and farming.
- If the city devoted its organic waste to producing biogas to generate electricity, it could produce an estimated \$22.5 million per year in revenue based on a wholesale electricity price of \$0.04 per kWh.

While the value of the city's organic waste will likely never offset the cost of processing or collecting organics, there is real value in what the city throws away. If the organics program can establish itself and lower costs by increasing the volume collected and processed, these funds can help defray costs, while making New York City more sustainable.

SOURCE: New York City Department of Sanitation

Share on



Prepared by Daniel Huber
New York City Independent Budget Office