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Grease: Worth Its Weight in Gold?

Biodiesel producers aren't the only ones feeling the sting of high feedstock prices. As the cost of biodiesel feedstocks increases, grease thieves have started to take notice. Grease thefts are on the rise across the country.

by Kris Bevill, Biodiesel Magazine staff writer / Story and Photos

Mark Rosenzweig, owner of San Jose Tallow, was driving home through suburban San Jose, Calif., one mid-April day when he noticed a pumper truck pulling into a shopping center. He was immediately suspicious. Rosenzweig knew the only eatery in that center was a Burger King because he held the contract for grease removal. "I followed him until he pulled into the Burger King where I watched him steal the grease," he says.

Rosenzweig is no stranger to grease theft. "It's a common problem out here," he says. He told Biodiesel Magazine that in one week during the month of June his workers came across four empty grease bins at various locations. "Somebody's still out there stealing," he says and adds that the problem has only gotten worse as the wholesale price for grease has gone up. "Ten years ago we couldn't give this stuff away and we were charging to pick it up and now all of sudden people are stealing it. It's gone full circle."

Rosenzweig suspects the thieves are a combination of home brewers and commercial operators. "I don't think the home brewers are hitting it as much as some of the new start-up bio-companies," he says. It's hard to tell who is responsible for the thefts because once it's gone, grease is hard to track. Rosenzweig reports all of his company's theft experiences, but that's pretty much where the investigation ends.

It was a combination of luck and intuition that led Rosenzweig to follow the strange pumper truck that April day, which ultimately led to the truck driver's arrest after Rosenzweig called the police. "What's really funny is I had a hard time convincing the police department that it was a crime," he says. "They had no idea that it was against the law." A former law enforcement official himself, Rosenzweig had to explain to the police officers what sections in the vehicle code were violated before they could arrest the alleged grease thief.

The National Renderers Association consists of 49 member companies that represent about 95 percent of the rendering capacity in the United States and Canada. Association President Tom Cook told Biodiesel Magazine that grease theft has most certainly been a problem for several of its members. "It is on the rise," he says. "It is [happening] just about

everywhere.” Cook confirms that the rising price of grease, plus an increase in the number of people trying to make their own biodiesel are factors in the increase in theft incidents. “I think some people are just out there to steal and I think some people just don’t realize that it’s a valuable commodity that’s sitting in the back alley behind a restaurant,” he says. “It’s not something just for the sake of taking. But some people think they can.”

Baker Commodities Inc. is one of the oldest rendering companies in the country and has always had to deal with a certain amount of theft, according to company Vice President Dennis Luckey. However, “there’s no question that it’s increased now with the value of yellow grease being where it is,” he says. It’s hard for him to say who the main culprits are behind the rise in theft, but Luckey says “smaller biodiesel interests” are certainly adding competition to the market.

Baker Commodities offers its services in the Northeast and on the West Coast, but Luckey couldn’t say if one part of the country deals with more theft than others. “Certain areas of the country have always had theft,” he says.

Deterring Grease Thieves

Restaurant owners have to become more engaged with the grease collection process and pay more attention to who has their hand in the “cookie jar,” so to speak, to reduce the number of grease thefts. Cook says more vigilant restaurant owners and/or managers will help alleviate the problem, and as the price goes up they should pay more attention to the fact that there is something valuable in their collection bins. According to Cook, some rendering companies have formulas to determine how much restaurants get paid for their yellow grease, depending on the finished product.

Luckey says they will, for the most part, continue to leave preventative work up to the restaurants. “We’re hoping the restaurants will start to take a bigger interest now that in most markets these places are being paid for it,” he says. “Its value is lost to them now and we’re hoping they’ll pay more attention to it, try to secure it better and be more proactive when it comes to reporting thefts.” Because of rising demand and high wholesale prices, Baker Commodities now pays most of its accounts for their used grease.

Rosenzweig says he asks the restaurants he works with to keep an eye on their grease bins, but restaurant owners have other things to do besides watching out for someone stealing what they deem is garbage. Most of the grease he collects, he gets for free, so restaurants don’t tend to care who takes it, as long as the bin is empty when it’s supposed to be, he says.

As far as prosecuting criminals goes—Baker Commodities tries, but it is difficult. The company places locks on its bins, but drivers sometimes find the locks have been broken, allowing the thief access to the grease inside. The company has considered doing investigative work to track down the thief in some instances. Cook agrees that prosecution is difficult and suggests that law enforcement isn’t even really aware of the problem, adding that “it doesn’t hit high on the priority list of some of these people.”

Therefore, perhaps precautionary measures on the part of the collection company are needed to most effectively prevent theft.

Rosenzweig has started padlocking its accounts’ grease containers again. They had padlocked

their containers in the past, but stopped because the locks were expensive. It seems that now that it is a small price to pay compared with the money lost when product is removed by thieves.

Cook isn't sure about the practicality of using padlocks on bins as far as the restaurant workers are concerned. As an alternative, he knows of one instance where the rendering company has provided containers that can actually be placed inside the restaurant, as opposed to out back where anyone can help themselves. "Renderers are fairly entrepreneurial and they're competitive," he says. "If it gets to be more serious than it is, they'll find ways to overcome."

The Producers

Theft can be doubly hard for biodiesel producers because companies collect their own yellow grease as well as purchase some from collection companies. Gonzales, Calif.-based Energy Alternative Systems Inc. is one of San Jose Tallow's biggest customers. Richard Gillis, EASI president and chief executive officer, says for biodiesel producers it comes down to knowing the supplier and trusting them. Gillis says it's common for his company to get calls from someone claiming they have thousands of gallons of grease to sell. "We want to know who they are, where they are and where they got it," he says. "If we're uncomfortable, even a little bit, we won't buy anything. We don't deal with folks we're not familiar with."

Joe Gershen, vice president of sales and marketing at Tellurian Biodiesel in southern California, says they have not yet been directly affected by grease theft. He points to a correlation between increasing reports of gasoline theft and grease theft to produce biodiesel as a possible sign of the times. However, Tellurian works closely with Baker Commodities and he agrees that grease theft is becoming a problem for the industry. Home brewers taking grease for personal use has been an issue for some time, but, the emergence of more organized groups petitioning restaurants for their yellow grease is beginning to surface as the real issue. "[They] are trying to develop a green appeal to restaurants who want their used cooking oil to go to a good environmental use, which is not a bad thing, in and of itself," Gershen says. However, collection companies have already been working with biodiesel companies for some time, so the grease is often already going toward a good end-use and restaurants may not realize that, he says. "The rendering industry are the original recyclers and don't get the credit they deserve for that contribution," Gershen says.

Another concern for restaurants that decide to deal with a new, lesser-known company is the possibility of a no-show. Tellurian fields several calls each month from restaurants that have full grease bins on a Friday afternoon because the collection company they chose to use either stopped showing up or had consistency issues with pick-up dates, Gershen says.

The end result is that as prices continue to increase for both bulk grease and fuel, theft incidents will increase. Collection companies and biodiesel producers need to take measures to operate consistently and to educate grease providers in order to protect their product.

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