



# Enabling Composting at Scale

Policy Drivers for Composting Infrastructure and Compostable Packaging Acceptance

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# Overview

Compostable packaging plays a key role in realizing a circular economy in the U.S. Certified compostable food packaging provides measurable benefits to composting processes and is an indispensable tool for diverting food scraps from landfills and incineration.

Composting organic waste is central to achieving climate and materials-management goals. Redesigning non-recyclable, non-reusable, food-associated packaging to be compostable not only diverts food-soiled materials that would otherwise contaminate recycling streams, it also makes participation in composting easier and reduces common contaminants in the compost stream.

*35.9% of the U.S. population has access to drop off or curbside collection for wasted food...*

A large share of food waste is generated in contexts where packaging is present (e.g., foodservice and events), making separation from conventional plastics difficult. Compostable packaging offers a practical solution for heavily food-contaminated items that are not recyclable. Allowing food and its associated packaging to be collected together improves organics capture, reduces contamination, and increases the efficiency and quality of composting operations. When paired with robust access to composting infrastructure, clear labeling, and acceptance standards, certified compostable packaging strengthens the entire organics recovery system and creates a reinforcing cycle that advances both compost quality and packaging circularity.

Realizing these benefits requires deliberate policy design to expand composting infrastructure and ensure acceptance of food scraps and compostable packaging at scale.

Policies written to this end have already been adopted in certain states and municipalities with positive results. According to the Sustainable Packaging Coalition, approximately [35.9% of the U.S. population](#) now has access to drop-off or curbside collection for food scraps (a significant increase from 27% in 2020) as more states and municipalities work toward organics-diversion goals.

## Key Takeaways

- Compostable packaging plays a targeted, complementary role in a circular system—enabling the recovery of food waste and managing food-contaminated materials that are not suitable for recycling.
- Expanding access to composting infrastructure is essential to realizing these benefits—requiring sustained investment, supportive policy, and coordinated system design across collection, processing, and end markets.
- Well-designed policies—such as food waste diversion mandates, funding mechanisms, and procurement standards—can accelerate infrastructure growth and improve participation and material quality.
- Compostable packaging must be explicitly recognized and supported within policy frameworks, including extended producer responsibility (EPR), to ensure it can function effectively alongside recycling and reuse systems.
- Clear labeling, consistent standards, and consumer education are critical to reducing contamination, improving sortation, and ensuring materials are directed to the appropriate end-of-life pathway.

# Purpose

Target 2 of the U.S. Plastics Pact (USPP) Roadmap calls for 100% of plastic packaging to be reusable, recyclable, or compostable. Target 3 calls on the USPP to support ambitious actions to dramatically increase the recycling and composting rates for plastic packaging in the U.S. The USPP views policy as an integral pillar of change that can enable national progress.

Policy is key to scaling infrastructure to manage organic waste and fully realize the benefits of compostable packaging to divert wasted food. Composting must be supported as a pathway to circularity alongside reuse and recycling in policies being developed, including extended producer responsibility (EPR). Diverting food waste from landfills also delivers significant greenhouse gas benefits, strengthening the climate case for policies that enable compostable systems compatible with compostable packaging. At present, fragmented and inconsistent policy approaches create uncertainty for composters and packaging innovators alike, demonstrating a need for policy guidance.

*Policy is the critical enabler for scaling composting systems—unlocking infrastructure, participation, and the full value of compostable packaging.*

Legislation, regulations, incentives, and other government practices (e.g., updated zoning codes, permitting processes, procurement preferences, and waste classifications for wasted food) can create enabling conditions to expand access to composting services, level the playing field to test and scale composting practices, and provide clear standards that give composters and packaging producers a predictable operating environment.

This document serves as an educational resource for USPP members (“Activators”), policymakers, and advocates, outlining policy approaches to support national progress toward circular economy objectives. As policies and regulations related to composting and packaging continue to evolve, this guidance will be updated accordingly.



Home composting can be a meaningful part of the solution, and there are best practices for local ordinances that support it; however, the primary focus of this document lies in policies driving widespread access to composting infrastructure comparable to recycling at the national level.

Not all policy approaches may be supported by all USPP Activators, nor may all these approaches be the best fit for policymakers in different regions. The most successful states have food-waste diversion goals that explicitly support compost collection programs—via, for example, composting mandates, supportive financial assistance and tipping fee structures, and demand incentives for compost products in high volume applications, such as landscaping or ground cover. Needs assessments provide a structure to appropriately define and articulate the most beneficial mechanisms to support composting expansion.

Companies and organizations are also encouraged to undertake applicable suggestions as voluntary actions.

This is neither legal advice nor an exhaustive list or an endorsement of specific policy proposals. The [USPP Design for Compostability Playbook](#) provides additional discussion on current policies and regulatory considerations for compostable products.

# State & Federal Grants & Loans



Grant programs and favorable loan mechanisms can play an important role in financing compost infrastructure and supporting the collection of food waste. Examples include state-level models such as Massachusetts, where MassDEP’s Sustainable Materials Recovery Program, Recycling and Reuse Business Development Grants, as well as the MA Recycling Loan Fund have provided funding and low-interest loans for composting and organics collection and diversion projects. In addition, landfill surcharges may be levied to generate dedicated funding streams for both recycling and composting infrastructure.

A variety of funding mechanisms are available<sup>1</sup>, including federal and state grants, loans, and mixed mechanism options (see Table 1).

<sup>1</sup>Funding availability is influenced by a variety of factors and may change periodically.

Table 1: Publicly available government and private funding that support composting infrastructure:

| TOPIC                                                            | TITLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | DESCRIPTION                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Publicly Available Federal Funding for Composting Infrastructure | • USDA: <a href="#">Composting and Food Waste Reduction (CFWR) Cooperation Agreements</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Includes resources on CFWR cooperative agreements, how the programs work, eligibility, and examples of ongoing projects                                                                                                                                      |
|                                                                  | • US EPA: <a href="#">Solid Waste Infrastructure for Recycling Grant Program</a> (2023)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | An extensive guide to the grant program; applies to states, tribes, and political subdivisions and includes funding related to Food Loss and Waste Reduction Goals (funded through fiscal year 2026)                                                         |
| Resources on Financing Challenges and Opportunities              | • U.S. Composting Council: <a href="#">Financing Industrial Composting Facilities: Challenges and Opportunities</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | An overview of the types of financing available for industrial-scale composting facilities                                                                                                                                                                   |
| State Programs                                                   | • MA DEP: <a href="#">Recycling &amp; Waste Grants</a><br>• NY DEC: <a href="#">Organics Mgmt. Funding</a><br>• CT: <a href="#">Sustainable CT Food Waste Diversion &amp; Composting Amplifier Fund</a><br>• OH: <a href="#">EPA’s Recycle Ohio Grant</a><br>• MN: <a href="#">Materials and Solid Waste Mgmt. Grants</a><br>• PA: multiple grants ( <a href="#">Ag Innovation</a> , <a href="#">Sustainable Ag</a> , and <a href="#">Urban Ag</a> )<br>• TX: <a href="#">Solid Waste Grants</a><br>• GA: <a href="#">Recycling and Waste Diversion Grants</a><br>• WA: <a href="#">Waste Reduction and Recycling Education Grants</a> | State-level grant and loan programs that support composting, food-waste diversion, recycling infrastructure, and related organics-management projects                                                                                                        |
| Private Initiatives                                              | • <a href="#">Composting Consortium Grant Program</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | From the Composting Consortium, the Center for the Circular Economy at Closed Loop Partners, the US Composting Council, and BPI; open to composters, communities, and nonprofits working on projects to increase food-contact compostable packaging recovery |

# Extended Producer Responsibility (EPR)

Currently, EPR programs provide limited support to composters, including incentives to accept compostable packaging and manage contamination from conventional plastics. Compost facilities that accept packaging may apply to Producer Responsibility Organizations (PROs) for reimbursement under defined circumstances, primarily for equipment and practices aimed at contamination reduction. Future EPR frameworks could:

- Require representation of composters and compostable product manufacturers on EPR advisory boards.
- Include robust consumer education and outreach programs for composting.
- Expand funding for industrial and commercial composting infrastructure beyond contamination control<sup>2</sup>.
- Incorporate composting infrastructure assessments into EPR needs assessments, identifying priority growth areas for collection, processing, education, end markets, and environmental outcomes. See Center for the Circular Economy at Closed Loop Partners' Policy Brief: [Optimizing EPR Through Comprehensive Needs Assessments – A Focus on Compostable Packaging and Composter Engagement](#).
- Establish clear, harmonized criteria for compostable packaging producers and compost producers, anchored in recognized certification standards.
- Deploy eco-modulated fees or prohibitions to incentivize the use of certified compostable packaging where it is beneficial, discourage misleading “look-alike” products, and penalize greenwashing. Fees should be structured within policy frameworks to remain lower than those for non-circular packaging, while ensuring composters are adequately incentivized to collect and process compostable materials.

<sup>2</sup>Multiple jurisdictions have expanded composting capacity alongside contamination reduction efforts, particularly where food waste diversion mandates are paired with infrastructure and market development funding (e.g., CA SB 1383 implementation grants and state-supported composting facility expansions in VT)

*EPR frameworks must explicitly include composting to unlock system-wide impact.*

Such measures would create a stable source of funding for compost infrastructure and ensure accountability across the value chain. For additional detail, see U.S. Composting Council (USCC) and Biodegradable Products Institute's (BPI) joint guidance, [Guiding Principles: Compostables in EPR](#), the Center for the Circular Economy at Closed Loop Partners' guidance, [Designing an EPR Framework to Include Compostable Packaging Recovery](#), and USPP's [Extended Producer Responsibility Position Paper: A Framework for Designing Effective Legislation for Packaging in the United States](#).

# Procurement Requirements for Compost



Public-sector and private-sector procurement standards can stabilize demand for compost. Governments at municipal and state levels can prioritize compost use in landscaping, erosion control, and green infrastructure projects (parks, highways, stormwater systems). For example, in California, cities and counties have minimum amounts of compost they must purchase every year, and cities and counties in Washington must pass ordinances to prioritize buying locally made compost when possible.

Corporations can adopt similar policies for landscaping and post-construction use. For additional detail, see the Center for the Circular Economy at Closed Loop Partners' policy brief, [Expand Compost Markets and Build Healthier Soils](#).

## *Procurement creates stable demand—the missing link in compost system viability.*

Municipalities that separately collect food waste and accept compostable packaging should require compost operators to meet defined operating conditions that enable effective processing. Facilities that demonstrate alignment with these conditions—such as those outlined in the Closed Loop Partners' report on compostable packaging disintegration or ASTM field test methods incorporating operating conditions from the CREF Composting Handbook—can serve as a useful benchmark. Including these requirements in procurement contracts helps ensure that accepted compostable packaging is managed by facilities equipped to process it successfully.

# Procurement Requirements for Compostable Products

Where compostable products are accepted by available compost services, procurement requirements can prioritize compostable products at public events, stadiums and entertainment venues, in offices, and across retail. Examples include compostable produce stickers, compostable bags, and compostable foodservice ware, all of which facilitate diversion of wasted food and minimize contamination. SB 1335 is an example of procurement leadership: [Sustainable Packaging for the State of California Act of 2018 \(SB 1335\) - CalRecycle Home Page](#).

Procurement and compost acceptance criteria should be grounded in the quality of finished compost. While some states reference frameworks like the National Organic Program (NOP), organic agriculture represents only one of many important end markets. A resilient compost system depends on serving diverse uses—from agriculture with varying nutrient needs to transportation projects, green infrastructure, sports fields, and brownfield remediation—each with its own specifications.

Aligning acceptance criteria with output-based standards allows composters to produce the right compost for the right market and ensures that products meeting established compostability certifications (such as BPI or TÜV) are evaluated on their actual behavior in composting systems. States can support strong diversion and healthy end markets by decoupling compostable packaging acceptance from NOP eligibility and instead focusing on the full range of market needs.

<sup>3</sup> These states have enacted food-waste diversion policies that require large generators to separate food scraps from disposal and direct them toward higher-value pathways such as donation, composting, or other forms of organic recycling. While the specific mechanisms vary, ranging from phased landfill bans and mandatory organics recycling requirements to large-generator thresholds and edible food recovery provisions, they collectively establish obligations for diverting organic waste from disposal.

# Landfill Bans, Diversion Mandates, and Mandatory Composting



Landfill bans and food waste diversion requirements, such as those adopted in [Vermont](#), [Maine](#), [California](#), [New York](#), [Washington](#), [New Jersey](#), [Rhode Island](#), and [Massachusetts](#)<sup>3</sup>, can significantly expand composting infrastructure and increase acceptance of postconsumer food scraps. These policies also create strong opportunities for compostable packaging, which can help capture additional food waste streams and improve diversion outcomes when paired with compatible collection and processing systems.

*Diversion mandates are one of the strongest drivers of composting system expansion.*

To fully realize these benefits, diversion mandates should define eligibility for compostable packaging based on recognized third-party compostability certifications and demonstrated performance in composting systems. Clear, performance-based criteria ensure that compostable packaging can be recovered alongside food scraps without being limited by frameworks designed for unrelated regulatory purposes. Aligning diversion requirements with compostability standards supports broader adoption, keeps pace with materials innovation, and helps ensure that mandates translate into real increases in organics recovery.

# Local Ordinances that Support Community-Based & Home Composting

Community-based and home composting play an important role in a resilient organics management system. While these operations function at smaller scales and may have limitations in the materials they can process, they expand local capacity, reduce hauling distances, and help build community participation in organics recovery.

Municipalities can support these systems by adopting zoning codes and ordinances that explicitly allow and encourage composting at the household and neighborhood scale. Removing barriers (e.g., outdated zoning classifications, overly complex or unclear permitting pathways, treating small-scale composting as solid waste handling, or nuisance restrictions that prohibit backyard composting) creates space for community-scale operators to thrive.

*Local policy can unlock decentralized composting—expanding access, reducing barriers, and building more resilient systems.*

Local policy can also enable tiered permitting frameworks that distinguish between small, community-based sites and larger commercial facilities. Tiered approaches reduce unnecessary regulatory burdens on low-risk, small-footprint operations while still ensuring environmental protections. These structures make it easier for decentralized composting networks to develop, supporting more flexible and resilient infrastructure than reliance on a small number of large, capital-intensive facilities.



For municipalities and stakeholders seeking model language or best practices, the following resources provide helpful guidance:

- Institute for Local Self-Reliance, in partnership with the Environmental Law Institute (ELI) and the Natural Resources Defense Council (NRDC): [model municipal ordinances](#)
- U.S. Composting Council: [zoning guidance for composting facilities](#)
- Closed Loop Partners' Composting Consortium and BioCycle: [analysis](#) of permitting environments and state-by-state heat map, illustrating how permitting structures affect development of new food-waste composting capacity

# Foodservice Takeout Ordinances

Some cities and counties have implemented ordinances to limit single-use plastics used for foodservice takeout. These ordinances rightly prioritize reduction (e.g., opt-in strategies to receive cutlery, straws, napkins, and condiments) and reuse. They also typically require foodservice items to be either recyclable or compostable in order to reduce contamination and streamline consumer education.

Such ordinances should be implemented only where local facilities can accept compostable packaging, to avoid unintended greenwashing. Items including but not limited to traditional plastic straws, stirrers, and cutlery—which the [USPP has identified as problematic](#) in recycling systems—are strong candidates for compostable alternatives. For additional detail on best practices, see BPI’s [Guiding Principles: Compostable Products in Foodservice Ordinances](#).

Table 2: Advocacy Resources

| TITLE                                                                                                                                                                                         | DESCRIPTION                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Center for the Circular Economy at Closed Loop Partners’ <a href="#">Policy Toolkit: Develop Effective Policy to Keep Food Scraps Out of the Landfill and Scale Composting Infrastructure</a> | Uniform packaging geometries and labeling mechanisms across brands, SKUs, and product categories; brands selling this SKU likely don’t heavily rely on packaging shape for brand identity |
| <a href="#">U.S. Composting Council (USCC) advocacy resources</a><br>• <a href="#">USCC state chapters</a>                                                                                    | Standard packaging design for this SKU and labeling is easy to integrate into existing washing infrastructure (e.g., there are existing wash hubs for reusable packaging for foodservice) |
| <a href="#">Biodegradable Products Institute (BPI) US Policy Work</a>                                                                                                                         | Not widely packaged in lighter weight formats (e.g., flex film); existing single-use alternative is durable to begin with                                                                 |

# Labeling Laws

A national labeling and identification standard for compostable products is needed to minimize contamination and consumer confusion. The USPP’s [Design for Compostability Playbook](#) includes detailed information about the importance of clear on-pack labeling and the process to facilitate it. Some key elements include: clear labeling as “compostable;” clearly-displayed, third-party certification logos; standardized colors and design; penalties for non-certification or misleading claims; and consistent terminology.



Ultimately, the labeling regulations must ensure that:

- compostable products can be distinguished from conventional products;
- the disposal process is clear to consumers; and
- the product ends up in the right collection bin.

For additional guidance, see:

- Center for the Circular Economy at Closed Loop Partners’ Consumer Insights Report: [Unpacking Labeling and Design: U.S. Consumer Perception of Compostable Packaging](#); and Labeling Policy Brief: [Advancing Consistent, Effective Design and Labeling Standards for Compostable Packaging](#), as well as [Navigating Plastic Alternatives in a Circular Economy](#).
- BPI’s [Model Principles for Labeling Compostable Products](#)

# Conclusion



Expanding access to composting infrastructure is essential to achieving a circular economy for food and packaging in the United States. Compostable packaging, when paired with robust collection systems, clear labeling, and well-designed acceptance criteria, strengthens organics recovery and improves the quality and efficiency of composting operations. Yet these benefits can only be realized when supported by thoughtful policy frameworks that address infrastructure needs, create consistent standards, and enable the diversion of food scraps at scale.

State and federal grants, extended producer responsibility programs, procurement requirements, local ordinances, and clear labeling laws all play complementary roles in building a resilient organics management system. Together, these tools can expand processing capacity, reduce contamination, support end markets for compost, and ensure that compostable packaging is used where it delivers meaningful value.

As more states adopt food-waste diversion mandates and invest in composting systems, momentum is growing. Continued collaboration among policymakers, composters, packaging producers, and community stakeholders will be critical to aligning standards, scaling infrastructure, and ensuring that compostable packaging contributes effectively to national climate and materials-management goals.

The U.S. Plastics Pact will continue to monitor evolving policies and provide updated guidance to support this transition. By advancing clear, consistent, and practical policy approaches, the U.S. can build the composting capacity needed to keep food and packaging out of landfills and move closer to a truly circular economy.