

OPTIMIZING EPR THROUGH COMPREHENSIVE NEEDS ASSESSMENTS: A FOCUS ON COMPOSTABLE PACKAGING AND COMPOSTER ENGAGEMENT

WHAT IS EXTENDED PRODUCER RESPONSIBILITY?

To date, four U.S. states—California, Colorado, Maine and Oregon—have adopted Extended Producer Responsibility (EPR) laws for packaging, and several others have established study bills to evaluate EPR. The goal of EPR is to incentivize companies to create packaging that is easier to recycle, process and reuse—whether it be paper, plastics, metals or glass. As part of establishing EPR, state agencies use needs assessments to understand their current waste management challenges and opportunities.

A needs assessment is a study that collects foundational information on a packaging material—such as design, collection and processing—to establish or support recovery goals in a state's EPR plan.

THE LINK BETWEEN EPR AND NEEDS ASSESSMENTS

The data gathered during the needs assessment is critical, as it is applied in cost modeling exercises which then inform the Producer Responsibility Organization (PRO) plan. It is imperative that state needs assessments are comprehensive, capturing data about all viable materials, their collection and processing—whether it be reusable, recyclable or compostable packaging—to ensure the effective use and distribution of EPR funds. The recycling industry has historically struggled to collect plentiful, accurate industry data. That challenge persists as many states begin to undertake their EPR needs assessments for reusable, recyclable and compostable packaging.

An emerging concern of the needs assessment is around data inaccuracy and the potential oversight of less prominent materials, like compostable packaging, due to the relative nascency and market share of the industry.

3 CALLS TO ACTION FOR POLICYMAKERS, REGULATORS AND PRODUCER RESPONSIBILITY ORGANIZATIONS

1. Understand the packaging landscape to prevent unintended consequences.

Though currently a small segment of the market, the compostable packaging industry is expected to grow 16% annually through 2032, 4x faster than traditional plastic packaging.¹ The proliferation of compostable products reflects evolving consumer preferences that favor sustainable packaging.² Likewise, the number of compost facilities in the U.S. that accept some format of compostable packaging according to BioCycle has increased by 2.6x since 2018.^{3,4} **The anticipated growth of compostable packaging entering the market, coupled with the increasing number of composters processing these materials, underscores the importance of a comprehensive needs assessment.** States that apply this thoughtful approach will be better equipped to establish new collection and infrastructure needed to capture these materials, preventing them from landfill, incineration or contaminating the recycling stream.

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2. Optimize the allocation of EPR funding by collaborating with downstream processors, including compost manufacturers (i.e. composters).

The effectiveness of an EPR plan hinges on robust supporting data from the needs assessment. Thus, engaging with composters during the needs assessment is critical.⁵ California and Colorado Advisory Boards have engaged compost industry representatives to advise the PRO throughout the needs assessment process and make recommendations on EPR implementation.

Understanding the compost manufacturer business model increases the likelihood that EPR funds will be distributed for the appropriate use-cases. The funding available for compostable packaging recovery is directly tied to the quantity of such packaging in a state. Given the smaller volume compared to recyclable packaging, optimizing funding usage is crucial for efficient recovery support. **States should inventory composters' collection, capacity, equipment and operating costs to ensure EPR funding is deployed in a way that is both practical and economically viable for all downstream processors.**

3. Establish suitable collection and processing infrastructure to create a resilient EPR plan.

Needs assessments are used to identify gaps and model future scenarios to determine what types of infrastructure improvements are possible, and the level of investment required to achieve that future state. Part of that scenario planning includes identifying which downstream processors meet the stated definition of a “responsible end market.”⁶

In the case of composting, **145 facilities in the U.S. accept and process compostable packaging today.**⁷ Some composters who take compostable materials use depackagers, which are pieces of machinery designed to separate protective packaging from food scraps during processing. Consequently, any packaging that is processed through a depackager ends up in the disposal stream rather than the composting stream, contradicting the principles of EPR. Needs assessments should survey composters to understand machinery capabilities, process flows, and why certain materials are/are not accepted. **Such careful examination will preserve the EPR plan's goals and effectiveness and ensure that compostable packaging is responsibly processed.**

As communities and businesses aim to reduce greenhouse gas emissions and establish food scraps collection programs, **upgrading composting infrastructure to accept new feedstocks—such as food scraps and compostable packaging—will be imperative.** EPR funding can support these infrastructural upgrades and empower states to successfully meet their waste management goals.

The Composting Consortium is a multi-year collaboration across the entire compostable packaging value chain. Our testing and research identifies best practices that advance the recovery of compostable food packaging and food scraps. For more information, visit [the Composting Consortium's homepage](#) or contact **Kate Krebs**, Director of External Affairs at Closed Loop Partners kkrebs@closedlooppartners.com to learn more.

1. Ameripen/PMML Packaging Compass: Evaluating Trends in U.S. Packaging Design Over the Next Decade and Implications for the Future of a Circular Packaging System
2. McKinsey: Sustainability in packaging: US survey insights
3. BioCycle Nationwide Survey on Industrial Food Waste Composting Infrastructure in the U.S.
4. BioCycle 2018 Report: Quantifying Existing Food Waste Composting Infrastructure in the U.S.
5. USCC/BPI: Guiding Principles: Compostables in Extended Producer Responsibility
6. It is important to understand your state-specific definition of a responsible end market, as the definitions may vary.
7. BioCycle Nationwide Survey on Industrial Food Waste Composting Infrastructure in the U.S.