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Reforming Organic Waste Franchise Agreements to Support Community Composting Under SB 1383

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Executive Summary

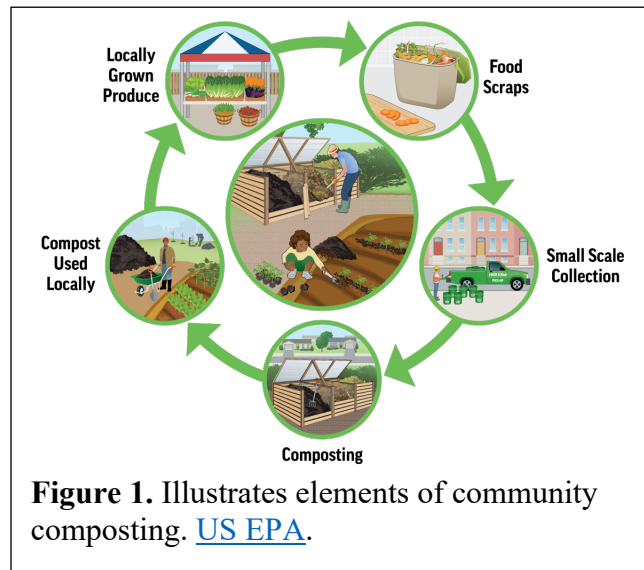
California's SB 1383 addresses methane pollution by requiring jurisdictions to divert organic waste from landfills. To meet the bill's requirements, many jurisdictions signed exclusive franchise agreements with industrial waste haulers to collect garbage, recycling, and organic waste. These agreements inadvertently exclude community composters from collecting organic waste in their communities. Community composters provide desirable environmental, social, and economic outcomes compared to industrial alternatives.

This policy brief recommends that jurisdictions and California reevaluate current waste management agreements, adopt ordinances requiring use of community compost products, establish a "small hauler exemption", and create a certification scheme for community composters.

Background

[SB 1383](#), passed in 2016, addresses methane pollution and other short-lived climate pollutants by mandating 75% of organic waste to be diverted from landfills by 2025. Organic waste comprises 20% of the state's methane emissions, a greenhouse gas 84 times more potent than carbon dioxide. When organic waste decomposes in oxygen deprived environments, like trash bags, it produces methane which can be released into the atmosphere. Composting helps prevent the production of methane while simultaneously creating a nutrient rich product for soils.

Many jurisdictions have exclusive franchise agreements with waste collection services to collect garbage, recycling, and organic waste. Exclusive franchise agreements give industry waste haulers,



like Waste Management (WM) and Recology the exclusive right to all waste streams within the jurisdiction. This has led to the monopolization of waste collection both in California and nationwide, with [60% of the US collection market controlled by 4 companies](#).

Community composting involves collecting organic waste from neighborhood sources, engaging residents in the process, and applying the resulting compost to nearby gardens and landscapes. Community composters are characterized by their locally focused operations and emphasis on public engagement. It can occur in rural, suburban, and urban spaces, with many sites located on public lands, community gardens, or schools. Community composting is vital to the organic waste sector as they fill in the gaps that state and industrial composting facilities leave, increasing capacity for organic waste processing.

Under [AB 1826](#), jurisdictions (defined as city, county, a city and county, or a special district) are required to provide organic waste collection to all residents and businesses. Additionally, SB 1383 requires jurisdictions to meet procurement targets

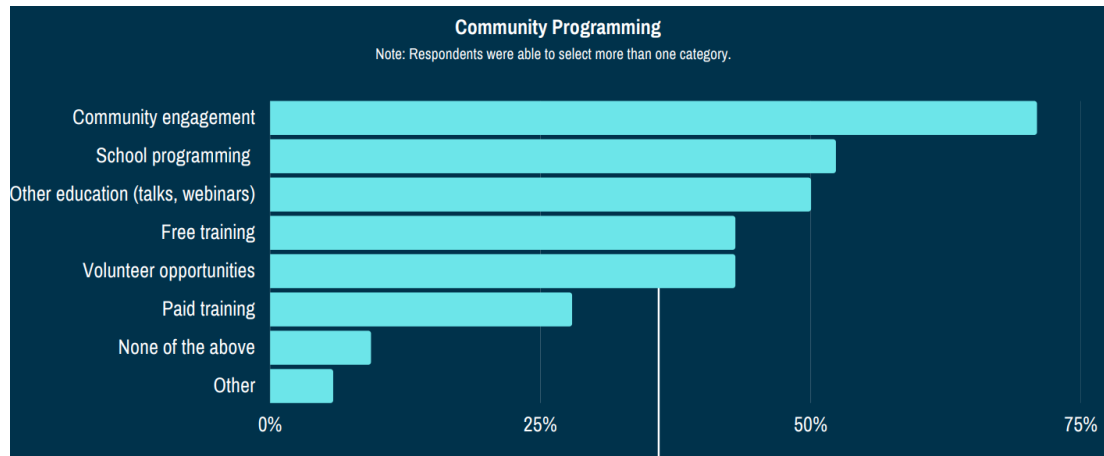


Figure 2. Benefits and opportunities provided by community composters for the public. [2022 Community Compost Census](#)

and report annually on organic waste diversion. [Procurement of recovered organic waste products](#) includes compost, mulch, renewable energy from anaerobic digestion, and electricity from biomass conversion. [AB 2346](#), passed in 2024, allows jurisdictions to count compost produced and procured in the community towards the procurement requirement.

Issue Analysis

When a jurisdiction signs an exclusive franchise agreement, the contractor has the exclusive right to collect, transport, and manage all the waste generated in the jurisdiction. Therefore, it would be in violation of the agreement for community composters to collect organic waste, even if those customers prefer to work with a local composter. Many of the waste haulers combined garbage, recycling, and organic waste collection fees into one package, removing the autonomy from residents and businesses to choose how their waste is managed. This waste management structure effectively prevents community composters from operating their previous model of collecting food scraps from restaurants, farmers markets, and other commercial generators.

A [2022 nation-wide community compost census](#) found that collection service fees were the main revenue stream

for community composters. When franchise agreements cut off this revenue by franchising collection, these small and vital community composters face financial collapse.

The small-scale nature of community composting facilities allows for stricter quality control measures, [resulting in lower microplastic concentrations](#) and reduced contamination from herbicides, pesticides, and PFAS compared to industrial composting operations. Compost reduces the need for synthetic fertilizers and reduces soil erosion. Community composting brings a multitude of [benefits](#) to its locality. By processing organic waste close to where it's generated, these operations reduce greenhouse gas emissions from transportation. Community composters can also engage and empower locals by providing green spaces, educational opportunities, engaging youth, and supporting food security (See Figure 2). The buying and selling of compost generates economic activity and job opportunities.

Thus, the regulatory framework designed to expand organic waste diversion is preventing community composter's operations that have proven most effective at delivering environmental quality, community empowerment, and local economic benefits.



Policy Recommendations

SB 1383's goal is to reduce methane emissions and promote organic waste recycling. Community composters have been achieving these goals with great success and better outcomes compared to industrial alternatives. The short time frame and little funding for SB 1383 compliance led to jurisdictions to inadvertently eliminate community composter's operations. The exclusive franchise agreement structure undermines many of California's climate and justice goals in favor of administrative convenience and compliance certainty. Community composters need to be protected from exclusion in these agreements and recognized as valuable partners in organic waste management.

Jurisdictions should consider:

- **Reevaluating their current waste management agreements** to ensure inclusion of community composter provisions in all new and renewed franchise agreements.
- **Adopting ordinances** requiring municipal projects to procure a defined percentage of compost from qualified community composters.

The California state government should consider:

- **Establishing a "small hauler exemption"** that allows community composters operating below defined thresholds to collect organic waste from willing commercial and residential customers, regardless of existing franchise agreements.
- **Creating a certification scheme** for community composters to ensure procurement and reporting standards are followed. The certification scheme should define eligibility criteria, establish operation and quality standards, and include community education requirements.

Further Reading

[A Policy Guide to Preserving Critical Community Composting in California](#)

[2022 Community Composter Census](#)

[How California boosted composting but broke local composters in the process](#)

[Analysis of the Progress Toward the SB 1383 Waste Reduction Goals](#)

Authorship

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