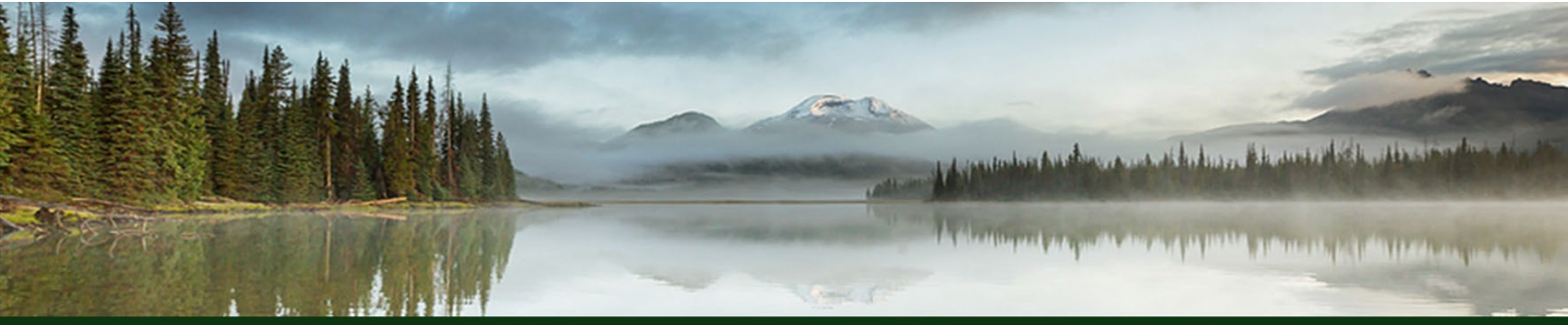

Fact Sheet

Food Waste Processing Grant – Guidance Document and Frequently Asked Questions

The purpose of the Food Waste Processing Grant is to support projects that expand food waste processing capacity and reduce the amount of food waste sent to landfills. Increasing recovery of food waste helps lower greenhouse gas emissions and supports Oregon's climate and materials management goals.

Note: This document will be updated for additional clarity as needed. **Last updated Oct. 1, 2026**

Project timeline

What are the key dates?

Application period:

Sept. 30 – Nov. 30, 2026

Evaluation period:

Dec. 1 – Dec. 30, 2026

Award period:

Early 2027

Grant period:

April 1, 2027 – April 6, 2029

All funded projects must be fully implemented and completed no later than April 6, 2029.

All dates continue to be subject to change and DEQ will communicate any further changes. Updated materials will be available on the Food Waste Processing Grant web page. Please send any questions to: foodwastegrants@deq.oregon.gov.

Funding and eligibility

Who can apply

Small-scale projects:

- Local governments
- Tribes
- Nonprofits
- For-profit businesses
- Community organizations
- Academic Institutions

Large-scale projects:

- DEQ-permitted composting facilities that already accept food waste
- Existing DEQ-permitted composting facilities seeking to begin accepting food waste
- Newly proposed DEQ-permitted composting facilities that will accept food waste
- Tribal composting facilities

**note: composting facilities includes anaerobic digesters, waste-water treatment plants, and transfer stations/MRFs.

More info about eligible facility and entity types for large-scale grants

- Existing waste or recycling facilities that do not currently process food waste, but whose proposed project meets the objectives of the grant by increasing food waste processing capacity are eligible to apply.
- An existing facility that currently manages or processes waste and recycling may apply for funding to develop food-waste-specific processing capabilities. To be eligible, the proposed improvements must support the facility's ability to handle dedicated food waste streams and position it to pursue future food-waste processing contracts.
- Existing DEQ-permitted composting facilities are eligible to apply if they seek to accept food waste. If allowable by jurisdictional zoning requirements, the facility must work with DEQ as, in most cases, accepting food waste requires a permit modification.
- Facilities located outside of Oregon may be eligible applicants, provided the project demonstrably increases the recovery of Oregon-generated food waste that would otherwise be disposed of in Oregon landfills. These facilities must also demonstrate compliance with local jurisdiction and state permitting requirements.

Grant size

- **Small-scale grants:** Minimum $50,000 - not to exceed $249,999
- **Large-scale grants:** Minimum $50,000 – not to exceed $2,000,000 (see notes below)
    - To promote broad and equitable distribution of program benefits across Oregon and maximize the impact of available funding, Oregon DEQ expects individual funding requests to generally not exceed $2 million. Applicants should limit funding requests to $2 million or less and must provide specific, detailed justification for any request exceeding that amount.
    - DEQ reserves the discretion to make awards exceeding $2 million when it determines that a higher award would advance program objectives, maximize program benefits, or otherwise represent an appropriate use of available funds. The $2 million amount is therefore an expected award threshold and does not constitute an absolute funding cap.

Applying for multiple grants

- DEQ will accept one application per applicant, per facility location (companies that operate multiple facilities must apply for separate grants for each individual facility).
- Projects must be unique and not overlapping. Federal funding for the same output cannot stack with other sources of federal funding to demonstrate the reduction of Greenhouses Gases. Separate projects can have funding from the same federal source as long as reported GHG reductions are not dependent on each other and each meet program qualifications.

Partnerships

- Partnerships with local governments and other partners are encouraged to demonstrate support and feasibility of projects.
- DEQ will consider end-market availability and capacity as part of its evaluation. Applicants are expected to understand their local end markets and to demonstrate in their application that a viable and sufficient market exists for the finished compost their project will produce.

Eligible expenses

- **All projects**
    - Not allowable:
        - **Food waste prevention** is not eligible for funding under this grant. While DEQ strongly supports food waste prevention efforts, the focus of this grant is on reducing GHGs through expanding food waste processing capacity.

        - **Food waste collection service** is not eligible under this funding opportunity. Funding is limited to expanding food waste processing capacity and compost procurement, as described above. See note below for exceptions related to Small-Scale Projects only.
    - Allowable or may be allowable:
        - **Non-traditional methods such as vermicomposting or insect farming** may be eligible if they increase food waste processing capacity. Insect farming must be driven by food-waste feedstock only. Trench composting is not an eligible method.
        -

- **Small-scale projects**
    - Allowable or may be allowable:
        - **Compost procurement and land application** tied to local food production and/or regenerative agriculture is an eligible expense for the Small-scale Composting Projects. However, all projects must also demonstrate an increase in amount of food waste recovered.
        - **Standalone food waste collection service** is not eligible under this funding opportunity. Funding is limited to expanding food waste processing capacity and compost procurement, as described above. However, applicants can propose limited budget to pay for collection service fees related to collection service if it is integral to carrying out the project.

Cost-effectiveness evaluation

- Cost-effectiveness will be evaluated, including calculating the grant cost per ton of additional food waste processing capacity created by the proposed project. This metric will help DEQ assess the relative efficiency and impact of proposed projects.

Methane mitigation/GHG reduction evaluation

- Applicants must provide baseline food waste processing capacity, proposed increases, and site-specific information such as waste characteristics and processing methods. After project implementation, DEQ will calculate greenhouse gas reductions using the Waste Impact Calculator. Applicants are not required to calculate their own GHG reductions.

Participant support costs (PSCs) vs subawards

Applicants must propose projects as either a participant support cost (PSC) or subgrant.

- **Participant Support Costs** are one-time rebates or subsidies to purchase climate pollution reduction equipment and installation costs. PSCs do not include staffing or overhead. PSCs are paid

out one-time, upon project completion. Many federal regulations outlined in 2 CFR 200 do not apply to PSCs, such as Davis-Bacon and Related Acts (DBRA). Notably, Build America, Buy America and 2 CFR 200.404 **do** apply to PSCs.

- **Subgrants** are a funding mechanism whereby regulations outlined in 2 CFR 200 flow down to these subgrantees, including DBRA. Subgrants also allow for a more comprehensive funding of projects, including staffing, overhead, and monitoring, and can be invoiced on a quarterly or monthly basis.
    - Staff time working directly on the project is an allowable expense under the **sub-grant mechanism**, in line with 2 CFR 200.405. However, scoring for large scale projects will include cost effectiveness for GHG reduction from increasing food waste processing. **High staffing costs may reduce cost effectiveness.**
    - **Indirect cost rate** (ICR) is only **allowable for subgrants (not PSCs) and is** 15% of staff and fringe. If an organization has a different pre-negotiated ICR with the federal government, that rate will be honored, in line with 2 CFR 200.414. Indirect costs are expenses incurred for common or joint purposes that cannot be readily assigned to a specific federal award, typically categorized as Facilities or Administration. Applicants should include ICRs in the proposed project budget.

Federal requirements

DEQ holds the EPA Small Project General Applicability Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act (BABA), which waives BABA requirements for projects less than $250,000. All projects over $249,999 must comply with BABA.

Applicants should consult the following resources on BABA:

- Build America, Buy America (BABA) EPA Programs | US EPA
- Office of Air and Radiation Climate Pollution Reduction Grants Program BABA FAQs
- M-24-02 Buy America
- EPA Small Project General Applicability Waiver of BABA

Contact

FoodWasteGrants@deq.oregon.gov

Non-discrimination statement

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